

**SUNSET ADVISORY COMMISSION**

**Summary of the Final Report  
to the  
Governor of Texas  
and  
Members of the Sixty-eighth Texas Legislature**

**January 1983**



STATE OF TEXAS  
SUNSET ADVISORY COMMISSION



Senator Ed Howard, Chairman

Sen. Ike Harris  
Sen. Kent Caperton  
Sen. Bill Sarpallus  
Mr. Vernon A. McGee, Public Member

January 1983

Representative Charles Evans, Vice Chairman

Rep. Elton Bomer  
Rep. Ernestine Glossbrenner  
Rep. Gary Thompson  
Ms. Carol Barger, Public Member

The Honorable Mark White  
Governor of Texas

Honorable Members of the Sixty-eighth Legislature  
Assembled in Regular Session

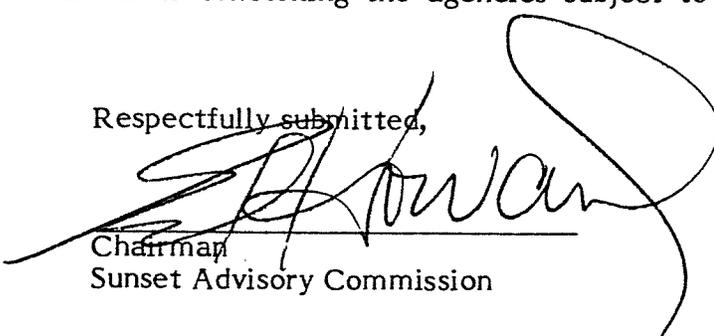
Ladies and Gentlemen:

The Sunset Advisory Commission, established in 1975 by the Sixty-fifth Legislature, is directed by statute to: 1) review and evaluate the performance of specified agencies; 2) recommend the abolition or continuation of these agencies; 3) propose needed statutory changes or management improvements to the operations of the agency; and 4) recommend legislation necessary to implement any proposed changes.

Between August of 1981 and December of 1982, the members of the Commission have worked to develop recommendations for the 32 agencies currently scheduled to terminate, unless continued by this Sixty-eighth Legislature. During this period of some 17 months, the Commission scheduled 13 public hearings for the purposes of finalizing its decisions. The amount of time and effort expended by the Commission was well justified. The nature of the agencies under review is substantially different from those reviewed in the past, both in terms of size and in the complexity of their regulation or service delivery. The manner in which these agencies are finally dealt with by the legislature will be a true test of the sunset process.

The members of the Sunset Advisory Commission are pleased to forward to you their findings and recommendations in this report. As with any undertaking, the Commission has not been unanimous in its decisions concerning all the agencies covered in the report, but it does represent the affirmative approval of a majority of the members of the commission. We are hopeful you will find this report informative and useful to the final decisions concerning the agencies subject to termination.

Respectfully submitted,

  
Chairman  
Sunset Advisory Commission



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## INTRODUCTION



## INTRODUCTION

Over the past several years, there has been a sustained interest among the states in a new concept in legislative review popularly described as Sunset. Since 1976, more than half the states have enacted legislation which embodies the primary element of Sunset, the automatic termination of an agency unless continued by specific action of the legislature.

The acceptance of this concept has been aided by a general agreement that unless legislative bodies are forced to act, no systematic review will be directed toward the efficiency and effectiveness with which governmental programs are carried out. The Sunset process is, then, an attempt to institutionalize change and to provide a process by which this can be accomplished on a regular systematic basis.

A variety of approaches to the basic Sunset concept have been enacted into law by different states, including one shot reviews of all agencies, staggered review of designated agencies over a defined time period, reviews that allow the reviewing body to determine the time periods and agencies, and reviews that are directed not to agencies but to selected functional groupings of state services.

The Sunset process and approach finally adopted by Texas was developed around concepts proposed by the Constitutional Convention in 1974 and the Joint Advisory Committee on Government Operations in 1976. Under the Texas Sunset Act, 177 state agencies and advisory committees were originally scheduled for review or automatic termination at biennial intervals from 1979 to 1989. Under the provisions of the Act, agencies created after the effective date of the original Sunset Act are automatically scheduled for termination 12 years after their creation. To assist the legislature in its decision to continue or abolish an agency, the Act provides for a Sunset Advisory Commission. Membership of the commission consists of four members of the House of Representatives and one public member, who are appointed by the Speaker of the House, and of four members of the Senate and one public member, who are appointed by the Lieutenant Governor. Legislative members serve staggered four-year terms and public members serve two-year terms. The chairmanship and vice-chairmanship alternate every two years between the two membership groups appointed by the Speaker of the House and the Lieutenant Governor, each of whom designates the presiding officer from his respective appointees. The commission is authorized to appoint a director and to employ sufficient staff to discharge its responsibilities in regard to agency reviews. The Sunset Advisory Commission is responsible for recommending to the legislature whether the agencies under review and their functions should be abolished or continued in some form.

The process of arriving at commission recommendations moves through four distinct phases beginning with an agency self-evaluation report to the commission. The second phase involves the preparation of an evaluation report by the staff of the Commission. The third phase involves a public hearing at which the information contained in the reports and testimony by the public is considered. The final phase is the determination by the Commission of its recommendations to this legislature.

To date the Commission has reviewed 86 agencies. Actions taken by the Sixty-sixth and Sixty-seventh Legislatures, under the sunset process, have been positive in terms of incorporating the concept into the existing legislative process.

This report to the Sixty-eighth Legislature contains the Sunset Advisory Commission's recommendations concerning the 32 agencies under review for 1983. As with the Commission's recommendations to prior legislatures, this report is intended to serve as a starting point for legislative deliberations on this group of agencies. In developing recommendations on these agencies, the Commission held 13 public hearings from August 1981 through December 1982.

As with all agencies reviewed by the Commission, certain standards developed during the past reviews have been applied to the agencies currently under review. These standards have been developed to address common problems that can be categorized as a lack of public representation on the various boards or commissions, the lack of responsiveness to complaints by the public, lack of responsive enforcement powers and the avoidance of legislative review of expenditures through the appropriations process. The recommended approaches to these overall problems are set out and briefly explained below:

## **ACROSS-THE-BOARD RECOMMENDATIONS BY CATEGORY**

### **Recommendation/Justification**

#### **I. ADMINISTRATION**

1. Require public membership on boards and commissions.

Several of the licensing agencies do not have public members on their boards. The primary purpose of a licensing agency is to protect the health, welfare and safety of the public. However, boards made up solely from members of the regulated profession may not respond adequately to broad public interests because of the conflicting business interests of board members. This potential conflict can be addressed by giving the general public a direct voice in the regulatory process through representation on the board.

2. Require specific provisions relating to conflicts of interest.

Because of the nature of occupational regulation, licensing agencies often develop close ties with professional trade organizations which may not be in the general interest of the public. To help insure that the public benefit is addressed by these agencies, conflict-of-interest provisions are necessary to keep the regulated profession and the regulating agency at arm's length.

3. A person registered as a lobbyist under Article 6252-9c, V.A.C.S., may not act as general counsel to the board or serve as a member of the board.

Apparent conflicts of interest resulting from the dual performance of agency and lobby related activities by board members and board counsel are prohibited by this guideline.

4. Appointment to the board shall be made without regard to race, creed, sex, religion, or national origin of the appointee.

It is essential that state agencies be fair and impartial in their operations. The achievement of this goal is aided by the existence of policy-making boards whose appointees have been chosen on the basis of impartial and unbiased standards.

5. (a) Per diem to be set by legislative appropriation.

The per diem rate to be paid to the board members of many licensing agencies is set in the individual statutes for the agencies. With the passage of time, these fixed rates can become obsolete or unrealistic with respect to the changing cost of living, the responsibilities of the board members, or the per diem rates paid to board members of other agencies. This approach provides a ready means for consistently considering board member per diem rates and making necessary adjustments.

6. Specification of grounds for removal of a board member.

Several of the preceding across-the-board provisions set out appointment requirements for board members (e.g., conflict-of-interest requirements). This provision specifies directly that it is grounds for removal of a board member if these requirements are not met. In addition, the provision clarifies that if grounds for removal exist, the board's actions taken during the existence of these grounds are still valid.

7. The agency shall comply with the Open Meetings Act and the Administrative Procedure and Texas Register Act.

By bringing appropriate agencies under the purview of the Open Meetings Act and the Administrative Procedure and Texas Register Act, the public is afforded increased information and access to state agencies and insured of uniform, impartial treatment.

8. The board shall make annual written reports to the governor and the legislature accounting for all receipts and disbursements made under its statute.

Increased legislative overview of agency fiscal activities is provided for through the requirement of annual reports of all agency receipts and disbursements.

9. Require the board to establish skill-oriented career ladders.

This recommendation would help enhance career mobility within the agency.

10. Require a system of merit pay based on documented employee performance.

This recommendation would create a framework for rewarding outstanding performance by agency employees.

11. The state auditor shall audit the financial transactions of the board during each fiscal year.

Fiscal or other problems in agency management often are first apparent in the financial records of an agency. This provision is aimed at uncovering any such problems in a systematic fashion and insuring the continuing financial accountability of the agency.

12. Provide for notification and information to the public concerning board activities.

The sunset review has shown that the public is often unaware of the regulatory activities of licensing agencies. Consequently, the effectiveness of licensing agencies in serving the general public may be limited. To help insure public access to the services of licensing agencies, steps should be taken to provide information on their services to the general public.

13. Require the legislative review of agency expenditures through the appropriation process.

Various licensing agencies are not subject to legislative control through the appropriation process of the state. This lack of fiscal control by the legislature severely weakens the accountability of those agencies to the legislature and, ultimately, the public at large. By bringing these "independent" agencies within the appropriations process, the legislature and the public could be assured of: 1) full accountability for all state funds on a uniform basis for all agencies; 2) periodic review by the Governor's Budget Office, the Legislative Budget Board, and the legislature; and 3) increased efficiency of state operations through implementation of uniform budgeting, accounting, reporting, and personnel policies.

## II. LICENSING

1. Require standard time frames for licensees who are delinquent in renewal of licenses.

Variations occur among licensing agencies in requirements concerning the number of days a license renewal may be delinquent before penalties are brought into effect. This provision is aimed at insuring comparable treatment for all licenses, regardless of their regulated profession.

2. A person taking an examination shall be notified of the results of the examination within a reasonable time of the testing date.

This provision insures the timely reporting of examination results. The timely notification is important to those persons whose future plans are contingent on their examination scores.

3. Provide an analysis, on request, to individuals failing the examination.

This provision insures that examinees are informed of the reasons for examination failure. Such knowledge serves to protect the examinee from arbitrary restrictions, as well as protecting the public by insuring that deficiencies are adequately addressed and corrected before reexamination.

4. (a) Authorize agencies to set fees.

In the case of many licensing agencies, various licensing fees are fixed in the agency's statute. With the passage of time, these fixed fees often do not continue to generate sufficient revenues to make the agency "self-supporting" or to provide a realistic contribution to the overall financing of agency operations. This provision would permit agencies to set reasonable fees, thereby providing agencies with the flexibility to keep revenues in line with the changing cost of operations.

- (b) Authorize agencies to set fees up to a certain limit.

This recommendation would allow the agency the flexibility to adjust fees when necessary within their statutory limit without having to come back to the legislature. Setting the fees in the statute insures against the agency charging an exorbitant rate.

5. Require licensing disqualifications to be: 1) easily determined and 2) currently existing conditions.

The statutes of many licensing agencies contain licensing disqualifiers which are vague and hard to define (such as the requirement that licensees be of "good moral character"). In addition, many provisions can permanently disqualify a person for licensure even though the disqualifying condition (such as drug addiction) is corrected. This across-the-board approach has been applied on a case-by-case basis in an effort to eliminate such vague and inequitable disqualifying provisions.

6. (a) Provide for licensing by endorsement rather than reciprocity.

A policy of licensure by endorsement provides for the licensing of any out-of-state applicant by Texas without examination if the applicant is licensed by a state which possess licensing requirements substantially equivalent to, or more stringent than, Texas' requirements. The endorsement policy protects the public interest, imposes uniform requirements on all applicants, and spares the already-licensed practitioner the cost and time required in "retaking" an examination previously passed in another state.

- (b) Provide for licensing by reciprocity rather than endorsement.

In a reciprocal licensing agreement, Texas and other states agree to allow a licensee to change states and receive a new license without the need to retake a licensing examination. This insures equal treatment for all out of state licensees and spares the already licensed practitioner the cost and time required in retaking an examination previously passed in another state.

7. Authorize the staggered renewal of licenses.

This type of provision encourages the periodic renewal of licenses rather than requiring the renewal of all licenses at one particular time each year. The staggering procedure improves the efficient utilization of agency personnel by establishing a uniform workload throughout the year and eliminating backlogs in licensing efforts and the need for seasonal employees.

### III. ENFORCEMENT

1. Authorize agencies to use a full range of penalties.

As a general principle, an agency's range of penalties should be able to conform to the seriousness of the offenses presented to it. However, in many cases, licensing agencies are not given a sufficient range of penalties. This provision is intended to insure that appropriate sanctions for offenses are available to an agency.

2. Require files to be maintained on complaints.

The sunset review process has shown that complete and adequate complaint files are not maintained by some agencies. This situation has increased the time involved in resolving complaints and limited the agencies' ability to protect the consuming public. The suggested approach would serve to lessen the problem by insuring that, at a minimum, files be developed and maintained on all complaints.

3. Require that all parties to formal complaints be periodically informed in writing as to the status of the complaint.

This provision insures that all parties to a complaint are made aware of the status of the complaint and are provided with current information regarding the substance of the complaint as well as agency policies and procedures pertaining to complaint investigation and resolution.

4. Specification of board hearing requirements.

The statutes of varying licensing agencies contain board hearing provisions which parallel or were suspended by the provisions enacted in the Administrative Procedure and Texas Register Act. This across-the-board approach is a "clean-up" provision which directly specifies that a person refused licensure or sanctioned by a board is entitled to a hearing before the board, and that such proceedings are governed by the Administrative Procedure Act.

### IV. PRACTICE

1. Revise restrictive rules or statutes to allow advertising and competitive bidding practices which are not deceptive or misleading.

The rules of licensing agencies can be used to restrict competition by limiting advertising and competitive bidding by licensees. Such a restriction limits public access to information regarding professional services and hampers the

consumer's efforts to shop for "a best buy". Elimination of these rules or statutes restores a degree of free competition to the regulated area to the benefit of the consumer.

2. The board shall adopt a system of voluntary continuing education on an annual basis. (optional)

This provision was applied on a case-by-case basis. It was determined that, with respect to certain professions, proper protection of the public was dependent on practitioners having a working knowledge of recent developments and techniques used in their trades. The continuing education requirement provides one proven means of ensuring such upgrading.



## AGENCY SUMMARIES



**BUSINESS AND PROFESSIONAL AGENCIES**

*Council for Social Work Certification*

*Texas Committee on the Purchases of Products and Services  
of the Blind and Severely Disabled Persons*

*Texas Commission on Law Enforcement Officer  
Standards and Education*

*Texas Department of Community Affairs*

*Texas Industrial Commission*

*Industrial Accident Board*

*Texas Employment Commission*



**COUNCIL FOR SOCIAL WORK CERTIFICATION**



## SUMMARY

The Council for Social Work Certification was created by the 67th Legislature and has been in operation since September 1, 1981. The council is responsible for advising the Department of Human Resources (DHR) on the certification and regulation of social workers in the state. The results of the review indicated that the operations associated with the regulation of social workers have generally been conducted in an efficient and effective manner. The review also examined the need for the council's function and determined that there is a need to continue the regulation of social workers.

The review included an analysis of the need to continue this function in its current organizational setting. The results of the analysis indicated that there were no substantial benefits to be gained from a transfer or merger with another state agency. The review also indicated that if the agency is continued, several modifications should be made which would improve the efficiency and effectiveness of agency operations.

### Sunset Commission Recommendations

#### ***MAINTAIN THE AGENCY WITH MODIFICATIONS***

##### • Agency Operations

###### **Overall Administration**

1. Amend the statute to clarify that members of the advisory council shall be reimbursed for travel expenses at the same rate as state employees. (statutory)

###### **Evaluation of Programs**

2. Amend the statute to allow for work experience to be substituted for current social work degree requirements for persons seeking to be licensed as a "certified social worker" or "social worker." After 1985 this substitution would be eliminated. (statutory)
3. Amend the statute so that the current level of social work associate is not discontinued. (statutory)
4. Amend the statute so that the agency will be subject to sunset review in 1987. (statutory)

• **Other Sunset Criteria**

**Open Meeting/Open Records**

5. The statutory language which states that all records related to social work certification are privileged should be eliminated so that these records are treated in a fashion similar to those of other licensing agencies. (statutory)

**Conflicts of Interest**

6. The council should contact the Office of the Secretary of State to determine whether its members are among those state officials required to file financial disclosure statements in certain circumstances. (management improvement - non-statutory)

**COUNCIL FOR SOCIAL WORK CERTIFICATION**

Applied	Modified	Not Applied	Across-the-Board Recommendations
			<b>A. ADMINISTRATION</b>
	X	*	1. Require public membership on boards and commissions.
	X		2. Require specific provisions relating to conflicts of interest.
		*	3. A person registered as a lobbyist under Article 6252-9c, V.A.C.S., may not act as general counsel to the board or serve as a member of the board.
		X	4. Appointment to the board shall be made without regard to race, creed, sex, religion, or national origin of the appointee.
X			5. Per diem to be set by legislative appropriation.
X			6. Specification of grounds for removal of a board member.
		X	7. The agency shall comply with the Open Meetings Act, and the Administrative Procedure and Texas Register Act.
		X	8. The board shall make annual written reports to the governor and the legislature accounting for all receipts and disbursements made under its statute.
		X	9. Require the board to establish skill oriented career ladders.
		X	10. Require a system of merit pay based on documented employee performance.
		X	11. The state auditor shall audit the financial transactions of the board during each fiscal period.
X			12. Provide for notification and information to the public concerning board activities.
		X	13. Require the legislative review of agency expenditures through the appropriation process.

\*Already in statute or required.

**Council for Social Work Certification**  
(continued)

Applied	Modified	Not Applied	Across-the-Board Recommendations
			<b>B. LICENSING</b>
X			1. Require standard time frames for licensees who are delinquent in renewal of licenses.
X			2. A person taking an examination shall be notified of the results of the examination within a reasonable time of the testing date.
		*	3. Provide an analysis, on request, to individuals failing the examination.
		*	4. (a) Authorize agencies to set fees.
		X	(b) Authorize agencies to set fees up to a certain limit.
		X	5. Require licensing disqualifications to be: 1) easily determined, and 2) currently existing conditions.
X			6. (a) Provide for licensing by endorsement rather than reciprocity.
			(b) Provide for licensing by reciprocity rather than endorsement.
		*	7. Authorize the staggered renewal of licenses.
			<b>C. ENFORCEMENT</b>
X			1. Authorize agencies to use a full range of penalties.
		*	2. Require files to be maintained on complaints.
		*	3. Require that all parties to formal complaints be periodically informed in writing as to the status of the complaint.
		*	4. Specification of board hearing requirements.
			<b>D. PRACTICE</b>
X			1. Revise restrictive rules or statutes to allow advertising and competitive bidding practices which are not deceptive or misleading.
X			2. The board shall adopt a system of voluntary continuing education.

\*Already in statute or required.

**TEXAS COMMITTEE ON THE PURCHASES OF PRODUCTS AND SERVICES  
OF THE BLIND AND SEVERELY DISABLED PERSONS**



## SUMMARY

The Texas Committee on the Purchases of Products and Services of the Blind and Severely Disabled was established in 1975. Currently, the committee has three basic functions: 1) determining the fair market value of all products and services manufactured or provided by blind or other severely disabled persons and offered for sale to the various state agencies; 2) establishing rules regarding designation of a central non-profit agency to facilitate distribution of orders among agencies serving blind or severely disabled persons; and 3) establishing rules regarding all other matters related to the state's uses of the products and services of blind and severely disabled persons.

The results of the review indicated that the operations of the agency have generally been conducted in an efficient and effective manner. The review also indicated that there is a continuing need for the committee to encourage the development of productive employment opportunities for the blind and disabled as in the "set aside" functions of the committee. However, if the committee is continued, several modifications should be made which would improve the efficiency and effectiveness of the agency's operation.

### Sunset Commission Recommendations

#### ***MAINTAIN THE AGENCY WITH MODIFICATIONS***

##### • Agency Operations

###### **Policy-making Structure**

1. The statute should be amended to eliminate the unnecessary categories of membership, thus reducing the membership of the committee from 12 to 9. These categories are: 1) a representative of a volunteer organization serving non-visually handicapped persons; 2) a representative of a Texas institution of higher education offering an advanced degree in vocational rehabilitation counseling; and 3) a representative of a state agency or department purchasing goods or services from the program. (statutory)

###### **Evaluation of Programs**

2. The Commission for the Blind should be designated as the paying agent for member compensation, with the Texas Rehabilitation Commission, the Texas Department of Mental Health and Mental

Retardation, and the Commission for the Blind sharing these costs equally. (statutory)

3. The statute should be amended to require the committee to prepare and file an annual report which documents the activities of the committee. (statutory)
4. The statute should be amended to establish a standard procedure to determine the necessary finances and objectives of the non-profit agency based on a budget request prepared by the non-profit agency in conjunction with the management of the workshops and submitted to the committee for approval. (statutory)
5. The statute should be amended to designate the Commission for the Blind as the depository for all records concerning the operations of the committee. (statutory)
6. The statute should be amended to establish, on a permanent basis, a subcommittee to review the data used for fair market price determination and to make recommendations to the committee concerning the fair market price. (statutory)
7. To comply with the statute, committee members should be compensated for their actual and necessary expenses when engaged in committee business. (management improvement - non-statutory)

• **Other Sunset Criteria**

**Open Meetings/Open Records**

8. The committee should contact the Office of the Secretary of State to arrange for the posting of all meetings under the committee's name in order to comply with the Open Meetings Act. (management improvement - non-statutory)
9. The committee should contact the Office of the Secretary of State to take necessary steps to ensure that the committee is included in the Texas Register Annual Index. (management improvement - non-statutory)

**Conflicts of Interest**

10. The committee should contact the Office of the Secretary of State to determine if members need to file a financial disclosure statement and take appropriate action. (management improvement - non-statutory)

**TEXAS COMMITTEE ON PURCHASES AND SERVICES  
OF BLIND AND SEVERELY DISABLED PERSONS**

Applied	Modified	Not Applied	Across-the-Board Recommendations
			<b>A. ADMINISTRATION</b>
		X	1. Require public membership on boards and commissions.
		X	2. Require specific provisions relating to conflicts of interest.
		X	3. A person registered as a lobbyist under Article 6252-9c, V.A.C.S., may not act as general counsel to the board or serve as a member of the board.
X			4. Appointment to the board shall be made without regard to race, creed, sex, religion, or national origin of the appointee.
		X	5. Per diem to be set by legislative appropriation.
X			6. Specification of grounds for removal of a board member.
X			7. The agency shall comply with the Open Meetings Act, and the Administrative Procedure and Texas Register Act.
	X		8. The board shall make annual written reports to the governor and the legislature accounting for all receipts and disbursements made under its statute.
		X	9. Require the board to establish skill oriented career ladders.
		X	10. Require a system of merit pay based on documented employee performance.
		X	11. The state auditor shall audit the financial transactions of the board during each fiscal period.
X			12. Provide for notification and information to the public concerning board activities.
		X	13. Require the legislative review of agency expenditures through the appropriation process.

**Texas Committee on Purchases and Services for Blind  
and Severely Disabled Persons**  
(continued)

Applied	Modified	Not Applied	Across-the-Board Recommendations
			<b>B. LICENSING</b>
		X	1. Require standard time frames for licensees who are delinquent in renewal of licenses.
		X	2. A person taking an examination shall be notified of the results of the examination within a reasonable time of the testing date.
		X	3. Provide an analysis, on request, to individuals failing the examination.
		X	4. (a) Authorize agencies to set fees.
		X	(b) Authorize agencies to set fees up to a certain limit.
		X	5. Require licensing disqualifications to be: 1) easily determined, and 2) currently existing conditions.
		X	6. (a) Provide for licensing by endorsement rather than reciprocity.
		X	(b) Provide for licensing by reciprocity rather than endorsement.
		X	7. Authorize the staggered renewal of licenses.
			<b>C. ENFORCEMENT</b>
		X	1. Authorize agencies to use a full range of penalties.
X			2. Require files to be maintained on complaints.
X			3. Require that all parties to formal complaints be periodically informed in writing as to the status of the complaint.
		X	4. Specification of board hearing requirements.
			<b>D. PRACTICE</b>
		X	1. Revise restrictive rules or statutes to allow advertising and competitive bidding practices which are not deceptive or misleading.
		X	2. The board shall adopt a system of voluntary continuing education.

**TEXAS COMMISSION ON LAW ENFORCEMENT  
OFFICER STANDARDS AND EDUCATION**



## SUMMARY

The Texas Commission on Law Enforcement Officer Standards and Education was established in 1965. The primary functions of the agency are the licensing of peace officers, reserve officers, and jailers; the regulation of schools to train law enforcement officers; and the provision of technical assistance to law enforcement agencies, officers, and training facilities.

The results of the review indicated that the agency is generally operated in an efficient and effective manner. Because of the extraordinary enforcement powers that are allowed commissioned peace officers, and the potential danger to the public if these powers are improperly used, the review identified a continuing need to ensure that peace officers meet certain minimum qualifications.

The review included an analysis of the need to have a separate agency for this purpose and the results of the analysis indicated that there were no substantial benefits to be gained from consolidation or transfer of functions. The review also indicated that if the agency is continued, several modifications should be made which would improve the efficiency and effectiveness of the agency's operations.

### Sunset Commission Recommendations

#### ***MAINTAIN THE AGENCY WITH MODIFICATIONS***

##### • **Agency Operations**

###### **Policy-making Structure**

1. The statute should be amended to change the composition of the membership of the commission to three public members, one licensed jailer, and five licensed law enforcement officers. Licensed members should be currently appointed and have at least five years' continuous experience in law enforcement. The director of the Criminal Justice Division in the Office of the Governor should be added to the existing ex officio membership. (statutory)
2. The statute should be amended to eliminate the requirement that ex officio members vote or be counted in the computation of a quorum. (statutory)

### **Overall Administration**

3. The program structure of the agency should be modified to separate the licensing division from the administration division. (management improvement - non-statutory)
4. The agency should develop written procedures for accounting, purchasing and data processing operations and documentation for computer programs. (management improvement -non-statutory)
5. The agency should cross-train employees to enable replacement of accounting and purchasing personnel during absences. (management improvement - non-statutory)
6. The agency should provide for the security of master file computer back-up tapes by storing them in another building. (management improvement - non-statutory)

### **Evaluation of Programs**

7. The agency should eliminate the licensure qualification requiring a personal interview of the applicant by local law enforcement agencies. (management improvement - non-statutory)
8. The statute should be amended to eliminate licensure under grandfather provisions after August 31, 1984. (statutory)
9. The statute should be amended to prohibit a probationary peace officer or a probationary jailer who failed to complete the required training within the 12-month probationary period from being reappointed for a probationary period. (statutory)
10. The statute should be amended to require that a person pass a statewide examination before receiving the basic proficiency certificate as a peace officer, reserve officer, or jailer. (statutory change)
11. The agency should eliminate the routine on-site audits of academies and should focus future efforts on investigation of complaints or of irregularities in examination results. (management improvement - non-statutory)
12. The statute should be amended to allow the agency to suspend licenses and certificates, to probate the suspensions, and to issue formal reprimands. (statutory)

13. The statute should be amended to provide for exclusive venue in Travis County on appeals of commission administrative orders. (statutory)

• **Other Sunset Criteria**

**Open Meetings/Open Records**

14. The agency should discontinue its practice of holding educational transcripts contained in licensee files confidential. (management improvement - non-statutory)

**Public Participation**

15. The statute should be amended to require advisory boards for all training programs certified by the agency, and to require citizen members on such advisory bodies. (statutory)
16. The statute should be amended to require that the agency hold biennial public hearings. (statutory)
17. The statute should be amended to require that the agency report to the governor and the legislature any findings or recommendations developed pursuant to the public hearings. (statutory)



**COMMISSION ON LAW ENFORCEMENT OFFICER  
STANDARDS AND EDUCATION**

Applied	Modified	Not Applied	Across-the-Board Recommendations
<b>A. ADMINISTRATION</b>			
X			1. Require public membership on boards and commissions.
X			2. Require specific provisions relating to conflicts of interest.
X			3. A person registered as a lobbyist under Article 6252-9c, V.A.C.S., may not act as general counsel to the board or serve as a member of the board.
X			4. Appointment to the board shall be made without regard to race, creed, sex, religion, or national origin of the appointee.
		X	5. Per diem to be set by legislative appropriation.
X			6. Specification of grounds for removal of a board member.
X			7. The agency shall comply with the Open Meetings Act, and the Administrative Procedure and Texas Register Act.
X			8. The board shall make annual written reports to the governor and the legislature accounting for all receipts and disbursements made under its statute.
X			9. Require the board to establish skill oriented career ladders.
X			10. Require a system of merit pay based on documented employee performance.
X			11. The state auditor shall audit the financial transactions of the board during each fiscal period.
	X		12. Provide for notification and information to the public concerning board activities.
		*	13. Require the legislative review of agency expenditures through the appropriation process.

\*Already in statute or required.

**Commission on Law Enforcement Officer  
Standards and Education  
(Continued)**

Applied	Modified	Not Applied	Across-the-Board Recommendations
			<b>B. LICENSING</b>
		X	1. Require standard time frames for licensees who are delinquent in renewal of licenses.
X			2. A person taking an examination shall be notified of the results of the examination within a reasonable time of the testing date.
X			3. Provide an analysis, on request, to individuals failing the examination.
		X	4. (a) Authorize agencies to set fees.
		X	(b) Authorize agencies to set fees up to a certain limit.
		*	5. Require licensing disqualifications to be: 1) easily determined, and 2) currently existing conditions.
		X	6. (a) Provide for licensing by endorsement rather than reciprocity.
		X	(b) Provide for licensing by reciprocity rather than endorsement.
		X	7. Authorize the staggered renewal of licenses.
			<b>C. ENFORCEMENT</b>
X			1. Authorize agencies to use a full range of penalties.
X			2. Require files to be maintained on complaints.
X			3. Require that all parties to formal complaints be periodically informed in writing as to the status of the complaint.
X			4. Specification of board hearing requirements.
			<b>D. PRACTICE</b>
		X	1. Revise restrictive rules or statutes to allow advertising and competitive bidding practices which are not deceptive or misleading.
X			2. The board shall adopt a system of voluntary continuing education.

\*Already in statute or required.

**TEXAS DEPARTMENT OF COMMUNITY AFFAIRS**



## SUMMARY

The Texas Department of Community Affairs was created in 1971. The primary functions of the agency are: 1) delivery of technical assistance services to local governments and other community organizations; and 2) administration of federal and state funds for service delivery at the local level.

The results of the review indicated that the agency generally is operated in an efficient and effective manner. The review also examined the need for each of the agency's functions and determined that there is a continuing need for state involvement in these areas.

### Sunset Commission Recommendations

#### ***MAINTAIN THE AGENCY WITH MODIFICATIONS***

##### ● **Agency Operations**

###### **Policy-making Structure**

1. The statute should be amended to provide that the membership of the Advisory Council on Community Affairs would consist of: three representatives of cities, three representatives of counties, three representatives of other political subdivisions, and three public members; that the members would elect a chairman rather than being chaired by TDCA's executive director; and that members would be appointed from various geographic areas of the state. (statutory)

###### **Evaluation of Programs**

2. When the final regulations governing the Job Training Partnership Act are published early in 1983, the 68th Legislature and the governor should examine them and determine whether the program would be most appropriately placed at TDCA or at the Texas Employment Commission. (management improvement - non-statutory)

##### ● **Other Sunset Criteria**

###### **Public Participation**

3. TDCA should establish general procedural guidelines governing its planning and decision making procedures for the use and allocation of block grant funds. (management improvement - non-statutory)

4. The agency should take steps to ensure that the Prime Sponsor Planning Council of the CETA program contains the federally required members and chairman, and that the council meets at least five times per year as required by CETA regulations. (management improvement - non-statutory)
5. The agency should request that the governor appoint a representative of the CETA-eligible population as a member of the Private Industry Council of the CETA program. (management improvement - non-statutory)

**TEXAS DEPARTMENT OF COMMUNITY AFFAIRS**

Applied	Modified	Not Applied	Across-the-Board Recommendations
			<b>A. ADMINISTRATION</b>
	X		1. Require public membership on boards and commissions.
		X	2. Require specific provisions relating to conflicts of interest.
	X		3. A person registered as a lobbyist under Article 6252-9c, V.A.C.S., may not act as general counsel to the board or serve as a member of the board.
	X		4. Appointment to the board shall be made without regard to race, creed, sex, religion, or national origin of the appointee.
		X	5. Per diem to be set by legislative appropriation.
	X		6. Specification of grounds for removal of a board member.
X			7. The agency shall comply with the Open Meetings Act, and the Administrative Procedure and Texas Register Act.
		*	8. The board shall make annual written reports to the governor and the legislature accounting for all receipts and disbursements made under its statute.
X			9. Require the board to establish skill oriented career ladders.
X			10. Require a system of merit pay based on documented employee performance.
X			11. The state auditor shall audit the financial transactions of the board during each fiscal period.
	X		12. Provide for notification and information to the public concerning board activities.
		*	13. Require the legislative review of agency expenditures through the appropriation process.

\*Already in statute or required.

Texas Department of Community Affairs  
(Continued)

Applied	Modified	Not Applied	Across-the-Board Recommendations
			<b>B. LICENSING</b>
		X	1. Require standard time frames for licensees who are delinquent in renewal of licenses.
		X	2. A person taking an examination shall be notified of the results of the examination within a reasonable time of the testing date.
		X	3. Provide an analysis, on request, to individuals failing the examination.
		X	4. (a) Authorize agencies to set fees.
		X	(b) Authorize agencies to set fees up to a certain limit.
		X	5. Require licensing disqualifications to be: 1) easily determined, and 2) currently existing conditions.
		X	6. (a) Provide for licensing by endorsement rather than reciprocity.
		X	(b) Provide for licensing by reciprocity rather than endorsement.
		X	7. Authorize the staggered renewal of licenses.
			<b>C. ENFORCEMENT</b>
		X	1. Authorize agencies to use a full range of penalties.
	X		2. Require files to be maintained on complaints.
	X		3. Require that all parties to formal complaints be periodically informed in writing as to the status of the complaint.
		X	4. Specification of board hearing requirements.
			<b>D. PRACTICE</b>
		X	1. Revise restrictive rules or statutes to allow advertising and competitive bidding practices which are not deceptive or misleading.
		X	2. The board shall adopt a system of voluntary continuing education.

**TEXAS INDUSTRIAL COMMISSION**



## SUMMARY

The Texas Industrial Commission was created in 1920. The primary functions of the agency can be grouped into five basic areas: 1) providing information to target groups served by the agency; 2) promotional activities designed to attract/-expand/maintain business entities from throughout the state/nation/world; 3) training opportunities provided by and through the commission; 4) loan/bond processing functions; and 5) technical assistance to businesses, individuals and communities throughout the state.

The results of the review indicated that the agency is generally operated in an efficient and effective manner. The review also examined the need for each of the commission's functions and determined that there is a continuing need for state involvement in these areas.

The review included an analysis of the need to continue these functions in their current organizational setting. While the results of the analysis indicated that there were no substantial benefits to be gained from merging the agency with other agencies involved in the economic development processes of the state, such a merger has been considered. The review also indicated that if the agency is continued, several modifications should be made which would improve the efficiency and effectiveness of agency operations.

### Sunset Commission Recommendations

#### ***MAINTAIN THE AGENCY WITH MODIFICATIONS***

##### **• Agency Operations**

###### **Evaluation of Programs**

1. The statute should be amended to authorize the commission to set a reasonable and necessary filing fee with a maximum fee of \$1,500 per issue. (statutory)
2. The agency should develop guidelines which cities could consider when designating economically blighted or depressed areas. (statutory)

##### **• Other Sunset Criteria**

###### **Public Participation**

3. The statute should be amended to require the commission to meet quarterly to assure access by the public. (statutory)

4. The statute should be amended to provide that the chairperson of the Advisory Council on Small Business Assistance be appointed by the governor from the membership of the council. (statutory)
5. The statute should be amended to require the composition of the Advisory Council on Small Business Assistance to be five members who are owners or employees of small businesses, one representative of the financial community, one representative from the insurance field and two public members. (statutory)

**Conflict of Interest**

6. The statute should be amended to ensure that the type of process currently used by the agency to inform commission members and agency personnel of their responsibilities under conflict-of-interest statutes will be continued in the future. (statutory)

**TEXAS INDUSTRIAL COMMISSION**

Applied	Modified	Not Applied	Across-the-Board Recommendations
			<b>A. ADMINISTRATION</b>
	X	*	1. Require public membership on boards and commissions.
X			2. Require specific provisions relating to conflicts of interest.
X			3. A person registered as a lobbyist under Article 6252-9c, V.A.C.S., may not act as general counsel to the board or serve as a member of the board.
X			4. Appointment to the board shall be made without regard to race, creed, sex, religion, or national origin of the appointee.
X			5. Per diem to be set by legislative appropriation.
X			6. Specification of grounds for removal of a board member.
X			7. The agency shall comply with the Open Meetings Act, and the Administrative Procedure and Texas Register Act.
X			8. The board shall make annual written reports to the governor and the legislature accounting for all receipts and disbursements made under its statute.
X			9. Require the board to establish skill oriented career ladders.
X			10. Require a system of merit pay based on documented employee performance.
X			11. The state auditor shall audit the financial transactions of the board during each fiscal period.
X			12. Provide for notification and information to the public concerning board activities.
		*	13. Require the legislative review of agency expenditures through the appropriation process.

\*Already in statute or required.

**Texas Industrial Commission**  
(Continued)

Applied	Modified	Not Applied	Across-the-Board Recommendations
			<b>B. LICENSING</b>
		X	1. Require standard time frames for licensees who are delinquent in renewal of licenses.
		X	2. A person taking an examination shall be notified of the results of the examination within a reasonable time of the testing date.
		X	3. Provide an analysis, on request, to individuals failing the examination.
X			4. (a) Authorize agencies to set fees. (b) Authorize agencies to set fees up to a certain limit.
		X	5. Require licensing disqualifications to be: 1) easily determined, and 2) currently existing conditions.
		X	6. (a) Provide for licensing by endorsement rather than reciprocity.
		X	(b) Provide for licensing by reciprocity rather than endorsement.
		X	7. Authorize the staggered renewal of licenses.
			<b>C. ENFORCEMENT</b>
		X	1. Authorize agencies to use a full range of penalties.
		X	2. Require files to be maintained on complaints.
		X	3. Require that all parties to formal complaints be periodically informed in writing as to the status of the complaint.
		X	4. Specification of board hearing requirements.
			<b>D. PRACTICE</b>
		X	1. Revise restrictive rules or statutes to allow advertising and competitive bidding practices which are not deceptive or misleading.
		X	2. The board shall adopt a system of voluntary continuing education.

**INDUSTRIAL ACCIDENT BOARD**



## SUMMARY

The Industrial Accident Board, created in 1917, is currently active. In administering the Texas Workers' Compensation Law, major functions performed by the agency include: 1) initial processing of all workers' compensation claim files; 2) monitoring all actions relative to reported employee injuries; and 3) effecting settlements of controverted claims. In addition, in 1979 the agency was given responsibility for administration of the newly enacted Crime Victims Compensation Act.

The results of the review showed that the board is generally operated in an efficient and effective manner. It was determined that there is a continuing need to perform the functions of the agency, and that the current organizational setting is appropriate. The review also indicated that if the board is continued, several modifications should be made which would improve the efficiency and effectiveness of its operations.

### Sunset Commission Recommendations

#### ***MAINTAIN THE AGENCY WITH MODIFICATIONS***

##### • Agency Operations

###### Overall Administration

1. The statute should be amended to provide for the coordination, collection and management by the agency of the results of statistical information on worker injuries and costs. (statutory)

###### Evaluation of Programs

###### Initial Processing

2. The statute should be amended to place responsibility for filing notice of worker's compensation coverage with the insurance company, and to provide that the penalty for failure to submit the report when due may be assessed without the necessity of showing "wilful failure or refusal", but with a showing of a pattern of late filings. The maximum penalty should be reduced from \$1,000 to \$500. (statutory)
3. The statute should be amended to require that employers on record with the agency as being covered by worker's compensation insurance notify the board of any name or address changes. (statutory)

### Monitoring

4. The statute should be amended to remove the requirement that "wilful failure or refusal" be proved and to require instead that a pattern of late filings be proved, before an employer can be penalized for failure to report employee injuries to the board within the specified time period; and the maximum penalty should be reduced from \$1,000 to \$500. (statutory)
5. The statute should be amended to require the employer to file the first report of injury with the insurance carrier as well as the board. (statutory)

### Crime Victims Compensation

6. The statute should be amended to modify the funding structure of the agency to include a \$12.50 court cost on convictions of Class A or B misdemeanor convictions and Class C non-traffic and DWI misdemeanor convictions. (statutory)

### • **Other Sunset Criteria**

#### **Conflicts of Interest**

7. The statute should be amended to require the agency to provide new employees a copy of conflict-of-interest provisions. (statutory)

## INDUSTRIAL ACCIDENT BOARD

Applied	Modified	Not Applied	Across-the-Board Recommendations
			<b>A. ADMINISTRATION</b>
		*	1. Require public membership on boards and commissions.
X			2. Require specific provisions relating to conflicts of interest.
X			3. A person registered as a lobbyist under Article 6252-9c, V.A.C.S., may not act as general counsel to the board or serve as a member of the board.
X			4. Appointment to the board shall be made without regard to race, creed, sex, religion, or national origin of the appointee.
		X	5. Per diem to be set by legislative appropriation.
X			6. Specification of grounds for removal of a board member.
	X		7. The agency shall comply with the Open Meetings Act, and the Administrative Procedure and Texas Register Act.
X			8. The board shall make annual written reports to the Governor and the legislature accounting for all receipts and disbursements made under its statute.
X			9. Require the board to establish skill oriented career ladders.
X			10. Require a system of merit pay based on documented employee performance.
X			11. The state auditor shall audit the financial transactions of the board during each fiscal period.
X			12. Provide for notification and information to the public concerning board activities.
		*	13. Require the legislative review of agency expenditures through the appropriation process.

\*Already in statute or required.

**Industrial Accident Board**  
(Continued)

Applied	Modified	Not Applied	Across-the-Board Recommendations
			<b>B. LICENSING</b>
		X	1. Require standard time frames for licensees who are delinquent in renewal of licenses.
		X	2. A person taking an examination shall be notified of the results of the examination within a reasonable time of the testing date.
		X	3. Provide an analysis, on request, to individuals failing the examination.
		X	4. (a) Authorize agencies to set fees. (b) Authorize agencies to set fees up to a certain limit.
		X	5. Require licensing disqualifications to be: 1) easily determined, and 2) currently existing conditions.
		X	6. (a) Provide for licensing by endorsement rather than reciprocity. (b) Provide for licensing by reciprocity rather than endorsement.
		X	7. Authorize the staggered renewal of licenses.
			<b>C. ENFORCEMENT</b>
		X	1. Authorize agencies to use a full range of penalties.
	X		2. Require files to be maintained on complaints.
	X		3. Require that all parties to formal complaints be periodically informed in writing as to the status of the complaint.
		X	4. Specification of board hearing requirements.
			<b>D. PRACTICE</b>
		X	1. Revise restrictive rules or statutes to allow advertising and competitive bidding practices which are not deceptive or misleading.
		X	2. The board shall adopt a system of voluntary continuing education.

**TEXAS EMPLOYMENT COMMISSION**



## SUMMARY

The Texas Employment Commission was established in 1936. The primary functions of the agency are to provide unemployment compensation benefits to eligible recipients and to provide assistance in finding jobs to unemployment insurance recipients and others out of work.

The results of the review indicated that the agency is generally operated in an efficient and effective manner. Because of the continuing potential in our economy for periods of temporary unemployment and the need for providing assistance to the temporarily unemployed, the review identified a continuing need to supply unemployment compensation and job finding services.

The review included an analysis of the need to have a separate agency for this purpose and the results of the analysis indicated that there were no substantial benefits to be gained through a transfer of functions. If the agency is continued, several modifications should be made which would improve the efficiency and effectiveness of the agency's operations.

### Sunset Commission Recommendations

#### ***MAINTAIN THE AGENCY WITH MODIFICATIONS***

##### • Agency Operations

###### **Policy-making Structure**

1. The statute should be amended to remove the title of executive director from the designated duties of the chairman of the commission. (statutory)
2. The commission should prioritize its time to provide for the accomplishment of higher level appeals decision-making in a more timely fashion. (management improvement - non-statutory)

###### **Overall Administration**

3. The statute should be modified to set out the duties and functions of the agency's executive administrator. (statutory)

###### **Evaluation of Programs - Benefit Payments**

4. The statute and agency appropriation pattern should be modified to provide for the establishment of a revolving fund to pay unemployment compensation benefits to former state employees. (statutory)

• **Other Sunset Criteria**

**Open Meetings/Open Records**

5. The agency's legal department should review, revise, and distribute memoranda which set out the types of records held by the agency which are open and those which are closed as indicated in relevant court decisions, Attorney General Opinions and Open Records Decisions. (management improvement - non-statutory)

**Conflicts of Interest**

6. The statute should be amended to ensure that the type of process currently used by the agency to inform commission members and agency personnel of their responsibilities under conflict-of-interest statutes will be continued in the future. (statutory)

**Public Participation**

7. The statute regarding the agency's advisory council should be modified to:
  - a) provide for only one advisory council;
  - b) require the advisory council to develop a report of its work and its recommendations to be included in the TEC's annual report to the governor, and legislature;
  - c) reduce the size of the council from 27 to 15 members with each commissioner appointing five members to represent their constituency. (statutory)

**TEXAS EMPLOYMENT COMMISSION**

Applied	Modified	Not Applied	Across-the-Board Recommendations
<b>A. ADMINISTRATION</b>			
	X	*	1. Require public membership on boards and commissions.
X			2. Require specific provisions relating to conflicts of interest.
X			3. A person registered as a lobbyist under Article 6252-9c, V.A.C.S., may not act as general counsel to the board or serve as a member of the board.
X			4. Appointment to the board shall be made without regard to race, creed, sex, religion, or national origin of the appointee.
		X	5. Per diem to be set by legislative appropriation.
X			6. Specification of grounds for removal of a board member.
		X	7. The agency shall comply with the Open Meetings Act, and the Administrative Procedure and Texas Register Act.
		X	8. The board shall make annual written reports to the governor and the legislature accounting for all receipts and disbursements made under its statute.
		*	9. Require the board to establish skill oriented career ladders.
X			10. Require a system of merit pay based on documented employee performance.
X			11. The state auditor shall audit the financial transactions of the board during each fiscal period.
X			12. Provide for notification and information to the public concerning board activities.
	X		13. Require the legislative review of agency expenditures through the appropriation process.

\*Already in statute or required.

**Texas Employment Commission**  
(Continued)

Applied	Modified	Not Applied	Across-the-Board Recommendations
			<b>B. LICENSING</b>
		X	1. Require standard time frames for licensees who are delinquent in renewal of licenses.
		X	2. A person taking an examination shall be notified of the results of the examination within a reasonable time of the testing date.
		X	3. Provide an analysis, on request, to individuals failing the examination.
		X	4. (a) Authorize agencies to set fees. (b) Authorize agencies to set fees up to a certain limit.
		X	5. Require licensing disqualifications to be: 1) easily determined, and 2) currently existing conditions.
		X	6. (a) Provide for licensing by endorsement rather than reciprocity. (b) Provide for licensing by reciprocity rather than endorsement.
		X	7. Authorize the staggered renewal of licenses.
			<b>C. ENFORCEMENT</b>
		X	1. Authorize agencies to use a full range of penalties.
	X		2. Require files to be maintained on complaints.
	X		3. Require that all parties to formal complaints be periodically informed in writing as to the status of the complaint.
		X	4. Specification of board hearing requirements.
			<b>D. PRACTICE</b>
		X	1. Revise restrictive rules or statutes to allow advertising and competitive bidding practices which are not deceptive or misleading.
		X	2. The board shall adopt a system of voluntary continuing education.

**CULTURAL AND ADVISORY AGENCIES**

*Texas Commission on Interstate Cooperation*

*Texas Commission on Uniform State Laws*

*Texas Advisory Commission on Intergovernmental Relations*

*Office of State-Federal Relations*

*Advisory Council for Technical-Vocational Education*

*Historical Resources Development Council*

*Texas Antiquities Committee*

*Texas Historical Commission*

*Texas State Library and Archives Commission*

*Texas Commission on the Arts*



**TEXAS COMMISSION ON INTERSTATE COOPERATION**



## SUMMARY

The Texas Commission on Interstate Cooperation was established in 1941 and is currently inactive. The 19-member commission is composed of the governor, lieutenant governor, the speaker of the house, five members of the senate, five members of the house, the secretary of state, the attorney general, two citizens and two state administrative officials.

The commission was created to foster informal cooperation among states and to ensure the state's membership in the Council of State Governments. The review indicates that this latter purpose has been accomplished; the agency never functioned in a manner which would accomplish its statutory goals, and that it has been inactive since the mid-1950s.

The review indicated that while there is a need to continue cooperative efforts between Texas and other states, this responsibility has been assigned to other agencies and there is no need to continue the Commission on Interstate Cooperation for this purpose.

### Sunset Commission Recommendation

#### ***ABOLISH THE AGENCY***

The primary goal of establishing the state's membership in the Council of State Governments has been accomplished through the payment of membership dues through appropriations to the Office of the Governor. Other agencies have been developed which accomplish the informal goals of the commission in a direct fashion. For example, the Advisory Commission on Intergovernmental Relations acts as an active research body to improve coordination and cooperation between all levels of government.



**TEXAS COMMISSION ON UNIFORM STATE LAWS**



## SUMMARY

The Texas Commission on Uniform State Laws was established in 1941 and is currently active. The commission is composed of six members who are appointed by the governor to serve staggered six-year terms and any (one currently) resident life member of the National Conference of Commissioners on Uniform State Laws. Appointed commissioners must be recognized members of the State Bar of Texas. The life members of the national conference are elected by that body in recognition of long service in the cause of the uniformity of state legislation.

The commission's areas of responsibility include the following: 1) promotion of uniformity in state laws; 2) recommendations to the legislature regarding the uniform acts adopted by the national conference; and 3) promotion of uniform judicial interpretation of all uniform laws. For fiscal year 1982, the agency has no staff and a total appropriation of \$27,400 from the General Revenue Fund.

The review indicated that the function of developing uniformity in state laws is still necessary and that Texas should remain active in this area to preserve the benefits gained from past efforts and to be in a position to affect future proposals on uniform state laws. If the agency should be continued in its current form, several modifications should be made to improve the effectiveness and efficiency of the agency.

### Sunset Commission Recommendations

#### ***MAINTAIN THE AGENCY WITH MODIFICATIONS***

##### ⊙ **Agency Operations**

###### **Policy-making Structure**

1. Amend the statute to modify the commission composition by requiring that, of the six attorneys who serve on the commission, one should be a state judge, and one should be a legal educator. (statutory)
2. Amend the statute to provide for the removal of a commissioner who becomes ineligible to participate in national conference activities. (statutory)

###### **Overall Administration**

3. Amend the statute to designate the Texas Legislative Council as the agency to provide administrative support to the commission. (statutory)

4. The statute should be amended to require the commission to develop and send to the legislature the biennial report required by statute by November 15th of the year preceding a regular session. (statutory).
5. The commission should increase its efforts to cooperate with state agencies that can assist in informing legislators and judges of commission activities. (management improvement - non-statutory)

• **Other Sunset Criteria**

**Open Records/Open Meetings**

6. The commission should contact the Office of the Secretary of State and begin necessary procedures to comply with the Open Meetings Act. (management improvement - non-statutory)

**Conflicts of Interest**

7. The commission should contact the Office of the Secretary of State to determine whether members are required to file financial disclosures and then take appropriate action. (management improvement - non-statutory)

**COMMISSION ON UNIFORM STATE LAWS**

Applied	Modified	Not Applied	Across-the-Board Recommendations
			<b>A. ADMINISTRATION</b>
		X	1. Require public membership on boards and commissions.
		X	2. Require specific provisions relating to conflicts of interest.
X			3. A person registered as a lobbyist under Article 6252-9c, V.A.C.S., may not act as general counsel to the board or serve as a member of the board.
X			4. Appointment to the board shall be made without regard to race, creed, sex, religion, or national origin of the appointee.
		X	5. Per diem to be set by legislative appropriation.
X			6. Specification of grounds for removal of a board member.
X			7. The agency shall comply with the Open Meetings Act, and the Administrative Procedure and Texas Register Act.
		X	8. The board shall make annual written reports to the governor and the legislature accounting for all receipts and disbursements made under its statute.
		X	9. Require the board to establish skill oriented career ladders.
		X	10. Require a system of merit pay based on documented employee performance.
X			11. The state auditor shall audit the financial transactions of the board during each fiscal period.
		X	12. Provide for notification and information to the public concerning board activities.
		X*	13. Require the legislative review of agency expenditures through the appropriation process.

**Commission on Uniform State Laws**  
(Continued)

Applied	Modified	Not Applied	Across-the-Board Recommendations
			<b>B. LICENSING</b>
		X	1. Require standard time frames for licensees who are delinquent in renewal of licenses.
		X	2. A person taking an examination shall be notified of the results of the examination within a reasonable time of the testing date.
		X	3. Provide an analysis, on request, to individuals failing the examination.
		X	4. (a) Authorize agencies to set fees.
		X	(b) Authorize agencies to set fees up to a certain limit.
		X	5. Require licensing disqualifications to be: 1) easily determined, and 2) currently existing conditions.
		X	6. (a) Provide for licensing by endorsement rather than reciprocity.
		X	(b) Provide for licensing by reciprocity rather than endorsement.
		X	7. Authorize the staggered renewal of licenses.
			<b>C. ENFORCEMENT</b>
		X	1. Authorize agencies to use a full range of penalties.
		X	2. Require files to be maintained on complaints.
		X	3. Require that all parties to formal complaints be periodically informed in writing as to the status of the complaint.
		X	4. Specification of board hearing requirements.
			<b>D. PRACTICE</b>
		X	1. Revise restrictive rules or statutes to allow advertising and competitive bidding practices which are not deceptive or misleading.
		X	2. The board shall adopt a system of voluntary continuing education.

**TEXAS ADVISORY COMMISSION ON  
INTERGOVERNMENTAL RELATIONS**



## SUMMARY

The Texas Advisory Commission on Intergovernmental Relations was established in 1971. The agency's primary function is to perform the following two types of policy research for use by public officials: 1) analysis of policies related to intergovernmental relationships and development of recommendations for improvement; and 2) provision of factual information on which policy decisions can be based.

The results of the review indicated that the agency generally is operated in an efficient and effective manner. The review also examined the need for each of the commission's functions and determined that there is a continuing need for state involvement in these areas.

### Sunset Commission Recommendations

#### ***MAINTAIN THE AGENCY WITH MODIFICATIONS***

##### • Agency Operations

###### **Overall Administration**

1. Amend the statute to remove the per diem provision, allowing commission members to be compensated for their actual and necessary expenses when engaged in commission business. (statutory change)
2. The commission should devise and follow: 1) a system for documenting costs associated with printing its publications; and 2) a written formula for calculating appropriate publications prices. (management improvement - non-statutory)

###### **Evaluation of Programs**

3. The commission should develop and follow a written procedure for selecting research projects which are of immediate interest to policy-makers and which do not duplicate previous work. (management improvement - non-statutory)
4. The commission should resume its efforts to independently analyze public policy and make recommendations for improvements in intergovernmental relations. (management improvement - non-statutory)



**TEXAS ADVISORY COMMISSION ON  
INTERGOVERNMENTAL RELATIONS**

Applied	Modified	Not Applied	Across-the-Board Recommendations
			<b>A. ADMINISTRATION</b>
X		*	1. Require public membership on boards and commissions.
X			2. Require specific provisions relating to conflicts of interest.
X			3. A person registered as a lobbyist under Article 6252-9c, V.A.C.S., may not act as general counsel to the board or serve as a member of the board.
X			4. Appointment to the board shall be made without regard to race, creed, sex, religion, or national origin of the appointee.
X		X	5. Per diem to be set by legislative appropriation.
X			6. Specification of grounds for removal of a board member.
X			7. The agency shall comply with the Open Meetings Act, and the Administrative Procedure and Texas Register Act.
X			8. The board shall make annual written reports to the governor and the legislature accounting for all receipts and disbursements made under its statute.
X			9. Require the board to establish skill oriented career ladders.
X			10. Require a system of merit pay based on documented employee performance.
X			11. The state auditor shall audit the financial transactions of the board during each fiscal period.
X			12. Provide for notification and information to the public concerning board activities.
		*	13. Require the legislative review of agency expenditures through the appropriation process.

\*Already in statute or required.

Texas Advisory Commission on Intergovernmental Relations  
(Continued)

Applied	Modified	Not Applied	Across-the-Board Recommendations
			<b>B. LICENSING</b>
		X	1. Require standard time frames for licensees who are delinquent in renewal of licenses.
		X	2. A person taking an examination shall be notified of the results of the examination within a reasonable time of the testing date.
		X	3. Provide an analysis, on request, to individuals failing the examination.
		X	4. (a) Authorize agencies to set fees.
		X	(b) Authorize agencies to set fees up to a certain limit.
		X	5. Require licensing disqualifications to be: 1) easily determined, and 2) currently existing conditions.
		X	6. (a) Provide for licensing by endorsement rather than reciprocity.
		X	(b) Provide for licensing by reciprocity rather than endorsement.
		X	7. Authorize the staggered renewal of licenses.
			<b>C. ENFORCEMENT</b>
		X	1. Authorize agencies to use a full range of penalties.
	X		2. Require files to be maintained on complaints.
	X		3. Require that all parties to formal complaints be periodically informed in writing as to the status of the complaint.
		X	4. Specification of board hearing requirements.
			<b>D. PRACTICE</b>
		X	1. Revise restrictive rules or statutes to allow advertising and competitive bidding practices which are not deceptive or misleading.
		X	2. The board shall adopt a system of voluntary continuing education.

**OFFICE OF STATE-FEDERAL RELATIONS**



## SUMMARY

The Office of State-Federal Relations (OSFR) was established in 1965 and is currently active. The office operates under a director who is appointed by the governor, confirmed by the senate, and serves at the pleasure of the governor. Operations of the office are conducted by a staff of 19 persons and are financed by legislative appropriations of \$814,610 for fiscal year 1982 and \$862,082 for fiscal year 1983 from the General Revenue Fund.

The review indicated that the office's function of monitoring the federal process and transmitting timely, accurate information between state and federal officials is still necessary to ensure that the information needed for Texas to be effectively represented in federal activities is available.

The review included an analysis of the need to have a separate agency for this function and the results of the analysis indicated that no benefits would accrue to the Office of State-Federal Relations through a transfer of its functions to another agency. If the agency is continued in its current form, modifications should be made which will improve the effectiveness and efficiency of its operations.

### Sunset Commission Recommendations

#### ***MAINTAIN THE AGENCY WITH MODIFICATIONS***

##### • Agency Operations

###### **Overall Administration**

1. The office should develop a manual to document its internal policies and procedures. (management improvement - non-statutory)

###### **Evaluation of Programs**

2. The office should discontinue the publication of its weekly newsletter and implement the distribution of the Legislative Clipping Service to the Washington offices of the Texas congressional delegation. (management improvement - non-statutory)



**OFFICE OF STATE FEDERAL RELATIONS**

Applied	Modified	Not Applied	Across-the-Board Recommendations
<b>A. ADMINISTRATION</b>			
		X	1. Require public membership on boards and commissions.
		X	2. Require specific provisions relating to conflicts of interest.
	X		3. A person registered as a lobbyist under Article 6252-9c, V.A.C.S., may not act as general counsel to the board or serve as a member of the board.
		X	4. Appointment to the board shall be made without regard to race, creed, sex, religion, or national origin of the appointee.
		X	5. Per diem to be set by legislative appropriation.
		X	6. Specification of grounds for removal of a board member.
X			7. The agency shall comply with the Open Meetings Act, and the Administrative Procedure and Texas Register Act.
		X	8. The board shall make annual written reports to the governor and the legislature accounting for all receipts and disbursements made under its statute.
X			9. Require the board to establish skill oriented career ladders.
X			10. Require a system of merit pay based on documented employee performance.
X			11. The state auditor shall audit the financial transactions of the board during each fiscal period.
X			12. Provide for notification and information to the public concerning board activities.
		*	13. Require the legislative review of agency expenditures through the appropriation process.

\*Already in statute or required.

**Office of State-Federal Relations**  
(Continued)

Applied	Modified	Not Applied	Across-the-Board Recommendations
			<b>B. LICENSING</b>
		X	1. Require standard time frames for licensees who are delinquent in renewal of licenses.
		X	2. A person taking an examination shall be notified of the results of the examination within a reasonable time of the testing date.
		X	3. Provide an analysis, on request, to individuals failing the examination.
		X	4. (a) Authorize agencies to set fees.
		X	(b) Authorize agencies to set fees up to a certain limit.
		X	5. Require licensing disqualifications to be: 1) easily determined, and 2) currently existing conditions.
		X	6. (a) Provide for licensing by endorsement rather than reciprocity.
		X	(b) Provide for licensing by reciprocity rather than endorsement.
		X	7. Authorize the staggered renewal of licenses.
			<b>C. ENFORCEMENT</b>
		X	1. Authorize agencies to use a full range of penalties.
	X		2. Require files to be maintained on complaints.
	X		3. Require that all parties to formal complaints be periodically informed in writing as to the status of the complaint.
		X	4. Specification of board hearing requirements.
			<b>D. PRACTICE</b>
		X	1. Revise restrictive rules or statutes to allow advertising and competitive bidding practices which are not deceptive or misleading.
		X	2. The board shall adopt a system of voluntary continuing education.

**ADVISORY COUNCIL FOR TECHNICAL-VOCATIONAL EDUCATION**



## SUMMARY

The creation of the Advisory Council for Technical-Vocational Education (ACTVE) was created by the federal Vocational Education Amendments of 1968 and constituted by state statute September 1, 1969. The council's primary functions are: 1) collecting and evaluating information gathered within the state concerning educational needs; and 2) formulating recommendations to the State Board of Education concerning activities necessary to address these needs.

The review and evaluation of the agency indicates that the council has fulfilled its role as an advisory body in an adequate manner. The review also examined the need for the council's functions and determined that there is a continuing need for the council's involvement in these areas. The review included an analysis of the need to continue these functions in their current organizational setting. The review indicated that while the council's functions could be performed in a different organizational setting, federal funding requirements preclude this. The review also indicated that should the agency be continued, several modifications should be made to improve the efficiency and effectiveness of council operation.

### Sunset Commission Recommendations

#### ***MAINTAIN THE AGENCY WITH MODIFICATIONS***

##### • Agency Operations

##### **Policy-making Structure**

1. Amend the statute to reduce the council membership from 25 to 21 by changing the membership categories to agree with the 20 categories set out in the federal statute. The representation from proprietary schools, adult education, and a major parent organization should be combined into existing federal categories. One public member should be added to bring total membership to 21. (statutory)
2. The agency should confer with appropriate officials of the federal government regarding the required three-year terms for council members and seek resolution of the conflict between federal and state law and the state constitution. (management improvement - non-statutory)

### **Overall Administration**

3. Amend the statute to remove the provisions that TEA provide office space for the council thereby making an appropriation directly to the council for such expenses. (statutory)
4. Amend the statute to allow the council to independently expend funds for such services as rent, utilities, telephone, postage, printing, and office supplies. (statutory)
5. Amend the statute to remove the section (Tex. Ed. Code, Sec. 31.18) which requires the council to adopt procedural rules and hold hearings for educational institutions. (statutory)
6. The agency should consult with the Office of the Attorney General to determine if the procedures to be followed in commenting on the State Board of Education's five-year state plan, annual program plan, and accountability report should be developed and published as formal procedural rules. (management improvement - non-statutory)
7. Amend the statute to require only a joint biennial report to the Governor and the legislature on the activities and recommendations of the council. (statutory)
8. Amend the statute to modify the 17 duties in the state statute to more closely adhere to original federal legislation and intent. (statutory)

### **Evaluation of Programs**

9. Amend the statute to require the State Board of Education to annually formulate a list of areas in vocational education where the council's assistance in research and evaluation would be useful. (statutory)
10. Task force meetings between the state board and the council should be used to discuss progress made by the council concerning the areas of evaluation suggested by the state board. (management improvement -non-statutory)

### **• Other Sunset Criteria**

#### **Public Participation**

11. The council should make greater efforts to solicit active participation from parents and students at the annual public forum held by the council, through improvements in meeting notification. (management improvement - non-statutory)

**ADVISORY COUNCIL ON TECHNICAL-VOCATIONAL EDUCATION**

Applied	Modified	Not Applied	Across-the-Board Recommendations
<b>A. ADMINISTRATION</b>			
X		*	1. Require public membership on boards and commissions.
X			2. Require specific provisions relating to conflicts of interest.
X			3. A person registered as a lobbyist under Article 6252-9c, V.A.C.S., may not act as general counsel to the board or serve as a member of the board.
		X	4. Appointment to the board shall be made without regard to race, creed, sex, religion, or national origin of the appointee.
X		X	5. Per diem to be set by legislative appropriation.
X			6. Specification of grounds for removal of a board member.
X			7. The agency shall comply with the Open Meetings Act, and the Administrative Procedure and Texas Register Act.
		X	8. The board shall make annual written reports to the governor and the legislature accounting for all receipts and disbursements made under its statute.
X			9. Require the board to establish skill oriented career ladders.
X			10. Require a system of merit pay based on documented employee performance.
X			11. The state auditor shall audit the financial transactions of the board during each fiscal period.
X			12. Provide for notification and information to the public concerning board activities.
		*	13. Require the legislative review of agency expenditures through the appropriation process.

\*Already in statute or required.

**Advisory Council on Technical-Vocational Education**  
(Continued)

Applied	Modified	Not Applied	Across-the-Board Recommendations
			<b>B. LICENSING</b>
		X	1. Require standard time frames for licensees who are delinquent in renewal of licenses.
		X	2. A person taking an examination shall be notified of the results of the examination within a reasonable time of the testing date.
		X	3. Provide an analysis, on request, to individuals failing the examination.
		X	4. (a) Authorize agencies to set fees.
		X	(b) Authorize agencies to set fees up to a certain limit.
		X	5. Require licensing disqualifications to be: 1) easily determined, and 2) currently existing conditions.
		X	6. (a) Provide for licensing by endorsement rather than reciprocity.
		X	(b) Provide for licensing by reciprocity rather than endorsement.
		X	7. Authorize the staggered renewal of licenses.
			<b>C. ENFORCEMENT</b>
		X	1. Authorize agencies to use a full range of penalties.
	X		2. Require files to be maintained on complaints.
	X		3. Require that all parties to formal complaints be periodically informed in writing as to the status of the complaint.
		X	4. Specification of board hearing requirements.
			<b>D. PRACTICE</b>
		X	1. Revise restrictive rules or statutes to allow advertising and competitive bidding practices which are not deceptive or misleading.
		X	2. The board shall adopt a system of voluntary continuing education.

**HISTORICAL RESOURCES DEVELOPMENT COUNCIL**



## SUMMARY

The Historical Resources Development Council was created in 1971 to coordinate the activities of the major agencies which deal with state historical activities. These agencies are the Texas Historical Commission, the Library and Archives Commission, the Tourist Development Agency, the Department of Highways and Public Transportation, the Parks and Wildlife Department, and the Antiquities Committee.

The review indicated that the council has never been a functioning agency. Information available indicates that the agency met once in 1977 to recommend its abolishment. While coordination of agency efforts to promote the state's historical resources is necessary, this purpose has been adequately accomplished through other means. The results of the review indicated that the council should be abolished.

### Sunset Commission Recommendation

#### ***ABOLISH THE AGENCY***

The Historical Resources Development Council should be abolished. A non-statutory coordinating committee has been active since 1969 and serves substantially the same purposes which the council was established to accomplish. Information developed during the review indicates that the council has met only once in its 11-year history and then only to recommend its own abolishment in 1977. Interviews with member state agencies represented on the council showed that the council is still considered unnecessary.



**TEXAS HISTORICAL RESOURCES DEVELOPMENT COUNCIL**

Applied	Modified	Not Applied	Across-the-Board Recommendations
			<b>A. ADMINISTRATION</b>
		X	1. Require public membership on boards and commissions.
		X	2. Require specific provisions relating to conflicts of interest.
		X	3. A person registered as a lobbyist under Article 6252-9c, V.A.C.S., may not act as general counsel to the board or serve as a member of the board.
		X	4. Appointment to the board shall be made without regard to race, creed, sex, religion, or national origin of the appointee.
		X	5. Per diem to be set by legislative appropriation.
		X	6. Specification of grounds for removal of a board member.
		X	7. The agency shall comply with the Open Meetings Act, and the Administrative Procedure and Texas Register Act.
		X	8. The board shall make annual written reports to the governor and the legislature accounting for all receipts and disbursements made under its statute.
		X	9. Require the board to establish skill oriented career ladders.
		X	10. Require a system of merit pay based on documented employee performance.
		X	11. The state auditor shall audit the financial transactions of the board during each fiscal period.
		X	12. Provide for notification and information to the public concerning board activities.
		X	13. Require the legislative review of agency expenditures through the appropriation process.

**Texas Historical Resources Development Council**  
(Continued)

Applied	Modified	Not Applied	Across-the-Board Recommendations
			<b>B. LICENSING</b>
		X	1. Require standard time frames for licensees who are delinquent in renewal of licenses.
		X	2. A person taking an examination shall be notified of the results of the examination within a reasonable time of the testing date.
		X	3. Provide an analysis, on request, to individuals failing the examination.
		X	4. (a) Authorize agencies to set fees.
		X	(b) Authorize agencies to set fees up to a certain limit.
		X	5. Require licensing disqualifications to be: 1) easily determined, and 2) currently existing conditions.
		X	6. (a) Provide for licensing by endorsement rather than reciprocity.
		X	(b) Provide for licensing by reciprocity rather than endorsement.
		X	7. Authorize the staggered renewal of licenses.
			<b>C. ENFORCEMENT</b>
		X	1. Authorize agencies to use a full range of penalties.
		X	2. Require files to be maintained on complaints.
		X	3. Require that all parties to formal complaints be periodically informed in writing as to the status of the complaint.
		X	4. Specification of board hearing requirements.
			<b>D. PRACTICE</b>
		X	1. Revise restrictive rules or statutes to allow advertising and competitive bidding practices which are not deceptive or misleading.
		X	2. The board shall adopt a system of voluntary continuing education.

**TEXAS ANTIQUITIES COMMITTEE**



## SUMMARY

The Texas Antiquities Committee was created in 1969. The agency is independent in an organizational sense. The staff necessary to carry out the responsibilities of the agency are hired by the executive secretary of the committee who is also the director of the Texas Historical Commission. The primary functions of the agency are to identify state archeological landmarks and once identified to protect the landmarks from destruction or damage, unless these actions are authorized through a permit issued by the committee.

The results of the review indicated that the agency was useful in identifying and protecting significant archeological landmarks, and that this was a function that the state should continue. The possibility of consolidating the committee with the Historical Commission was considered, but the review concluded that consolidation would not offer any significant improvements. If the agency is continued, several modifications should be made which would improve the efficiency and effectiveness of the operations of the agency.

### Sunset Commission Recommendations

#### ***MAINTAIN THE AGENCY WITH MODIFICATIONS***

##### ● Agency Operations

##### Policy-making Structure

1. The statute should be modified to provide for the addition of the director of the Department of Highways and Public Transportation and the executive director of the Department of Water Resources to the Antiquities Committee. (statutory change)
2. The statute should be modified to remove the executive director of the Texas Historical Commission from membership on the Antiquities Committee and to include the chairman of the Texas Historical Commission, or a member of that commission designated by the chairman, on the committee. (statutory change)
3. The statute should be modified to expand the definition of the museum director on the committee to include any director of a major state funded museum with significant research facilities. (statutory change)



**TEXAS ANTIQUITIES COMMITTEE**

Applied	Modified	Not Applied	Across-the-Board Recommendations
<b>A. ADMINISTRATION</b>			
X		*	1. Require public membership on boards and commissions.
X			2. Require specific provisions relating to conflicts of interest.
X			3. A person registered as a lobbyist under Article 6252-9c, V.A.C.S., may not act as general counsel to the board or serve as a member of the board.
X			4. Appointment to the board shall be made without regard to race, creed, sex, religion, or national origin of the appointee.
X			5. Per diem to be set by legislative appropriation.
X			6. Specification of grounds for removal of a board member.
X			7. The agency shall comply with the Open Meetings Act, and the Administrative Procedure and Texas Register Act.
	X		8. The board shall make annual written reports to the Governor and the legislature accounting for all receipts and disbursements made under its statute.
		X	9. Require the board to establish skill oriented career ladders.
		X	10. Require a system of merit pay based on documented employee performance.
X			11. The state auditor shall audit the financial transactions of the board during each fiscal period.
X			12. Provide for notification and information to the public concerning board activities.
		*	13. Require the legislative review of agency expenditures through the appropriation process.

\*Already in statute or required.

**Texas Antiquities Committee**  
(Continued)

Applied	Modified	Not Applied	Across-the-Board Recommendations
			<b>B. LICENSING</b>
		X	1. Require standard time frames for licensees who are delinquent in renewal of licenses.
		X	2. A person taking an examination shall be notified of the results of the examination within a reasonable time of the testing date.
		X	3. Provide an analysis, on request, to individuals failing the examination.
		X	4. (a) Authorize agencies to set fees.
		X	(b) Authorize agencies to set fees up to a certain limit.
		X	5. Require licensing disqualifications to be: 1) easily determined, and 2) currently existing conditions.
		X	6. (a) Provide for licensing by endorsement rather than reciprocity.
		X	(b) Provide for licensing by reciprocity rather than endorsement.
		X	7. Authorize the staggered renewal of licenses.
			<b>C. ENFORCEMENT</b>
		X	1. Authorize agencies to use a full range of penalties.
X			2. Require files to be maintained on complaints.
X			3. Require that all parties to formal complaints be periodically informed in writing as to the status of the complaint.
		X	4. Specification of board hearing requirements.
			<b>D. PRACTICE</b>
		X	1. Revise restrictive rules or statutes to allow advertising and competitive bidding practices which are not deceptive or misleading.
		X	2. The board shall adopt a system of voluntary continuing education.

TEXAS HISTORICAL COMMISSION



## SUMMARY

The Texas Historical Commission was created in 1953. The primary functions of the commission are identifying and marking sites and structures of historical interest to the state; reviewing and recommending properties eligible for the National Register of Historic Places; and providing consultation services to individuals, groups or museums engaged in historical preservation in the state. Other activities include the operation of the Sam Rayburn House at Bonham, Texas and the operation of the Main Street Program.

The results of the review indicated that the agency is generally operated in an efficient and effective manner. The need for the state to be involved in historical preservation efforts is well established and has been pursued, in one form or another, since the creation of the State of Texas.

The review included an analysis of the need to have a separate agency for this purpose and the results of the analysis indicated there were no substantial benefits to be gained from consolidation or transfer of functions. The review also indicated that if the agency is continued, several modifications should be made which would improve the efficiency and effectiveness of the operations of the agency.

### Sunset Commission Recommendations

#### ***MAINTAIN THE AGENCY WITH MODIFICATIONS***

##### • Agency Operations

###### **Policy-making Structure**

1. The statute should be modified to require that the governor appoint one commission member from each of the cultural basins of the state. (statutory change)

###### **Overall Administration**

2. The agency should develop clear procedures for each stage of its publications activities. These procedures should ensure that the publications effort is planned and coordinated on an agency-wide basis, that prices of publications are set through a uniform procedure appropriately designed to recover cost, and that the number of copies printed does not exceed demand. (management improvement - non-statutory)

## Evaluation of Programs

3. Consultation services
  - A. Museum and field services
    1. The agency should develop a system for quarterly allocation of travel funds to ensure the availability of these funds throughout the fiscal year. (management improvement - non-statutory)
  - B. Main street program
    1. The agency should improve the accountability of the main street program by adopting rules for the program, establishing written guidelines for the selection of cities, and preparing minutes of meetings. (management improvement - non-statutory)
    2. The current means of selecting cities to participate in the main street program should be changed so that the Texas Historical Commission formally recommends a list of selected cities to the governor for his final approval. (management improvement - non-statutory)
4. Protection of historical and archeological resources
  - A. National register program
    1. The statute should be amended to authorize the agency to charge a fee to recover costs for certifications of rehabilitation work performed on income-producing national register properties. (statutory change)
  - B. Historical marker program
    1. The statute should be amended to authorize the agency to charge a fee to recover costs associated with obtaining an historical marker. (statutory change)

**TEXAS HISTORICAL COMMISSION**

Applied	Modified	Not Applied	Across-the-Board Recommendations
			<b>A. ADMINISTRATION</b>
X		*	1. Require public membership on boards and commissions.
X			2. Require specific provisions relating to conflicts of interest.
X			3. A person registered as a lobbyist under Article 6252-9c, V.A.C.S., may not act as general counsel to the board or serve as a member of the board.
X			4. Appointment to the board shall be made without regard to race, creed, sex, religion, or national origin of the appointee.
X			5. Per diem to be set by legislative appropriation.
X			6. Specification of grounds for removal of a board member.
X			7. The agency shall comply with the Open Meetings Act, and the Administrative Procedure and Texas Register Act.
X			8. The board shall make annual written reports to the governor and the legislature accounting for all receipts and disbursements made under its statute.
X			9. Require the board to establish skill oriented career ladders.
X			10. Require a system of merit pay based on documented employee performance.
X			11. The state auditor shall audit the financial transactions of the board during each fiscal period.
X			12. Provide for notification and information to the public concerning board activities.
		*	13. Require the legislative review of agency expenditures through the appropriation process.

\*Already in statute or required.

**Texas Historical Commission**  
(Continued)

Applied	Modified	Not Applied	Across-the-Board Recommendations
			<b>B. LICENSING</b>
		X	1. Require standard time frames for licensees who are delinquent in renewal of licenses.
		X	2. A person taking an examination shall be notified of the results of the examination within a reasonable time of the testing date.
		X	3. Provide an analysis, on request, to individuals failing the examination.
X			4. (a) Authorize agencies to set fees.
		X	(b) Authorize agencies to set fees up to a certain limit.
		X	5. Require licensing disqualifications to be: 1) easily determined, and 2) currently existing conditions.
		X	6. (a) Provide for licensing by endorsement rather than reciprocity.
		X	(b) Provide for licensing by reciprocity rather than endorsement.
		X	7. Authorize the staggered renewal of licenses.
			<b>C. ENFORCEMENT</b>
		X	1. Authorize agencies to use a full range of penalties.
X			2. Require files to be maintained on complaints.
X			3. Require that all parties to formal complaints be periodically informed in writing as to the status of the complaint.
		X	4. Specification of board hearing requirements.
			<b>D. PRACTICE</b>
		X	1. Revise restrictive rules or statutes to allow advertising and competitive bidding practices which are not deceptive or misleading.
		X	2. The board shall adopt a system of voluntary continuing education.

**TEXAS STATE LIBRARY AND ARCHIVES COMMISSION**



## SUMMARY

The Texas State Library and Archives Commission was created in 1909. The primary functions of the commission can be grouped into three basic areas: 1) direct library services provided by the agency; 2) development of library services across the state; and 3) management of state and local records.

The results of the review indicated that the agency is generally operated in an efficient and effective manner. The review also examined the need for each of the commission's functions and determined that there is a continuing need for state involvement in these areas.

The review included an analysis of the need to continue these functions in their current organizational setting and it was determined that there were no substantial benefits to be gained from separation of library and archival functions. The review also indicated that if the agency is continued, several modifications should be made which would improve the efficiency and effectiveness of agency operations.

### Sunset Commission Recommendations

#### ***MAINTAIN THE AGENCY WITH MODIFICATIONS***

##### • Agency Operations

###### **Policy-making Structure**

1. The statute should be amended to provide for the election of the chair and vice-chair by the members of the commission. (statutory)

###### **Evaluation of Programs**

2. The statute should be amended to give both the commission and the major resource centers full contracting authority and to clearly designate the state library as the state agency responsible for developing multitype library cooperation in Texas. (statutory)
3. The statute should be amended to allow the member libraries comprising a major resource system to select on a majority vote an approach to regional governance, with the Library and Archives Commission exercising approval authority over financial matters to ensure the appropriate expenditure of grant funds. (statutory)
4. The commission's rules should be modified to require that a formal means be developed in each system for its regional advisory council to provide advice and assistance to the major resource center

director in the employment or termination of the system coordinator. (management improvement - non-statutory)

5. The statute should be amended to permit incentive, establishment, and equalization grants to be awarded from state funds separate from the systems operating grant formula. (statutory)
6. The statute should be amended to eliminate the Records Preservation Advisory Committee and to provide authorization for the creation of the Records Management and Preservation Advisory Committee. The purpose of the new committee would be to make recommendations to improve the state's records management system and to indicate the possible savings that would result if the recommendations were implemented. These findings would be submitted in a report to the Library and Archives Commission, the Legislative Budget Office, the Governor's Budget and Planning Office, and the presiding officer of each house of the legislature on or before March 1 of each even numbered year. (statutory)

• **Other Sunset Criteria**

**Open Meetings/Open Records**

7. The agency should ensure that the notice posted for commission meetings provides a complete list of all items to be discussed. (management improvement - non-statutory)

**Public Participation**

8. The statute should be amended to specify the right of the public to attend and speak at any commission meeting. (statutory)

**Conflicts of Interest**

9. The statute should be amended to ensure that the type of process currently used by the agency to inform commission members and agency personnel of their responsibilities under conflict of interest statutes will be continued in the future. (statutory)

**TEXAS LIBRARY AND ARCHIVES COMMISSION**

Applied	Modified	Not Applied	Across-the-Board Recommendations
<b>A. ADMINISTRATION</b>			
		X	1. Require public membership on boards and commissions.
X			2. Require specific provisions relating to conflicts of interest.
X			3. A person registered as a lobbyist under Article 6252-9c, V.A.C.S., may not act as general counsel to the board or serve as a member of the board.
X			4. Appointment to the board shall be made without regard to race, creed, sex, religion, or national origin of the appointee.
		*	5. Per diem to be set by legislative appropriation.
X			6. Specification of grounds for removal of a board member.
X			7. The agency shall comply with the Open Meetings Act, and the Administrative Procedure and Texas Register Act.
		X	8. The board shall make annual written reports to the governor and the legislature accounting for all receipts and disbursements made under its statute.
X			9. Require the board to establish skill oriented career ladders.
X			10. Require a system of merit pay based on documented employee performance.
X			11. The state auditor shall audit the financial transactions of the board during each fiscal period.
X			12. Provide for notification and information to the public concerning board activities.
X			13. Require the legislative review of agency expenditures through the appropriation process.

\*Already in statute or required.

**Texas Library and Archives Commission**  
(Continued)

Applied	Modified	Not Applied	Across-the-Board Recommendations
			<b>B. LICENSING</b>
		X	1. Require standard time frames for licensees who are delinquent in renewal of licenses.
		X	2. A person taking an examination shall be notified of the results of the examination within a reasonable time of the testing date.
		X	3. Provide an analysis, on request, to individuals failing the examination.
X			4. (a) Authorize agencies to set fees. (b) Authorize agencies to set fees up to a certain limit.
		X	5. Require licensing disqualifications to be: 1) easily determined, and 2) currently existing conditions.
		X	6. (a) Provide for licensing by endorsement rather than reciprocity. (b) Provide for licensing by reciprocity rather than endorsement.
		X	7. Authorize the staggered renewal of licenses.
			<b>C. ENFORCEMENT</b>
		X	1. Authorize agencies to use a full range of penalties.
X			2. Require files to be maintained on complaints.
X			3. Require that all parties to formal complaints be periodically informed in writing as to the status of the complaint.
		X	4. Specification of board hearing requirements.
			<b>D. PRACTICE</b>
		X	1. Revise restrictive rules or statutes to allow advertising and competitive bidding practices which are not deceptive or misleading.
		*	2. The board shall adopt a system of voluntary continuing education.

\*Already in statute or required.

**TEXAS COMMISSION ON THE ARTS**



## SUMMARY

The Texas Commission on the Arts was established in 1965. The agency has two primary functions: 1) providing state support for the development of the arts and 2) making plans and recommendations to the State Purchasing Commission concerning the renovation, beautification, and interior decoration of the Governor's Mansion.

Review of the commission's operations indicates that the agency has generally been effective in providing support for the arts in Texas. The review also examined the need for each of the commission's functions and determined that there is a continuing need for state involvement in these areas.

The results of the analysis to continue these functions in their current organizational setting indicated that there were no substantial benefits to be gained from transferring them to another agency. The review also indicated that if the agency is continued, several modifications should be made which would improve the efficiency and effectiveness of agency operations.

### Sunset Commission Recommendations

#### ***MAINTAIN THE AGENCY WITH MODIFICATIONS***

##### • Agency Operations

###### **Policy-making Structure**

1. The statute should be amended to require that consideration be given to geographic and minority representation in the appointment of consultants to the agency's panels. (statutory)

###### **Overall Administration**

2. The agency's staff should discontinue any involvement in the collection or accounting of money for the commissioner's activity fund. (management improvement - non-statutory)
3. The agency should develop written policies and procedures for its accounting processes. (management improvement - non-statutory)

###### **Evaluation of Programs**

4. The agency should revise the grant application procedures to require that a site be performed or that audio or visual materials be supplied to document the ability to perform prior to full consideration of the grant application. (management improvement - non-statutory)

5. The agency should require applicants to indicate a minimum and maximum funding level as a part of the grant request. (management improvement - non-statutory)
6. The review panel should make specific documented recommendations concerning the reasonableness of the funding levels requested by the applicants. (management improvement -non-statutory)
7. The rider language in the appropriations act which requires the agency to verify the proper match of state funds through use of an affidavit should be eliminated. New rider language should be added that directs the comptroller, the state auditor, and the agency to jointly work out procedures that will satisfactorily monitor the expenditure of grant funds. This rider should also require that the resulting procedures be in place before appropriated funds can be expended. (management improvement - non-statutory)
8. The agency's responsibilities in regard to the Governor's Mansion should be clarified. A single statute should be developed which clearly defines the role not only of TCA, but of the other agencies which currently have responsibilities for the mansion. (statutory).

• **Other Sunset Criteria**

**Open Meetings/Open Records**

9. The statute should be amended to require that meetings of any subcommittees or review panels of the agency be open to the public and posted in the same manner that is required of the commission itself. (statutory)

**Public Participation**

10. The statute should be amended to specify the right of the public to attend and speak at any commission meeting. (statutory)

**Conflicts of Interest**

11. The statute should be amended to require the agency to develop a process which would ensure that commission members and agency personnel are informed of their responsibilities under conflict-of-interest statutes. (statutory)

**TEXAS COMMISSION ON THE ARTS**

Applied	Modified	Not Applied	Across-the-Board Recommendations
			<b>A. ADMINISTRATION</b>
		*	1. Require public membership on boards and commissions.
		X	2. Require specific provisions relating to conflicts of interest.
X			3. A person registered as a lobbyist under Article 6252-9c, V.A.C.S., may not act as general counsel to the board or serve as a member of the board.
X			4. Appointment to the board shall be made without regard to race, creed, sex, religion, or national origin of the appointee.
X			5. Per diem to be set by legislative appropriation.
X			6. Specification of grounds for removal of a board member.
X			7. The agency shall comply with the Open Meetings Act, and the Administrative Procedure and Texas Register Act.
		X	8. The board shall make annual written reports to the governor and the legislature accounting for all receipts and disbursements made under its statute.
X			9. Require the board to establish skill oriented career ladders.
X			10. Require a system of merit pay based on documented employee performance.
X			11. The state auditor shall audit the financial transactions of the board during each fiscal period.
X			12. Provide for notification and information to the public concerning board activities.
X			13. Require the legislative review of agency expenditures through the appropriation process.

\*Already in statute or required.

**Texas Commission on the Arts**  
(Continued)

Applied	Modified	Not Applied	Across-the-Board Recommendations
			<b>B. LICENSING</b>
		X	1. Require standard time frames for licensees who are delinquent in renewal of licenses.
		X	2. A person taking an examination shall be notified of the results of the examination within a reasonable time of the testing date.
		X	3. Provide an analysis, on request, to individuals failing the examination.
		X	4. (a) Authorize agencies to set fees.
		X	(b) Authorize agencies to set fees up to a certain limit.
		X	5. Require licensing disqualifications to be: 1) easily determined, and 2) currently existing conditions.
		X	6. (a) Provide for licensing by endorsement rather than reciprocity.
		X	(b) Provide for licensing by reciprocity rather than endorsement.
		X	7. Authorize the staggered renewal of licenses.
			<b>C. ENFORCEMENT</b>
		X	1. Authorize agencies to use a full range of penalties.
	X		2. Require files to be maintained on complaints.
	X		3. Require that all parties to formal complaints be periodically informed in writing as to the status of the complaint.
		X	4. Specification of board hearing requirements.
			<b>D. PRACTICE</b>
		X	1. Revise restrictive rules or statutes to allow advertising and competitive bidding practices which are not deceptive or misleading.
		X	2. The board shall adopt a system of voluntary continuing education.

**ENERGY AND INSURANCE REGULATORY AGENCIES**

*Office of Interstate Oil Compact Commissioner*

*Office of Interstate Mining Compact Commissioner for Texas*

*Office of Southern Interstate Nuclear Compact Board Member for Texas*

*Texas Energy and Natural Resources Advisory Council*

*Public Utility Commission*

*Railroad Commission*

*State Board of Insurance*



**OFFICE OF THE INTERSTATE OIL COMPACT COMMISSIONER**



## SUMMARY

The Interstate Compact to Conserve Oil and Gas was established in 1935 for the general purpose of promoting oil and gas conservation. Texas, along with Colorado, Oklahoma, New Mexico, Illinois, and Kansas, were the original states to enter into this compact. Since its creation, another 24 states have entered the compact. Texas is currently an active participant. The compact provides for the creation of an Interstate Oil Compact Commission composed of one representative from each member state. Texas legislation names the governor as the compact representative for Texas and provides the governor with the authority to appoint an assistant representative to act in his place. Administrative direction and support are provided primarily through the Office of the Governor, though the state allocates no full-time staff in support of Texas' participation in the compact.

The review of the activities of the oil compact commissioner indicated that Texas has been well represented on the commission and there were no changes necessary to improve the policy-making structure as it currently exists. Improvements in the operations could be made by requiring an annual report on the activities of the compact commissioner. This report would increase the general awareness of the activities of the compact commissioner.

The review indicated that there is a continuing need for Texas to exchange information and influence federal decisions related to oil and gas.

### Sunset Commission Recommendations

#### ***MAINTAIN THE AGENCY WITH MODIFICATIONS***

##### ● **Agency Operations**

The statute should be modified to require an annual report detailing the activities and expenditures relating to Texas' participation in the compact. This report should be included in the annual financial report of the Office of the Governor. (statutory)



**OFFICE OF THE INTERSTATE OIL COMPACT  
COMMISSIONER FOR TEXAS**

Applied	Modified	Not Applied	Across-the-Board Recommendations
			<b>A. ADMINISTRATION</b>
		X	1. Require public membership on boards and commissions.
		X	2. Require specific provisions relating to conflicts of interest.
		X	3. A person registered as a lobbyist under Article 6252-9c, V.A.C.S., may not act as general counsel to the board or serve as a member of the board.
		X	4. Appointment to the board shall be made without regard to race, creed, sex, religion, or national origin of the appointee.
		X	5. Per diem to be set by legislative appropriation.
		X	6. Specification of grounds for removal of a board member.
		X	7. The agency shall comply with the Open Meetings Act, and the Administrative Procedure and Texas Register Act.
	X		8. The board shall make annual written reports to the governor and the legislature accounting for all receipts and disbursements made under its statute.
		X	9. Require the board to establish skill oriented career ladders.
		X	10. Require a system of merit pay based on documented employee performance.
		X	11. The state auditor shall audit the financial transactions of the board during each fiscal period.
		X	12. Provide for notification and information to the public concerning board activities.
		X	13. Require the legislative review of agency expenditures through the appropriation process.

Office of the Interstate Oil Compact  
Commissioner for Texas  
(Continued)

Applied	Modified	Not Applied	Across-the-Board Recommendations
			<b>B. LICENSING</b>
		X	1. Require standard time frames for licensees who are delinquent in renewal of licenses.
		X	2. A person taking an examination shall be notified of the results of the examination within a reasonable time of the testing date.
		X	3. Provide an analysis, on request, to individuals failing the examination.
		X	4. (a) Authorize agencies to set fees.
		X	(b) Authorize agencies to set fees up to a certain limit.
		X	5. Require licensing disqualifications to be: 1) easily determined, and 2) currently existing conditions.
		X	6. (a) Provide for licensing by endorsement rather than reciprocity.
		X	(b) Provide for licensing by reciprocity rather than endorsement.
		X	7. Authorize the staggered renewal of licenses.
			<b>C. ENFORCEMENT</b>
		X	1. Authorize agencies to use a full range of penalties.
		X	2. Require files to be maintained on complaints.
		X	3. Require that all parties to formal complaints be periodically informed in writing as to the status of the complaint.
		X	4. Specification of board hearing requirements.
			<b>D. PRACTICE</b>
		X	1. Revise restrictive rules or statutes to allow advertising and competitive bidding practices which are not deceptive or misleading.
		X	2. The board shall adopt a system of voluntary continuing education.

**OFFICE OF INTERSTATE MINING COMPACT  
COMMISSIONER FOR TEXAS**



## SUMMARY

The Interstate Mining Compact was established in 1971 for the purpose of addressing the problems of surface mining through interstate action. Texas entered the compact in 1975 and is an active participant. The compact provides for the creation of an Interstate Mining Compact Commission composed of one representative from each member state. Texas' legislation names the governor as the compact commissioner for Texas, provides for an advisory body to assist the governor in considering problems related to mining, and provides the governor with the authority to appoint a representative to act in his place. Administrative support for compact activities and those of the Mining Council are provided by the Railroad Commission staff. Texas' membership contribution is made from general revenue appropriations through the governor's office.

The review of the activities of the mining compact commission member indicated that Texas has been well represented on the compact and has benefited from the activities of the Mining Council. However, certain modifications can be made to improve the activities related to compact membership. The review indicated that there is a continuing need for Texas to exchange information and influence federal decisions related to mining.

### Sunset Commission Recommendations

#### ***MAINTAIN COMPACT MEMBERSHIP WITH MODIFICATIONS***

##### ● Agency Operations

##### **Policy-making Structure**

1. The statute should be modified to require that the governor's alternate to the compact serve as the chairman of the Texas Mining Council. (statutory)
2. The statute should be modified to ensure that the public members currently required to be appointed to the Texas Mining Council meet the Sunset Commission definition of a public member. (statutory)
3. Appointments to the Texas Mining Council should be made in a timely manner and should conform to the statutory requirements for appointment. (management improvement - non-statutory)

##### **Evaluation of Programs**

1. The statute should be modified to require an annual report detailing the activities and expenditures associated with Texas' participation in the compact. This report should be included in the annual financial report of the Office of the Governor. (statutory)



**OFFICE OF THE INTERSTATE MINING COMPACT  
COMMISSIONER FOR TEXAS**

Applied	Modified	Not Applied	Across-the-Board Recommendations
<b>A. ADMINISTRATION</b>			
X			1. Require public membership on boards and commissions.
X			2. Require specific provisions relating to conflicts of interest.
		X	3. A person registered as a lobbyist under Article 6252-9c, V.A.C.S., may not act as general counsel to the board or serve as a member of the board.
		X	4. Appointment to the board shall be made without regard to race, creed, sex, religion, or national origin of the appointee.
		X	5. Per diem to be set by legislative appropriation.
X			6. Specification of grounds for removal of a board member.
		X	7. The agency shall comply with the Open Meetings Act, and the Administrative Procedure and Texas Register Act.
	X		8. The board shall make annual written reports to the governor and the legislature accounting for all receipts and disbursements made under its statute.
		X	9. Require the board to establish skill oriented career ladders.
		X	10. Require a system of merit pay based on documented employee performance.
		X	11. The state auditor shall audit the financial transactions of the board during each fiscal period.
		X	12. Provide for notification and information to the public concerning board activities.
		X	13. Require the legislative review of agency expenditures through the appropriation process.

Office of the Interstate Mining Compact  
 Commissioner for Texas  
 (continued)

Applied	Modified	Not Applied	Across-the-Board Recommendations
			<b>B. LICENSING</b>
		X	1. Require standard time frames for licensees who are delinquent in renewal of licenses.
		X	2. A person taking an examination shall be notified of the results of the examination within a reasonable time of the testing date.
		X	3. Provide an analysis, on request, to individuals failing the examination.
		X	4. (a) Authorize agencies to set fees.
		X	(b) Authorize agencies to set fees up to a certain limit.
		X	5. Require licensing disqualifications to be: 1) easily determined, and 2) currently existing conditions.
		X	6. (a) Provide for licensing by endorsement rather than reciprocity.
		X	(b) Provide for licensing by reciprocity rather than endorsement.
		X	7. Authorize the staggered renewal of licenses.
			<b>C. ENFORCEMENT</b>
		X	1. Authorize agencies to use a full range of penalties.
		X	2. Require files to be maintained on complaints.
		X	3. Require that all parties to formal complaints be periodically informed in writing as to the status of the complaint.
		X	4. Specification of board hearing requirements.
			<b>D. PRACTICE</b>
		X	1. Revise restrictive rules or statutes to allow advertising and competitive bidding practices which are not deceptive or misleading.
		X	2. The board shall adopt a system of voluntary continuing education.

**OFFICE OF SOUTHERN INTERSTATE NUCLEAR  
COMPACT BOARD MEMBER FOR TEXAS**



## SUMMARY

The Southern Interstate Nuclear Board, the forerunner of the Southern States Energy Board, was established in 1961 for the general purpose of encouraging and developing nuclear energy in the south. In order to reflect an increased interest in a broader range of energy and environmental issues affecting southern states, the board was renamed the Southern States Energy Board in 1978. At that time, the board proposed new compact language which would increase each state's representation from one to three members. The governor of each member state would continue to appoint one representative, and presiding officers of each house of the legislature would appoint a member.

The board is composed of one representative from each member state. Texas legislation provides the governor with the authority to appoint a representative to the board. Edward O. Vetter currently serves as Governor Clements' appointee to the board and Texas is an active participant in the board's activities.

The review of the activities of the energy compact board member indicated that Texas has been well represented on the board and has benefited from membership in the compact. However, certain modifications are needed in order for Texas to continue participation in the same manner as other members and to provide information on the activities of Texas in the compact.

The review indicated that there is a continuing need for Texas' participation in interstate organizations representing the interests of southern states on energy and other matters.

### Sunset Commission Recommendations

#### ***MAINTAIN THE AGENCY WITH MODIFICATIONS***

##### ● Agency Operations

##### **Policy-making Structure**

1. The statute should be modified to adopt the new compact language proposed by the board which changes the focus of the board to include all energy matters affecting the south and increases Texas' membership on the board from one to three members. (statutory)
2. The statute should be modified to require that appointments to the board be from the membership of Texas Energy and Natural Resources Advisory Council (TENRAC). (statutory)

3. The statute should be modified to require a report detailing the activities and expenditures of the Texas members of the Southern States Energy Board, to be included in the annual report of the TENRAC. (statutory)
4. The statute should be modified to designate TENRAC as the agency to perform necessary administrative functions related to Texas' activities on the board. (statutory)

**OFFICE OF SOUTHERN INTERSTATE NUCLEAR  
COMPACT BOARD MEMBER FOR TEXAS**

Applied	Modified	Not Applied	Across-the-Board Recommendations
			<b>A. ADMINISTRATION</b>
		X	1. Require public membership on boards and commissions.
		X	2. Require specific provisions relating to conflicts of interest.
		X	3. A person registered as a lobbyist under Article 6252-9c, V.A.C.S., may not act as general counsel to the board or serve as a member of the board.
		X	4. Appointment to the board shall be made without regard to race, creed, sex, religion, or national origin of the appointee.
		X	5. Per diem to be set by legislative appropriation.
		X	6. Specification of grounds for removal of a board member.
		X	7. The agency shall comply with the Open Meetings Act, and the Administrative Procedure and Texas Register Act.
	X		8. The board shall make annual written reports to the governor and the legislature accounting for all receipts and disbursements made under its statute.
		X	9. Require the board to establish skill oriented career ladders.
		X	10. Require a system of merit pay based on documented employee performance.
		X	11. The state auditor shall audit the financial transactions of the board during each fiscal period.
		X	12. Provide for notification and information to the public concerning board activities.
		X	13. Require the legislative review of agency expenditures through the appropriation process.

Office of Southern Interstate Nuclear  
Compact Board Member for Texas  
(continued)

Applied	Modified	Not Applied	Across-the-Board Recommendations
			<b>B. LICENSING</b>
		X	1. Require standard time frames for licensees who are delinquent in renewal of licenses.
		X	2. A person taking an examination shall be notified of the results of the examination within a reasonable time of the testing date.
		X	3. Provide an analysis, on request, to individuals failing the examination.
		X	4. (a) Authorize agencies to set fees.
		X	(b) Authorize agencies to set fees up to a certain limit.
		X	5. Require licensing disqualifications to be: 1) easily determined, and 2) currently existing conditions.
		X	6. (a) Provide for licensing by endorsement rather than reciprocity.
		X	(b) Provide for licensing by reciprocity rather than endorsement.
		X	7. Authorize the staggered renewal of licenses.
			<b>C. ENFORCEMENT</b>
		X	1. Authorize agencies to use a full range of penalties.
		X	2. Require files to be maintained on complaints.
		X	3. Require that all parties to formal complaints be periodically informed in writing as to the status of the complaint.
		X	4. Specification of board hearing requirements.
			<b>D. PRACTICE</b>
		X	1. Revise restrictive rules or statutes to allow advertising and competitive bidding practices which are not deceptive or misleading.
		X	2. The board shall adopt a system of voluntary continuing education.

**TEXAS ENERGY AND NATURAL RESOURCES ADVISORY COUNCIL**



## SUMMARY

The Texas Energy and Natural Resources Advisory Council was created in 1979. The primary functions of the council can be grouped into three basic areas: 1) policy development; 2) contract management; and 3) dissemination of information.

The results of the review indicated that the agency is generally operated in an efficient and effective manner. The review also examined the need for each of the commission's functions and determined that there is a continuing need for state involvement in these areas.

The review included an analysis of the need to continue these functions in their current organizational setting and the analysis indicated that there were no substantial benefits to be gained from consolidation or transfer of functions. The review also indicated that if the agency is continued, modifications should be made to improve the effectiveness of the agency's operations.

### Sunset Commission Recommendations

#### ***MAINTAIN THE AGENCY WITH MODIFICATIONS***

##### • **Other Sunset Criteria**

##### **Public Participation**

1. The statute should be amended and rules should be modified to provide a combination of public officials and private citizens on all advisory committees and subcommittees. (statutory)
2. The council should attempt to ensure that membership on the advisory committees and subcommittees reflect appropriate representation of the general public. (management improvement -non-statutory)
3. The statute should be amended to require that the advisory committees and subcommittees allow public testimony at any meeting. (statutory)

##### **Conflicts of Interest**

4. The statute should be amended to ensure that the type of process currently used by the agency to inform commission members and agency personnel of their responsibilities under conflict-of-interest statutes will be continued in the future. (statutory)



**TEXAS ENERGY AND NATURAL RESOURCES ADVISORY COUNCIL**

Applied	Modified	Not Applied	Across-the-Board Recommendations
			<b>A. ADMINISTRATION</b>
	X		1. Require public membership on boards and commissions.
	X		2. Require specific provisions relating to conflicts of interest.
X			3. A person registered as a lobbyist under Article 6252-9c, V.A.C.S., may not act as general counsel to the board or serve as a member of the board.
			4. Appointment to the board shall be made without regard to race, creed, sex, religion, or national origin of the appointee.
		*	5. Per diem to be set by legislative appropriation.
X			6. Specification of grounds for removal of a board member.
X			7. The agency shall comply with the Open Meetings Act, and the Administrative Procedure and Texas Register Act.
		*	8. The board shall make annual written reports to the Governor and the legislature accounting for all receipts and disbursements made under its statute.
X			9. Require the board to establish skill oriented career ladders.
X			10. Require a system of merit pay based on documented employee performance.
X			11. The state auditor shall audit the financial transactions of the board during each fiscal period.
X			12. Provide for notification and information to the public concerning board activities.
X			13. Require the legislative review of agency expenditures through the appropriation process.

\*Already in statute or required.

**Texas Energy and Natural Resources Advisory Council**  
(Continued)

Applied	Modified	Not Applied	Across-the-Board Recommendations
			<b>B. LICENSING</b>
		X	1. Require standard time frames for licensees who are delinquent in renewal of licenses.
		X	2. A person taking an examination shall be notified of the results of the examination within a reasonable time of the testing date.
		X	3. Provide an analysis, on request, to individuals failing the examination.
		X	4. (a) Authorize agencies to set fees. (b) Authorize agencies to set fees up to a certain limit.
		X	5. Require licensing disqualifications to be: 1) easily determined, and 2) currently existing conditions.
		X	6. (a) Provide for licensing by endorsement rather than reciprocity. (b) Provide for licensing by reciprocity rather than endorsement.
		X	7. Authorize the staggered renewal of licenses.
			<b>C. ENFORCEMENT</b>
		X	1. Authorize agencies to use a full range of penalties.
		X	2. Require files to be maintained on complaints.
		X	3. Require that all parties to formal complaints be periodically informed in writing as to the status of the complaint.
		X	4. Specification of board hearing requirements.
			<b>D. PRACTICE</b>
		X	1. Revise restrictive rules or statutes to allow advertising and competitive bidding practices which are not deceptive or misleading.
		X	2. The board shall adopt a system of voluntary continuing education.

**PUBLIC UTILITY COMMISSION**



## SUMMARY

The Public Utility Commission (PUC) was established in 1975 and is currently active. The function of the agency is to regulate the telephone, electric, water and sewer utilities under its jurisdiction. To accomplish this regulation, the agency is involved in the following basic activities: setting rates, issuing certificates of convenience and necessity, monitoring utility activities, and responding to consumer complaints.

The results of the review indicated that the agency is generally operated in an efficient manner. However, the Sunset Commission concluded that the PUC should be abolished rather than continuing state regulation in its current form.

### Sunset Commission Recommendations

***ABOLISH THE AGENCY***



RAILROAD COMMISSION



## SUMMARY

The Railroad Commission was created in 1891. Although the commission was originally established to regulate railroads, its areas of responsibility have increased significantly since that time. Currently, the commission's regulatory activities can be grouped into five major areas: 1) oil and gas; 2) transportation; 3) natural gas utilities; 4) liquefied petroleum gas; and 5) surface mining and reclamation. These areas are regulated through commission operations which perform licensing, compliance, enforcement, rate setting, and general assistance functions.

The results of the review showed that the commission is generally operated in an efficient and effective manner. The review also examined the need for each of the commission's responsibilities and determined that there is a continuing need for state involvement in these areas.

The review included an analysis of the need to continue these functions in their current organizational setting. The review determined that the need to perform the functions of the commission still exists. The review of organizational alternatives for the responsibilities currently being carried out by the commission indicated that there were no benefits to be gained from transferring functions to other agencies. The review also indicated that if the commission is continued, several modifications should be made which would improve the efficiency and effectiveness of commission operations.

### Sunset Commission Recommendations

#### ***MAINTAIN THE AGENCY WITH MODIFICATIONS***

##### • Agency Operations

###### **Overall Administration**

1. The commission should establish an appropriate system of indexing future commission orders by subject category. (management improvement - non-statutory)
2. The statute should be amended to reimburse employee travel expenses as provided in the General Appropriations Act. (statutory)

## **Evaluation of Programs**

### Licensing

3. The commission should develop a system to identify oil and gas operators that have a history of well plugging violations and should require those operators to post a well plugging bond before being issued a drilling permit. (management improvement - non-statutory)
4. The commission should be authorized to select the fluids to be used in injection wells which are designed to enhance oil recovery. If fresh water is selected, the commission shall consult with the Texas Department of Water Resources concerning such use. (statutory)
5. The statute should be amended to authorize the LP-gas division and the transportation division to stagger license and registration renewals. (statutory)
6. The statute should be amended to shift the burden of proof in the showing of public convenience and necessity for a motor carrier certificate from the applicant to the protesting carrier or carriers. (statutory)

### Compliance

7. The commission should require tests of fluids injected into disposal wells to determine the nature of the fluids and should implement a system to ensure compliance. (statutory)
8. The oil and gas division and the LP-gas division should develop a system which documents dates of completed field inspections and uses the compiled information to schedule future inspections. (management improvement - non-statutory)

### Enforcement

9. The oil and gas division and the transportation division should improve the documentation and accountability of complaint procedures. (management improvement - non-statutory)
10. The commission should be authorized to respond to complaints relating to royalty payments arising between operators and mineral estate owners. (statutory)
11. The statute should be amended to provide the LP-gas and transportation divisions authority to probate license or certificate suspensions. (statutory)

12. The statute should be amended to authorize the commission to order administrative fines not to exceed \$5,000 per violation for pollution and safety violations. (statutory)
13. The statute should be amended to make the possession of unidentified oil a felony. (statutory)
14. The commission should designate a staff attorney as a hearings examiner-at-large to conduct show cause hearings when necessary to comply with APA ex-parte prohibitions. (management improvement - non-statutory)

#### Rate Setting

15. Simplify the methods used in setting production allowables for oil wells. (management improvement - non-statutory)

#### ● **Other Sunset Criteria**

##### **Open Records/Open Meetings**

16. Written policies for locating and copying documents held by the divisions should be developed and made available upon request. (management improvement - non-statutory)
17. The agency should discontinue the practice of permitting the removal of original records from the agency's custody. (management improvement - non-statutory)

##### **Conflicts of Interest**

18. The statute should be amended to require the agency to provide new employees a copy of conflict-of-interest constraints. (statutory)
19. The statute should be amended to apply a two-year post-employment restriction with a company under the commission's regulation, or business entity which does a significant portion of business with a regulated company to commissioners and employees. The restriction would not apply to commission employees who function in a purely clerical or secretarial capacity, or who accept employment by a company that is not under the commission's jurisdiction. (statutory)



## RAILROAD COMMISSION

Applied	Modified	Not Applied	Across-the-Board Recommendations
			<b>A. ADMINISTRATION</b>
	X	*	1. Require public membership on boards and commissions.
	X		2. Require specific provisions relating to conflicts of interest.
		X	3. A person registered as a lobbyist under Article 6252-9c, V.A.C.S., may not act as general counsel to the board or serve as a member of the board.
		X	4. Appointment to the board shall be made without regard to race, creed, sex, religion, or national origin of the appointee.
		X	5. Per diem to be set by legislative appropriation.
		X	6. Specification of grounds for removal of a board member.
X			7. The agency shall comply with the Open Meetings Act, and the Administrative Procedure and Texas Register Act.
		*	8. The board shall make annual written reports to the Governor and the legislature accounting for all receipts and disbursements made under its statute.
X			9. Require the board to establish skill oriented career ladders.
X			10. Require a system of merit pay based on documented employee performance.
X			11. The state auditor shall audit the financial transactions of the board during each fiscal period.
X			12. Provide for notification and information to the public concerning board activities.
		*	13. Require the legislative review of agency expenditures through the appropriation process.

\*Already in statute or required.

**Railroad Commission**  
(Continued)

Applied	Modified	Not Applied	Across-the-Board Recommendations
			<b>B. LICENSING</b>
X			1. Require standard time frames for licensees who are delinquent in renewal of licenses.
X			2. A person taking an examination shall be notified of the results of the examination within a reasonable time of the testing date.
X			3. Provide an analysis, on request, to individuals failing the examination.
			4. (a) Authorize agencies to set fees.
X			(b) Authorize agencies to set fees up to a certain limit.
X			5. Require licensing disqualifications to be: 1) easily determined, and 2) currently existing conditions.
X			6. (a) Provide for licensing by endorsement rather than reciprocity.
			(b) Provide for licensing by reciprocity rather than endorsement.
X			7. Authorize the staggered renewal of licenses.
			<b>C. ENFORCEMENT</b>
X			1. Authorize agencies to use a full range of penalties.
X			2. Require files to be maintained on complaints.
X			3. Require that all parties to formal complaints be periodically informed in writing as to the status of the complaint.
X			4. Specification of board hearing requirements.
			<b>D. PRACTICE</b>
X			1. Revise restrictive rules or statutes to allow advertising and competitive bidding practices which are not deceptive or misleading.
X			2. The board shall adopt a system of voluntary continuing education.

**STATE BOARD OF INSURANCE**



## SUMMARY

The State Board of Insurance was created in 1957 and is currently active. The stated objective of the State Board of Insurance is to enforce the state laws governing the insurance industry and certain fire protection industries in order to protect the interest of the general public. The agency's major functions include: 1) the licensing of insurance companies and agents; 2) examination of the financial conditions and claims practices of licensees; 3) implementing statutory standards in areas such as rate-making and policies issued; 4) investigating complaints against agents and companies; 5) regulating residual market mechanisms designed to provide insurance for risks rejected by the voluntary market; 6) applying for a court order of liquidation, rehabilitation or conservation of companies because of insolvency or other reasons.

The results of the review indicated that the agency is generally operated in an efficient and effective manner. It was determined that sufficient reason exists for the state to continue to regulate the insurance industry in Texas and that continuation of the State Board of Insurance as the agency responsible for the regulation of the insurance industry is also a reasonable approach. The review also indicated that if the agency is continued, several modifications should be made which would improve the efficiency and effectiveness of the operations of the agency.

### **Sunset Commission Recommendations**

#### ***MAINTAIN THE AGENCY WITH MODIFICATIONS***

##### **• Agency Operations**

###### **Policy-making Structure**

1. Amend the code to direct the board to make a biennial report to the appropriate committees of the legislature pertaining to needed changes in the statutes governing insurance. (statutory)

###### **Overall Administration**

2. Amend the Code to permit all revenues dedicated to the support of the agency to be deposited to the agency's general operating fund, thus eliminating the need for 21 special funds. (statutory)
3. In instances where the board has the flexibility to adjust fees or tax rates, the agency should take steps to reduce fund balances to meet

the 60 percent rider limitation in the Appropriations Act. (management improvement - non-statutory)

4. Amend the Code to provide for consistent treatment of similar revenues by: 1) providing that the deposit of application and filing fees in connection with the regulation health maintenance organizations and prepaid legal services into an appropriate special fund; 2) providing that ending balances in the Fireworks Licensing Fund and the Agents Licensing Fund to be retained at the end of each fiscal year. (statutory)

#### **Evaluation of Programs**

5. Amend the Code to modify the chartering procedures by eliminating the need to: 1) require the Attorney General to review and approve the documents connected with charter applications; and 2) eliminate the need for a second hearing in the case of life companies. (statutory)
6. Amend Article 4.11 of the Code and Articles 4769 and 4769a, V.A.C.S. to provide a four year statute of limitation for recovery of taxes not paid in protest for life, accident and health premiums. (statutory)

#### **• Other Sunset Criteria**

##### **EEOC/Privacy**

7. The provisional grievance procedure adopted by the board should be adequately publicized within the agency and made a part of the personnel manual. (management improvement - non-statutory)

**STATE BOARD OF INSURANCE**

Applied	Modified	Not Applied	Across-the-Board Recommendations
			<b>A. ADMINISTRATION</b>
X		*	1. Require public membership on boards and commissions.
X			2. Require specific provisions relating to conflicts of interest.
X			3. A person registered as a lobbyist under Article 6252-9c, V.A.C.S., may not act as general counsel to the board or serve as a member of the board.
X			4. Appointment to the board shall be made without regard to race, creed, sex, religion, or national origin of the appointee.
X		X	5. Per diem to be set by legislative appropriation.
	X		6. Specification of grounds for removal of a board member.
		*	7. The agency shall comply with the Open Meetings Act, and the Administrative Procedure and Texas Register Act.
X			8. The board shall make annual written reports to the governor and the legislature accounting for all receipts and disbursements made under its statute.
X			9. Require the board to establish skill oriented career ladders.
X			10. Require a system of merit pay based on documented employee performance.
X			11. The state auditor shall audit the financial transactions of the board during each fiscal period.
	X		12. Provide for notification and information to the public concerning board activities.
		*	13. Require the legislative review of agency expenditures through the appropriation process.

\*Already in statute or required.

State Board of Insurance  
(Continued)

Applied	Modified	Not Applied	Across-the-Board Recommendations
			<b>B. LICENSING</b>
X			1. Require standard time frames for licensees who are delinquent in renewal of licenses.
X			2. A person taking an examination shall be notified of the results of the examination within a reasonable time of the testing date.
X			3. Provide an analysis, on request, to individuals failing the examination.
			4. (a) Authorize agencies to set fees.
X			(b) Authorize agencies to set fees up to a certain limit.
X			5. Require licensing disqualifications to be: 1) easily determined, and 2) currently existing conditions.
X			6. (a) Provide for licensing by endorsement rather than reciprocity.
			(b) Provide for licensing by reciprocity rather than endorsement.
		*	7. Authorize the staggered renewal of licenses.
			<b>C. ENFORCEMENT</b>
		*	1. Authorize agencies to use a full range of penalties.
X			2. Require files to be maintained on complaints.
X			3. Require that all parties to formal complaints be periodically informed in writing as to the status of the complaint.
X			4. Specification of board hearing requirements.
			<b>D. PRACTICE</b>
		*	1. Revise restrictive rules or statutes to allow advertising and competitive bidding practices which are not deceptive or misleading.
X			2. The board shall adopt a system of voluntary continuing education.

\*Already in statute or required.

**FINANCIAL REGULATORY AGENCIES**

*State Depository Board*

*State Banking Board*

*Finance Commission*

*Banking Department*

*Savings and Loan Department*

*Office of Consumer Credit Commissioner*

*Credit Union Commission*

*State Securities Board*



**STATE DEPOSITORY BOARD**



## SUMMARY

The State Depository Board, created in 1919, is currently active. The board's responsibilities include: 1) selecting banks which serve as depositories for state funds; 2) establishing the allocation of state funds between demand deposits and time deposits; 3) establishing the rate of interest to be paid the state on time deposits; and 4) investing the permanent funds for the Texas School for the Blind, Texas School for the Deaf, the Austin State Hospital and the State Orphans' Home.

The results of the review indicated that the board has been generally effective in carrying out its responsibilities regarding state funds. Based on an analysis of need, it was determined that the need to perform many of the functions of the Depository Board still exist. The review also indicated that if the board was continued, several modifications should be made which would improve the efficiency and effectiveness of the board's operations.

### Sunset Commission Recommendations

#### ***MAINTAIN THE AGENCY WITH MODIFICATIONS***

##### ● Agency Operations

###### Evaluation of Programs

1. Demand accounts should be limited to banks designated as centrally located depositories and any other depository where the board determines that state warrant activity justifies the need. (statutory)
2. The board should adopt a formula for establishing the interest rate on state funds deposited in time-open accounts. (management improvement/non-statutory)
3. The authorized investment alternatives for state funds should be expanded to include U. S. Treasury bills. (statutory)
4. The treasurer should take immediate steps to ensure that all state funds are properly collateralized and that, in the future, funds are not deposited to banks without sufficient approved collateral. (management improvement/non-statutory)
5. The agency should identify all depositories whose account balances exceed the maximum approved amount and request that these banks submit an amended application for approval by the State Depository Board. (management improvement/non-statutory)



**STATE DEPOSITORY BOARD**

Applied	Modified	Not Applied	Across-the-Board Recommendations
X		*	<b>A. ADMINISTRATION</b>
	X		1. Require public membership on boards and commissions.
	X		2. Require specific provisions relating to conflicts of interest.
	X		3. A person registered as a lobbyist under Article 6252-9c, V.A.C.S., may not act as general counsel to the board or serve as a member of the board.
	X		4. Appointment to the board shall be made without regard to race, creed, sex, religion, or national origin of the appointee.
	X		5. Per diem to be set by legislative appropriation.
	X		6. Specification of grounds for removal of a board member.
	X		7. The agency shall comply with the Open Meetings Act, and the Administrative Procedure and Texas Register Act.
	X		8. The board shall make annual written reports to the governor and the legislature accounting for all receipts and disbursements made under its statute.
	X		9. Require the board to establish skill oriented career ladders.
	X		10. Require a system of merit pay based on documented employee performance.
	X		11. The state auditor shall audit the financial transactions of the board during each fiscal period.
	X		12. Provide for notification and information to the public concerning board activities.
X		13. Require the legislative review of agency expenditures through the appropriation process.	

\*Already in statute or required.

**State Depository Board**  
(Continued)

Applied	Modified	Not Applied	Across-the-Board Recommendations
			<b>B. LICENSING</b>
		X	1. Require standard time frames for licensees who are delinquent in renewal of licenses.
		X	2. A person taking an examination shall be notified of the results of the examination within a reasonable time of the testing date.
		X	3. Provide an analysis, on request, to individuals failing the examination.
		X	4. (a) Authorize agencies to set fees. (b) Authorize agencies to set fees up to a certain limit.
		X	5. Require licensing disqualifications to be: 1) easily determined, and 2) currently existing conditions.
		X	6. (a) Provide for licensing by endorsement rather than reciprocity. (b) Provide for licensing by reciprocity rather than endorsement.
		X	7. Authorize the staggered renewal of licenses.
			<b>C. ENFORCEMENT</b>
		X	1. Authorize agencies to use a full range of penalties.
	X		2. Require files to be maintained on complaints.
	X		3. Require that all parties to formal complaints be periodically informed in writing as to the status of the complaint.
		X	4. Specification of board hearing requirements.
			<b>D. PRACTICE</b>
		X	1. Revise restrictive rules or statutes to allow advertising and competitive bidding practices which are not deceptive or misleading.
		X	2. The board shall adopt a system of voluntary continuing education.

**STATE BANKING BOARD**



## SUMMARY

The State Banking Board was created in 1909 and is currently active. The board's areas of responsibility include: 1) consideration of all charter applications for state banks; 2) approval of all applications for changes in domicile by a state bank; 3) consideration of applications for conversion from a national bank to a state bank; 4) ordering the closing and liquidation of state banks which the banking commissioner certifies have failed to correct conditions of impaired capital or unsafe and unlawful operations; and 5) adjudicating complaints between banking institutions concerning the utilization of unmanned teller machines.

The results of the review indicated that the board generally functions in an efficient and effective manner. It was determined that the need to perform the functions assigned to the Banking Board still exist. The review also indicated that if the board is continued, several modifications should be made which would improve the efficiency and effectiveness of the operations of the board.

### Sunset Commission Recommendations

#### ***MAINTAIN THE AGENCY WITH MODIFICATIONS***

##### ● Agency Operations

###### Evaluation of Programs

1. The board should promulgate rules and regulations defining the statutory criteria for chartering a new bank. (management improvement/non-statutory)
2. The code should be amended to expand the role of the hearings officer in public hearings on new bank charters to include making findings of fact based on the evidence received at the hearing. (statutory)

##### ● Other Sunset Criteria

###### Open Meetings/Open Records

3. The statute should be amended to provide that financial statements of proposed bank directors or officers are closed to the public. (statutory)

###### Public Participation

4. The Banking Code should be amended to provide for public notice of hearings on bank charter applications. (statutory)



**STATE BANKING BOARD**

Applied	Modified	Not Applied	Across-the-Board Recommendations
<b>A. ADMINISTRATION</b>			
X		*	1. Require public membership on boards and commissions.
	X		2. Require specific provisions relating to conflicts of interest.
	X		3. A person registered as a lobbyist under Article 6252-9c, V.A.C.S., may not act as general counsel to the board or serve as a member of the board.
	X		4. Appointment to the board shall be made without regard to race, creed, sex, religion, or national origin of the appointee.
		X	5. Per diem to be set by legislative appropriation.
	X		6. Specification of grounds for removal of a board member.
X			7. The agency shall comply with the Open Meetings Act, and the Administrative Procedure and Texas Register Act.
		X	8. The board shall make annual written reports to the governor and the legislature accounting for all receipts and disbursements made under its statute.
		X	9. Require the board to establish skill oriented career ladders.
		X	10. Require a system of merit pay based on documented employee performance.
		X	11. The state auditor shall audit the financial transactions of the board during each fiscal period.
		X	12. Provide for notification and information to the public concerning board activities.
		X	13. Require the legislative review of agency expenditures through the appropriation process.

\*Already in statute or required.

**State Banking Board**  
(Continued)

Applied	Modified	Not Applied	Across-the-Board Recommendations
			<b>B. LICENSING</b>
		X	1. Require standard time frames for licensees who are delinquent in renewal of licenses.
		X	2. A person taking an examination shall be notified of the results of the examination within a reasonable time of the testing date.
		X	3. Provide an analysis, on request, to individuals failing the examination.
		X	4. (a) Authorize agencies to set fees. (b) Authorize agencies to set fees up to a certain limit.
		X	5. Require licensing disqualifications to be: 1) easily determined, and 2) currently existing conditions.
		X	6. (a) Provide for licensing by endorsement rather than reciprocity. (b) Provide for licensing by reciprocity rather than endorsement.
		X	7. Authorize the staggered renewal of licenses.
			<b>C. ENFORCEMENT</b>
		X	1. Authorize agencies to use a full range of penalties.
	X		2. Require files to be maintained on complaints.
	X		3. Require that all parties to formal complaints be periodically informed in writing as to the status of the complaint.
		X	4. Specification of board hearing requirements.
			<b>D. PRACTICE</b>
		X	1. Revise restrictive rules or statutes to allow advertising and competitive bidding practices which are not deceptive or misleading.
		X	2. The board shall adopt a system of voluntary continuing education.

**FINANCE COMMISSION**



## SUMMARY

### Organization and Objectives

The Finance Commission was created in 1943 and is currently active. The commission's areas of responsibility include: 1) appointing the executive heads of the Banking Department, the Savings and Loan Department, and the Office of the Consumer Credit Commissioner; 2) periodically examining these agencies' financial records and transmitting an annual report to the governor; 3) approving departmental budgets; 4) reporting to house and senate committees considering relevant legislation; and 5) approving rules and regulations necessary to enforce the Consumer Credit Code.

The results of the review indicated that the agency generally functions in an efficient and effective manner. It was determined that the need to perform the functions of the commission still exist. The review also indicated that if the commission is continued, several modifications should be made to improve its operations.

### Sunset Commission Recommendations

#### ***MAINTAIN THE AGENCY WITH MODIFICATIONS***

##### • Agency Operations

##### Policy-making Structure

1. Modify the composition of the commission to include two members representing financial institutions licensed by the Consumer Credit Commissioner, other than banks and savings and loan associations, and one additional public member. (statutory)
2. Amend the statute to create a consumer credit section of the commission with responsibilities comparable to the banking and savings and loan sections. (statutory)
3. Provide a right of appeal of cease and desist orders issued by the Savings and Loan Commissioner and the Consumer Credit Commissioner to the appropriate sections of the commission. (statutory)
4. The banking and savings and loan sections of the commission should formally adopt, as rules and regulations, all informal policies and guidelines currently in use. (management improvement - non-statutory)



## FINANCE COMMISSION

Applied	Modified	Not Applied	Across-the-Board Recommendations
			<b>A. ADMINISTRATION</b>
X		*	1. Require public membership on boards and commissions.
X			2. Require specific provisions relating to conflicts of interest.
X			3. A person registered as a lobbyist under Article 6252-9c, V.A.C.S., may not act as general counsel to the board or serve as a member of the board.
X			4. Appointment to the board shall be made without regard to race, creed, sex, religion, or national origin of the appointee.
X			5. Per diem to be set by legislative appropriation.
X			6. Specification of grounds for removal of a board member.
X			7. The agency shall comply with the Open Meetings Act, and the Administrative Procedure and Texas Register Act.
			8. The board shall make annual written reports to the governor and the legislature accounting for all receipts and disbursements made under its statute.
		X	9. Require the board to establish skill oriented career ladders.
		X	10. Require a system of merit pay based on documented employee performance.
		X	11. The state auditor shall audit the financial transactions of the board during each fiscal period.
		X	12. Provide for notification and information to the public concerning board activities.
		X	13. Require the legislative review of agency expenditures through the appropriation process.

**Finance Commission**  
(continued)

Applied	Modified	Not Applied	Across-the-Board Recommendations
			<b>B. LICENSING</b>
		X	1. Require standard time frames for licensees who are delinquent in renewal of licenses.
		X	2. A person taking an examination shall be notified of the results of the examination within a reasonable time of the testing date.
		X	3. Provide an analysis, on request, to individuals failing the examination.
		X	4. (a) Authorize agencies to set fees.
		X	(b) Authorize agencies to set fees up to a certain limit.
		X	5. Require licensing disqualifications to be: 1) easily determined, and 2) currently existing conditions.
		X	6. (a) Provide for licensing by endorsement rather than reciprocity.
		X	(b) Provide for licensing by reciprocity rather than endorsement.
		X	7. Authorize the staggered renewal of licenses.
			<b>C. ENFORCEMENT</b>
		X	1. Authorize agencies to use a full range of penalties.
		X	2. Require files to be maintained on complaints.
		X	3. Require that all parties to formal complaints be periodically informed in writing as to the status of the complaint.
		X	4. Specification of board hearing requirements.
			<b>D. PRACTICE</b>
		X	1. Revise restrictive rules or statutes to allow advertising and competitive bidding practices which are not deceptive or misleading.
		X	2. The board shall adopt a system of voluntary continuing education.

**BANKING DEPARTMENT**



## SUMMARY

The Banking Department was created in 1923 and is currently active. The agency's major functions include: 1) the annual examination of all state chartered banks and the monitoring of banks with deficiencies; and 2) enforcement efforts directed toward violations of the Act or unsafe or unsound practices. In addition to the supervision of state chartered banks, the Department of Banking also has responsibility for regulating: 1) sellers of prepaid funeral contracts; 2) perpetual care cemeteries; 3) sellers of money orders; and 4) certain mortgage banking institutions.

The results of the review indicated that the agency is generally operated in an efficient and effective manner. It was determined that the need to perform the functions of the agency still exists. The review also indicated that if the department is continued, several modifications should be made to improve its operations.

### Sunset Commission Recommendations

#### ***MAINTAIN THE AGENCY WITH MODIFICATIONS***

##### ● Agency Operations

###### Overall Administration

1. The department's policy concerning payment for unused sick leave should be modified so that it is consistent with the policies of most state agencies. (management improvement - non-statutory)
2. The department should take steps to minimize agency funds held in demand accounts. (management improvement - non-statutory)
3. Access to the department's postage meter should be limited to one or two employees assigned responsibility for ensuring that it is used only for official state mail. (management improvement - non-statutory)
4. The agency should establish procedures for listing remittances in numerical sequence when the mail is opened to ensure that all checks received are properly accounted for. (management improvement - non-statutory)
5. The department should determine whether proper reasons exist for establishing and maintaining a petty cash fund, specifically

authorize such a fund, and institute appropriate controls over its use. (management improvement - non-statutory)

6. The agency should develop a written personnel manual which includes job descriptions and policies regarding vacation and sick leave, overtime, disciplinary and grievance procedures, travel and holidays. (management improvement - non-statutory)
7. The department's organizational structure should be modified to limit the scope of duties assigned to the departmental examiner. (management improvement - non-statutory)

#### **Evaluation of Programs**

8. The agency should initiate the formal adoption, as rules, of all bank examination fees. (management improvement - non-statutory)
9. Amend the statute to provide the banking commissioner with a full range of sanctions, including cease and desist and removal authority, and supervision and conservatorship provisions in connection with the regulation of trust companies. (statutory)
10. Amend the statute to transfer the regulation of prepaid funeral funds from the Banking Department to the State Board of Insurance. (statutory)

#### **• Other Sunset Criteria**

##### **Open Meetings/Open Records**

11. Amend the statute to exempt call reports and profit and loss statements from confidentiality requirements. (statutory)
12. Agency policies should be changed to make bylaws and bank correspondence not related to the financial condition of a bank open to the public. (management improvement - non-statutory)

##### **Conflicts of Interest**

13. The Banking Code should be amended to require all employees to sign a notarized affidavit that they have read the general conflict of interest statutes. (statutory)
14. All other informal departmental policies concerning conflicts of interest should be reduced to writing and included in a formal personnel manual. (management improvement - non-statutory)

## BANKING DEPARTMENT

Applied	Modified	Not Applied	Across-the-Board Recommendations
			<b>A. ADMINISTRATION</b>
	X	X	1. Require public membership on boards and commissions.
			2. Require specific provisions relating to conflicts of interest.
		X	3. A person registered as a lobbyist under Article 6252-9c, V.A.C.S., may not act as general counsel to the board or serve as a member of the board.
		X	4. Appointment to the board shall be made without regard to race, creed, sex, religion, or national origin of the appointee.
		X	5. Per diem to be set by legislative appropriation.
		X	6. Specification of grounds for removal of a board member.
X			7. The agency shall comply with the Open Meetings Act, and the Administrative Procedure and Texas Register Act.
	X		8. The board shall make annual written reports to the governor and the legislature accounting for all receipts and disbursements made under its statute.
X			9. Require the board to establish skill oriented career ladders.
X			10. Require a system of merit pay based on documented employee performance.
		*	11. The state auditor shall audit the financial transactions of the board during each fiscal period.
X			12. Provide for notification and information to the public concerning board activities.
X			13. Require the legislative review of agency expenditures through the appropriation process.

\*Already in statute or required.

**Banking Department**  
(Continued)

Applied	Modified	Not Applied	Across-the-Board Recommendations
			<b>B. LICENSING</b>
		X	1. Require standard time frames for licensees who are delinquent in renewal of licenses.
		X	2. A person taking an examination shall be notified of the results of the examination within a reasonable time of the testing date.
		X	3. Provide an analysis, on request, to individuals failing the examination.
X			4. (a) Authorize agencies to set fees. (b) Authorize agencies to set fees up to a certain limit.
		X	5. Require licensing disqualifications to be: 1) easily determined, and 2) currently existing conditions.
		X	6. (a) Provide for licensing by endorsement rather than reciprocity.
		X	(b) Provide for licensing by reciprocity rather than endorsement.
		X	7. Authorize the staggered renewal of licenses.
			<b>C. ENFORCEMENT</b>
		X	1. Authorize agencies to use a full range of penalties.
X			2. Require files to be maintained on complaints.
X			3. Require that all parties to formal complaints be periodically informed in writing as to the status of the complaint.
		X	4. Specification of board hearing requirements.
			<b>D. PRACTICE</b>
		X	1. Revise restrictive rules or statutes to allow advertising and competitive bidding practices which are not deceptive or misleading.
		X	2. The board shall adopt a system of voluntary continuing education.

**SAVINGS AND LOAN DEPARTMENT**



## SUMMARY

The Savings and Loan Department was created in 1961 and is currently active. The agency's major functions include: 1) the approval of applications for state chartered savings and loan associations; 2) the examination of all state chartered savings and loan associations and the monitoring of savings and loans with deficiencies; and 3) enforcement efforts directed toward violations of the Act or fraudulent practices.

The results of the review indicated that the department is generally operated in an efficient and effective manner. It was determined that sufficient reason exists for the state to continue to regulate the savings and loan industry in Texas. The review also indicated that if the department is continued, several modifications should be made to improve the efficiency and effectiveness of the agency's operations.

### Sunset Commission Recommendations

#### ***MAINTAIN THE AGENCY WITH MODIFICATIONS***

##### • Agency Operations

###### Overall Administration

1. All agreements for the leasing of space by the department should be obtained through the State Purchasing and General Services Commission. (management improvement - non-statutory)

###### Evaluation of Programs

2. The statute should be amended to expand the role of the hearings officer in public hearings on new savings and loan charters to include making findings of fact based on the evidence received at the hearing (statutory).
3. The statute should be amended to grant the Savings and Loan Commissioner the authority to approve the acquisition of 25 percent or more of the voting stock of a state-chartered savings and loan association. (statutory)
4. Rules and regulations defining the statutory criteria for chartering a new savings and loan association should be promulgated. (management improvement - non-statutory)
5. The department should adopt a policy of maintaining workpapers for at least five years and should request the destruction of all records

in accordance with the provisions of Article 5441a, V.A.C.S.  
(management - improvement/non-statutory)

6. The department should initiate an electronic data processing examination program for state chartered savings and loan associations.  
(management improvement - non-statutory)
7. The statute should be amended to permit savings and loan institutions to issue preferred stock as a means of raising capital.  
(statutory)
8. The agency should permit field examiners to submit handwritten copies of examination reports to the Austin office for final processing. (management improvement - non-statutory)
9. Copies of complaints and the association's responses should be forwarded to the field examiner responsible for the examination of that savings and loan. (management improvement - non-statutory)
10. The department should develop additional written policies concerning conflicts-of-interest for the agency's examiners. (management improvement - non-statutory)

## SAVINGS AND LOAN DEPARTMENT

Applied	Modified	Not Applied	Across-the-Board Recommendations
			<b>A. ADMINISTRATION</b>
	X	X	1. Require public membership on boards and commissions.
			2. Require specific provisions relating to conflicts of interest.
		X	3. A person registered as a lobbyist under Article 6252-9c, V.A.C.S., may not act as general counsel to the board or serve as a member of the board.
		X	4. Appointment to the board shall be made without regard to race, creed, sex, religion, or national origin of the appointee.
		X	5. Per diem to be set by legislative appropriation.
		X	6. Specification of grounds for removal of a board member.
X			7. The agency shall comply with the Open Meetings Act, and the Administrative Procedure and Texas Register Act.
			8. The board shall make annual written reports to the governor and the legislature accounting for all receipts and disbursements made under its statute.
	X		9. Require the board to establish skill oriented career ladders.
X			10. Require a system of merit pay based on documented employee performance.
		*	11. The state auditor shall audit the financial transactions of the board during each fiscal period.
X			12. Provide for notification and information to the public concerning board activities.
X			13. Require the legislative review of agency expenditures through the appropriation process.

\*Already in statute or required.

**Savings and Loan Department**  
(Continued)

Applied	Modified	Not Applied	Across-the-Board Recommendations
			<b>B. LICENSING</b>
		X	1. Require standard time frames for licensees who are delinquent in renewal of licenses.
		X	2. A person taking an examination shall be notified of the results of the examination within a reasonable time of the testing date.
		X	3. Provide an analysis, on request, to individuals failing the examination.
X			4. (a) Authorize agencies to set fees. (b) Authorize agencies to set fees up to a certain limit.
		X	5. Require licensing disqualifications to be: 1) easily determined, and 2) currently existing conditions.
		X	6. (a) Provide for licensing by endorsement rather than reciprocity.
		X	(b) Provide for licensing by reciprocity rather than endorsement.
		X	7. Authorize the staggered renewal of licenses.
			<b>C. ENFORCEMENT</b>
		X	1. Authorize agencies to use a full range of penalties.
X			2. Require files to be maintained on complaints.
X			3. Require that all parties to formal complaints be periodically informed in writing as to the status of the complaint.
		X	4. Specification of board hearing requirements.
			<b>D. PRACTICE</b>
		X	1. Revise restrictive rules or statutes to allow advertising and competitive bidding practices which are not deceptive or misleading.
		X	2. The board shall adopt a system of voluntary continuing education.

**OFFICE OF CONSUMER CREDIT COMMISSIONER**



## SUMMARY

The Office of the Consumer Credit Commissioner was created in 1963 and is currently active. The agency's major functions include: 1) the licensing of finance companies, pawnshops, and pawnshop employees; 2) the annual examination of licensees; and 3) enforcement efforts directed toward violations of the Consumer Credit Code.

The results of the review indicated that the agency is generally operated in an efficient and effective manner, and that sufficient reason exists for the state to continue to regulate the consumer credit industry in Texas. If the agency is continued, the review indicated several areas where modifications would improve the operations of the agency.

### Sunset Commission Recommendations

#### ***MAINTAIN THE AGENCY WITH MODIFICATIONS***

##### • **Agency Operations**

###### **Overall Administration**

1. Initiate a procedure to index and publish interpretation letters prepared by the commissioner regarding the agency's interpretation of statutory provisions. (management improvement/non-statutory)

###### **Evaluation of Programs**

2. Amend the statute to allow the commissioner flexibility in determining qualifications for licensure as a pawnshop owner or employee consistent with that provided other state agencies. (statutory)
3. Amend the statute to eliminate the need to issue a license to banks, savings and loan associations and credit unions making Chapter 3 loans. (statutory)
4. Amend the statute to specifically exempt certain employee benefit plans established under the Employee Retirement Income Security Act of 1974 (ERISA) from Chapter 3 licensing requirements. (statutory)

##### • **Other Sunset Criteria**

###### **EEOC/Privacy**

5. The agency should update its affirmative action statement and actively seek minority employees when a job vacancy occurs. (management improvement/non-statutory)

**Public Participation**

6. The agency should make efforts to meet its statutory obligation to assist and encourage the development of consumer education programs as well as taking steps to increase public awareness of its activities, particularly its responsibilities for receiving and investigating complaints. (management improvement/non-statutory)

**Conflicts of Interest**

7. The statute should be amended to require the agency to develop a process which would ensure that agency personnel are informed of their responsibilities under conflict-of-interest statutes. (statutory)

**OFFICE OF CONSUMER CREDIT COMMISSIONER**

Applied	Modified	Not Applied	Across-the-Board Recommendations
<b>A. ADMINISTRATION</b>			
	X	X	1. Require public membership on boards and commissions. 2. Require specific provisions relating to conflicts of interest.
		X	3. A person registered as a lobbyist under Article 6252-9c, V.A.C.S., may not act as general counsel to the board or serve as a member of the board.
		X	4. Appointment to the board shall be made without regard to race, creed, sex, religion, or national origin of the appointee.
X		X	5. Per diem to be set by legislative appropriation.
		X	6. Specification of grounds for removal of a board member.
	X		7. The agency shall comply with the Open Meetings Act, and the Administrative Procedure and Texas Register Act.
X			8. The board shall make annual written reports to the governor and the legislature accounting for all receipts and disbursements made under its statute.
X			9. Require the board to establish skill oriented career ladders.
X			10. Require a system of merit pay based on documented employee performance.
		*	11. The state auditor shall audit the financial transactions of the board during each fiscal period.
		*	12. Provide for notification and information to the public concerning board activities.
X			13. Require the legislative review of agency expenditures through the appropriation process.

\*Already in statute or required.

Office of Consumer Credit Commissioner  
(Continued)

Applied	Modified	Not Applied	Across-the-Board Recommendations
			<b>B. LICENSING</b>
		X	1. Require standard time frames for licensees who are delinquent in renewal of licenses.
		X	2. A person taking an examination shall be notified of the results of the examination within a reasonable time of the testing date.
		X	3. Provide an analysis, on request, to individuals failing the examination.
X			4. (a) Authorize agencies to set fees. (b) Authorize agencies to set fees up to a certain limit.
X			5. Require licensing disqualifications to be: 1) easily determined, and 2) currently existing conditions.
		X	6. (a) Provide for licensing by endorsement rather than reciprocity.
		X	(b) Provide for licensing by reciprocity rather than endorsement.
X			7. Authorize the staggered renewal of licenses.
			<b>C. ENFORCEMENT</b>
X			1. Authorize agencies to use a full range of penalties.
X			2. Require files to be maintained on complaints.
X			3. Require that all parties to formal complaints be periodically informed in writing as to the status of the complaint.
X			4. Specification of board hearing requirements.
			<b>D. PRACTICE</b>
		X	1. Revise restrictive rules or statutes to allow advertising and competitive bidding practices which are not deceptive or misleading.
		X	2. The board shall adopt a system of voluntary continuing education.

**CREDIT UNION COMMISSION**



## SUMMARY

The Credit Union Commission was created in 1969 and is currently active. The agency's major functions include: 1) the chartering of credit unions in Texas; 2) the annual examination of all state-chartered credit unions, and the monitoring of credit unions with deficiencies; and 3) enforcement efforts directed toward violations of the act, or unsafe or fraudulent practices.

The results of the review indicated that the agency is generally operated in an efficient and effective manner. It was determined that sufficient reason exists for the state to continue to regulate the credit union industry in Texas. The review also indicated that if the agency is continued, several modifications should be made which would improve the efficiency and effectiveness of the operations of the agency.

### Sunset Commission Recommendations

#### ***MAINTAIN THE AGENCY WITH MODIFICATIONS***

##### • Agency Operations

###### **Overall Administration**

1. Improve internal controls by providing for segregation of duties with respect to both the receipt of funds and the purchase of goods. (management improvement - non-statutory)

###### **Evaluation of Programs**

2. Amend the statute to contain adequate chartering criteria, including criteria relating to: the economic viability of the proposed credit union; the character and general fitness of incorporators and proposed directors; and the good faith of applicants. (statutory)
3. Amend the statute to include provision for public notice and opportunity for prior hearing on request of any protesting party or the incorporators. (statutory)
4. The board should formally adopt, as rules and regulations, all informal policies and guidelines currently in use. (management improvement -non-statutory)
5. Amend the statute to include as grounds for administrative sanctions under Section 5.09 of the Act the following: related criminal acts; denial to the department of access to credit union books and records, or concealment or destruction of books and

records; and refusal to comply with a final order of the commissioner. (statutory)

6. The board should define in its rules and regulations the following statutory grounds for cease and desist or removal orders: questionable practice in the conduct of a credit union's business, conducting business in an unsafe or unauthorized manner, and breach of trust or fiduciary duty. (management improvement - non-statutory)
7. Amend the statute to provide the commissioner with the authority to immediately remove a credit union official or employee whose conduct threatens to cause insolvency of the credit union. (statutory)
8. Amend the statute to provide a right of appeal to the board of a cease and desist or removal order. (statutory)
9. Amend the statute to provide that for violations of final cease and desist or removal orders, the commissioner is authorized to impose a fine against offending individuals as well as the credit union, and to seek an injunction to enforce such orders. (statutory)
10. Amend the statute to provide the commissioner with authority to appoint a conservator, where necessary, to rehabilitate a credit union placed in suspension. (statutory)
11. Amend the statute to provide criminal penalties for false entries and answers to questions of an examiner, and destruction and concealment of books and records by credit union officials or employees. (statutory)

**CREDIT UNION COMMISSION**

Applied	Modified	Not Applied	Across-the-Board Recommendations
<b>A. ADMINISTRATION</b>			
X	X		1. Require public membership on boards and commissions.
			2. Require specific provisions relating to conflicts of interest.
X			3. A person registered as a lobbyist under Article 6252-9c, V.A.C.S., may not act as general counsel to the board or serve as a member of the board.
		*	4. Appointment to the board shall be made without regard to race, creed, sex, religion, or national origin of the appointee.
X			5. Per diem to be set by legislative appropriation.
X			6. Specification of grounds for removal of a board member.
		*	7. The agency shall comply with the Open Meetings Act, and the Administrative Procedure and Texas Register Act.
X			8. The board shall make annual written reports to the governor and the legislature accounting for all receipts and disbursements made under its statute.
X			9. Require the board to establish skill oriented career ladders.
X			10. Require a system of merit pay based on documented employee performance.
X			11. The state auditor shall audit the financial transactions of the board during each fiscal period.
		*	12. Provide for notification and information to the public concerning board activities.
X			13. Require the legislative review of agency expenditures through the appropriation process.

\*Already in statute or required.

**Credit Union Commission**  
(Continued)

Applied	Modified	Not Applied	Across-the-Board Recommendations
			<b>B. LICENSING</b>
		X	1. Require standard time frames for licensees who are delinquent in renewal of licenses.
		X	2. A person taking an examination shall be notified of the results of the examination within a reasonable time of the testing date.
		X	3. Provide an analysis, on request, to individuals failing the examination.
		*	4. (a) Authorize agencies to set fees. (b) Authorize agencies to set fees up to a certain limit.
		X	5. Require licensing disqualifications to be: 1) easily determined, and 2) currently existing conditions.
	X		6. (a) Provide for licensing by endorsement rather than reciprocity. (b) Provide for licensing by reciprocity rather than endorsement.
		X	7. Authorize the staggered renewal of licenses.
			<b>C. ENFORCEMENT</b>
		X	1. Authorize agencies to use a full range of penalties.
		*	2. Require files to be maintained on complaints.
		*	3. Require that all parties to formal complaints be periodically informed in writing as to the status of the complaint.
		X	4. Specification of board hearing requirements.
			<b>D. PRACTICE</b>
		X	1. Revise restrictive rules or statutes to allow advertising and competitive bidding practices which are not deceptive or misleading.
		X	2. The board shall adopt a system of voluntary continuing education.

\*Already in statute or required.

**STATE SECURITIES BOARD**



## SUMMARY

The State Securities Board was created in 1957 and is currently active. Securities regulation in Texas takes the general form used by most other states. The structure of the regulation provides for prior approval by the state of the sale of securities in Texas; the imposition through licensing of minimum standards for individuals and firms engaged in selling securities or offering investment advice; and enforcement efforts directed toward violations of the state act.

The review and evaluation of the agency indicated that its regulatory activities generally serve to ensure an adequate level of public protection and that there is a continuing need to regulate the securities industry in Texas. However, the review did show that modifications in the board's operations would increase the efficiency and effectiveness of the agency's regulatory activities.

### Sunset Commission Recommendations

#### ***MAINTAIN THE AGENCY WITH MODIFICATIONS***

##### • **Agency Operations**

###### **Overall Administration**

1. Reduce the error rate in vouchers for issuance of warrants by taking advantage of technical assistance offered by the comptroller's office for agencies experiencing difficulties with voucher processing, and following the procedures promulgated by the comptroller's office and the State Purchasing and General Services Commission. (management improvement - non-statutory)
2. Comply with statutory provisions by depositing all fees to the treasury on a daily basis. (management improvement - non-statutory)
3. Amend the statute to grant the board the authority to refund permit or license fees as necessary from the General Revenue Fund. (statutory)
4. Initiate a procedure to index and publish written opinions prepared by the staff counsel regarding the availability of exemptions from registration. (management improvement - non-statutory)

###### **Evaluation of Programs**

5. Amend the statute to increase the fees for initial applications from \$35 to \$70 for dealers and from \$15 to \$30 for salesmen. (statutory)

6. Amend the statute to eliminate the requirement that a registration certificate be issued for each salesman or agent. (statutory)
7. Amend the board's rules and regulations to define what constitutes inequitable practice in the sale of securities. (management improvement - non-statutory)
8. Amend the board's rules and regulations to formally adopt all informal guidelines currently in use wherever practical. (management improvement - non-statutory)
9. Initiate a process to document waivers granted from published guidelines in the registration of securities. (management improvement - non-statutory)
10. Amend the statute to remove the filing requirement under Section 5.I(c) of the Act exempting from registration securities sold by the issuer to not more than 15 persons within a 12-month period. (statutory)
11. Amend the statute to delete the references to specific securities manuals in Section 5.0 of the Act and allow the board to approve all manuals used. (statutory)
12. Amend the statute to permit restitution for persons defrauded in connection with the sale of securities. (statutory)
13. Amend the statute to establish a five-year statute of limitations for prosecution of fraud in connection with the sale of securities. (statutory)
14. Amend the statute to provide a stiffer penalty for cases involving securities fraud where the amount of the transaction is \$10,000 or more. (statutory)
15. Amend the statute to provide all parties a right to a hearing, when requested, before the board or its designated hearings officer, in cases where a securities registration is denied. (statutory)
16. Amend the statute to provide that all appeals prosecuted under the Act be subject to the substantial evidence rule. (statutory)

● **Other Sunset Criteria**

**Open Meetings/Open Records**

17. The statutory language which states that all records of dealers and salesmen licensed by the board is confidential should be eliminated so that these records are treated in a fashion similar to those of other licensing agencies. (statutory)

## STATE SECURITIES BOARD

Applied	Modified	Not Applied	Across-the-Board Recommendations
			<b>A. ADMINISTRATION</b>
X			1. Require public membership on boards and commissions.
X			2. Require specific provisions relating to conflicts of interest.
X			3. A person registered as a lobbyist under Article 6252-9c, V.A.C.S., may not act as general counsel to the board or serve as a member of the board.
X			4. Appointment to the board shall be made without regard to race, creed, sex, religion, or national origin of the appointee.
X			5. Per diem to be set by legislative appropriation.
X			6. Specification of grounds for removal of a board member.
X			7. The agency shall comply with the Open Meetings Act, and the Administrative Procedure and Texas Register Act.
X			8. The board shall make annual written reports to the governor and the legislature accounting for all receipts and disbursements made under its statute.
X			9. Require the board to establish skill oriented career ladders.
X			10. Require a system of merit pay based on documented employee performance.
X			11. The state auditor shall audit the financial transactions of the board during each fiscal period.
X			12. Provide for notification and information to the public concerning board activities.
	X		13. Require the legislative review of agency expenditures through the appropriation process.

**State Securities Board**  
(Continued)

Applied	Modified	Not Applied	Across-the-Board Recommendations
			<b>B. LICENSING</b>
	X		1. Require standard time frames for licensees who are delinquent in renewal of licenses.
X			2. A person taking an examination shall be notified of the results of the examination within a reasonable time of the testing date.
X			3. Provide an analysis, on request, to individuals failing the examination.
		X	4. (a) Authorize agencies to set fees.
		X	(b) Authorize agencies to set fees up to a certain limit.
X			5. Require licensing disqualifications to be: 1) easily determined, and 2) currently existing conditions.
X			6. (a) Provide for licensing by endorsement rather than reciprocity.
		X	(b) Provide for licensing by reciprocity rather than endorsement.
X			7. Authorize the staggered renewal of licenses.
			<b>C. ENFORCEMENT</b>
X			1. Authorize agencies to use a full range of penalties.
X			2. Require files to be maintained on complaints.
	X		3. Require that all parties to formal complaints be periodically informed in writing as to the status of the complaint.
X			4. Specification of board hearing requirements.
			<b>D. PRACTICE</b>
	X		1. Revise restrictive rules or statutes to allow advertising and competitive bidding practices which are not deceptive or misleading.
X			2. The board shall adopt a system of voluntary continuing education.

**APPENDIX**



**MEETING DATES**



**MEETING DATES  
OF THE  
SUNSET ADVISORY COMMISSION**

The Sunset Advisory Commission met 18 times between August 1981 and January 1983 to hear staff reports, take public testimony, and develop recommendations on the 32 agencies scheduled for sunset termination in September 1983. Meeting dates of the commission were as follows:

August 31, 1981	October 8, 1982
January 29, 1982	November 10, 1982
June 23, 1982	November 11, 1982
June 24, 1982	November 12, 1982
June 25, 1982	December 1, 1982
July 20, 1982	December 2, 1982
August 17, 1982	December 16, 1982
October 6, 1982	December 17, 1982
October 7, 1982	January 4, 1983



**TABULAR SUMMARY OF SUNSET ACTION**



**TABULAR SUMMARY OF SUNSET ACTION**

<u>Agency</u>	<u>Date Created</u>	<u>Commission Recommendation</u>
<b><u>Business and Professional Agencies</u></b>		
Council for Social Work Certification	1981	Continue with changes
Texas Committee on Purchases of Products and Services of Blind and Severely Disabled Persons	1975	Continue with changes
Texas Commission on Law Enforcement Officer Standards and Education	1965	Continue with changes
Texas Department of Community Affairs	1971	Continue with changes
Texas Industrial Commission	1920	Continue with changes
Industrial Accident Board	1917	Continue with changes
Texas Employment Commission	1936	Continue with changes
<b><u>Cultural and Advisory Agencies</u></b>		
Texas Commission on Interstate Cooperation	1941	Abolish
The Commission on Uniform State Laws	1941	Continue with changes
Advisory Council on Intergovernmental Relations	1971	Continue with changes
Office of State-Federal Relations	1965	Continue with changes
Advisory Council for Technical-Vocational Education	1969	Continue with changes
Texas Historical Resources Development Council	1971	Abolish
Antiquities Committee	1969	Continue with changes
Texas Historical Commission	1953	Continue with changes
Texas State Library and Archives Commission	1909	Continue with changes
Texas Commission on the Arts	1965	Continue with changes

**TABULAR SUMMARY OF SUNSET ACTION**  
(Continued)

<u>Agency</u>	<u>Date Created</u>	<u>Commission Recommendation</u>
<b><u>Energy and Insurance Regulatory Agencies</u></b>		
Office of Interstate Oil Compact Commissioner	1935	Continue with changes
Office of Interstate Mining Compact Commissioner for Texas	1975	Continue with changes
Office of Southern Interstate Nuclear Compact Board Member for Texas	1961	Continue with changes
Texas Energy and Natural Resources Advisory Council	1979	Continue with changes
Public Utility Commission	1975	Abolish
Railroad Commission	1891	Continue with changes
State Board of Insurance	1957	Continue with changes
<b><u>Financial Regulatory Agencies</u></b>		
State Depository Board	1919	Continue with changes
State Banking Board	1909	Continue with changes
Finance Commission	1943	Continue with changes
State Banking Commission	1923	Continue with changes
Office of Savings and Loan Commissioner	1961	Continue with changes
Office of Consumer Credit Commissioner	1963	Continue with changes
Credit Union Commission	1969	Continue with changes
State Securities Board	1957	Continue with changes

## **AGENCY AND STAFF ASSIGNMENTS**



AGENCY AND STAFF ASSIGNMENTS  
OF THE  
SUNSET ADVISORY COMMISSION

*Business and Professional Agencies*

Council for Social Work Certification	Jeri Kramer/Bruce Crawford
Texas Committee on Purchases of Products and Services of the Blind and Severely Disabled Persons	Karl Spock/Rhonda Belt
Commission on Law Enforcement Officer Standards and Education	Tim Graves/Allen Beinke
Texas Department of Community Affairs	Karen Phillips/John Frasch
Texas Industrial Commission	Dorothy Featherling/Kathy Hutto
Industrial Accident Board	Tempe Minch/James Clifton
Texas Employment Commission	Tim Graves/Ken Levine

*Cultural and Advisory Agencies*

Texas Commission on Interstate Cooperation	Tim Graves/Dorothy Featherling
Texas Commission on Uniform State Laws	Allen Beinke/Karen Phillips
Texas Advisory Commission on Intergovernmental Relations	Tim Graves/Karen Phillips
Office of State-Federal Relations	Tim Graves/Allen Beinke
Advisory Council on Technical-Vocational Education	Tim Graves/Dorothy Featherling
Historical Resources Development Council	Karl Spock/Fred Buckles
Texas Antiquities Committee	Karl Spock/Ken Levine
Texas Historical Commission	Karl Spock/Joey Longley
Texas State Library and Archives Commission	Karl Spock/Jeri Kramer
Texas Commission on the Arts	Karl Spock/Jeri Kramer

Agency and Staff Assignments  
(Cont.)

*Energy and Insurance Regulatory  
Agencies*

Office of Interstate Oil Compact Commissioner	Karl Spock/Fred Buckles
Office of Interstate Mining Compact Commissioner for Texas	Karl Spock/Ken Levine
Office of Southern Interstate Nuclear Compact Board Member for Texas	Karl Spock/Joey Longley
Texas Energy and Natural Resources Advisory Council	Karl Spock/Rhonda Belt
Public Utility Commission	Karl Spock/Kathy Hutto
Railroad Commission	Allen Beinke/Joey Longley
State Board of Insurance	Susan Grotevant/Ken Huff

*Financial Regulatory Agencies*

State Depository Board	Susan Grotevant/John Frasch
State Banking Board	Susan Grotevant/Tempe Minch
Finance Commission	Susan Grotevant/Ken Levine
Banking Department	Susan Grotevant/Tempe Minch
Savings and Loan Department	Susan Grotevant/Vada Hill
Office of Consumer Credit Commissioner	Susan Grotevant/Ken Levine
Credit Union Commission	Susan Grotevant/Tempe Minch
State Securities Board	Susan Grotevant/Tempe Minch

**DISSENTING STATEMENT**



STATE OF TEXAS  
SUNSET ADVISORY COMMISSION



Senator Ed Howard, Chairman

Representative Charles Evans, Vice Chairman

Sen. Ike Harris  
Sen. Kent Caperton  
Sen. Bill Sarpalius  
Mr. Vernon A. McGee, Public Member

Rep. Elton Bomer  
Rep. Ernestine Glossbrenner  
Rep. Gary Thompson  
Ms. Carol Barger, Public Member

MEMORANDUM

**TO: SUNSET COMMISSION MEMBERS**  
**FROM: Carol Barger**  
**DATE: January 5, 1983**  
**SUBJECT: DISSENTING STATEMENT ON STATE BOARD OF INSURANCE**

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During the Sunset review process it became apparent that there is a lack of effective public participation in proceedings before the State Board of Insurance. The state objective of the State Board of Insurance is to enforce the laws of the state governing the insurance industry in such a manner as to best protect the public. To accomplish this goal the board must balance not only the needs of the buyers of insurance but also the sellers. Consideration of the interests of the industry is especially necessary in the regulation of insurance since ensuring the solvency of the companies has long been considered one of the primary goals of insurance regulation. The ability to equitably balance the competing and often conflicting needs of these interests is even more difficult due to the inequity in resources available to these two groups.

Occasionally consumer groups and other members of the public are present at public hearings. But such participation is fragmented at best. And it is no match for the resources which the industry can summon to support its viewpoint. For example, in proceedings held by the board to set rates on personal lines of insurance such as auto or homeowners often the only intervenors are industry service offices representing insurers who can afford to obtain the actuarial and legal expertise necessary to analyze the recommendations proposed by the staff and to propose alternative rate recommendations. Intervenors on behalf of consumers are fewer and not as well funded and as a result seldom participate in

the ratemaking process. It is with the idea that more representation occur on the part of the buyers of insurance that the following comments are submitted.

While there are not easy answers to how to permit consumers to more effectively participate in the board's regulatory activities given the complexity of the regulation of insurance, institutionalizing a framework for representation of the buyer of insurance would promote the perception that the state has made a strong commitment to the general public.

There are many ways to go about enhancing public participation in the regulatory activities of the Board of Insurance. One option is to authorize funding for intervenors on behalf of policyholders who intervene in proceedings. Intervenor funding could come from general appropriations. It could also be raised by assessing a formula against the revenues of firms seeking rate increases.

Another means of making public participation in the regulatory activities of the Board more meaningful is establishing and funding an office of public insurance counsel either independently or under the umbrella of some broader office of public counsel. For instance, in New Jersey, there is within a Department of the Public Advocate, a Division of Rate Counsel which represents consumers before both the insurance commission and the utility commission. Similarly, South Carolina has a Division of Consumer Advocacy which is authorized to intervene in the public interest before the utility commission, the insurance commission and the dairy commission. Massachusetts and Georgia has established a legal counsel which represents the public interest in ratemaking activities. Variations on the above two models exist in other states also.<sup>1</sup>

Article 1.09-1(b) of the Texas Insurance Code allows the Attorney General to intervene in the public interest in all rate hearings and policy form proceedings. Our research has shown no cases interpreting what "public interest" was intended to mean. Presumably, a definition of "public interest" would not be limited merely to the class of people who buy insurance. "To intervene in the public interest" could be construed to include an intervention on behalf of an insurance company. The statute does not direct the attorney general specifically to intervene on behalf of policyholders. Possibly this is why this power is seldom, if ever, used.

To the extent that Article 1.09-1(b) might be used as a tool for intervention on behalf of policyholders, it would require the attorney general to act in a dual role with regard to the Board. Section (a) of Article 1.09-1 requires that the Attorney General shall represent and advise the Board in all legal matters before it. Any intervention on behalf of policyholders would require the Attorney General to both advise the Board and be an intervenor in proceedings before the Board. Preliminary research indicates that there are no cases discussing the likelihood that this would be an impermissible conflict of interest. However, any appeal of a Board decision to the District Court by the attorney general representing the policyholder would present a problem. There are Texas cases holding that the Attorney General's exclusive right and power to represent state agencies preclude the Attorney General from bringing suit against any state agency.<sup>2</sup> The lack of power on the part of the Attorney General to represent the policyholders in court on appeal from a Board decision effectively nullifies any public representation provided for in Article 1.09-1(b). The inability of the Attorney General to sue the Board in District Court would leave the policyholder no recourse from arbitrary Board actions. An with no power to appeal, representation of policyholders before the Board has limited affect.

While the insurance industry has the resources to obtain representation, consumers do not. Individuals and smaller groups cannot afford private attorneys and consumer advocate groups are already overworked and underfunded. The use of a public counsel in Texas would also be especially helpful in providing legal assistance and other information concerning the regulation of insurance and the board's activities to the general public since the agency's current legal staff confines its activities primarily to providing legal assistance to the board's staff. Additionally, the presence of a legal counsel would provide the public with an easily identifiable individual whose role would be to serve as an active advocate for the interest of the general public in regulatory proceedings before the Board.

Texas should adopt some institutional framework for assuring adequate and effective representation of the viewpoint of those who buy insurance.

## FOOTNOTES

- 1 Annotated Laws of Massachusetts, 12:11f.
- 2 Hill v LCRA 568 SW2d 473 (Texas Civ. App., Austin, 1978)  
Hill v Texas Water Quality Board 568 SW2d 738 (Texas Civ. App., Austin, 1978)

## ACKNOWLEDGEMENT

This material was prepared with the assistance of  
David Crain in his capacity as legal assistant.

**DISCLOSURE INFORMATION FROM MEMBERS  
OF THE  
SUNSET ADVISORY COMMISSION**





**ED HOWARD**  
STATE SENATOR

P. O. BOX 12068  
AUSTIN, TEXAS 78711

P. O. BOX 5695  
TEXARKANA, TEXAS 75501

November 15, 1982

COMMITTEES:  
CHAIRMAN:  
    SUNSET ADVISORY COMMISSION  
VICE CHAIRMAN:  
    FINANCE  
VICE CHAIRMAN:  
    ADMINISTRATION  
MEMBER:  
    STATE AFFAIRS  
    SUB-COMMITTEE ON NOMINATIONS  
    SUB-COMMITTEE ON RULES

Mr. Bill Wells  
Staff Director  
Sunset Advisory Commission  
Reagan Building  
Austin, Texas

SUBJECT: Sunset Commission Rules: Public Statement  
of connections to Agencies.

Dear Mr. Wells:

This statement is made in accordance with the rules of the Sunset Advisory Commission. Within the provisions of that rule, I have had no contact with any agency investigated other than that contact called for by my capacity as a State Senator.

Sincerely,

A handwritten signature in black ink, appearing to read "Ed Howard", written over a horizontal line.

Ed Howard

EH:nc



STATE of TEXAS  
HOUSE of REPRESENTATIVES

P. O. BOX 2910  
AUSTIN, TEXAS 78769  
512-475-5779

P. O. BOX 8  
HURST, TEXAS 76053  
817-268-1577

Charles Evans

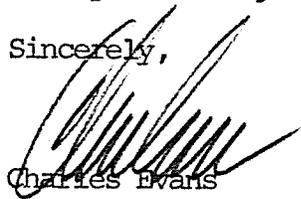
December 21, 1982

Mr. Bill Wells  
Executive Director  
Sunset Advisory Commission  
P.O. Box 13066  
Capitol Station  
Austin, Texas 78711

Dear Bill:

In accordance with Rule #10 of the Sunset Advisory Commission Rules, my contacts with the agencies currently under Sunset Review have been in line with my responsibilities as a state representative. I have not been a representative, officer or employee of any of the agencies currently under review.

Sincerely,



Charles Evans

CE/pd





The Senate of  
The State of Texas

January 10, 1983

DISTRICT 8  
DALLAS

O. H. "IKE" HARRIS

TO: Bill Wells  
FROM: Senator O. H. "Ike" Harris  
RE: Sunset Commission Rule 10

Regarding Sunset Commission Rule 10, I have had no personal contact, other than legislative, with any of the agencies reviewed by the Sunset Commission, other than the Insurance Commission.

*O.H.A.*





KENT A. CAPERTON

State Senator  
District 5  
P. O. Box 12068  
Austin, Texas 78711

The Senate of  
The State of Texas  
Austin 1871

Committees:  
HUMAN RESOURCES  
JURISPRUDENCE  
STATE AFFAIRS

Subcommittees:  
CIVIL MATTERS, Vice  
Chairman  
CONSUMER AFFAIRS  
ELECTIONS

September 20, 1982

Mr. Bill Wells  
Executive Director  
Sunset Advisory Commission  
P. O. Box 13036  
Austin, Texas 78711

Dear Bill:

In accordance with Rule 10 of the Texas Sunset Commission,  
please advise if the following will be sufficient:

Pursuant to Rule 10 of the Texas Sunset Commission, I, Senator Kent A. Caperton, having been appointed to the Commission by Lieutenant Governor William P. Hobby in June, 1981, do hereby declare that from the period three years prior to that appointment, June of 1978 through June of 1981, have represented clients in my profession as a practicing attorney before the Industrial Accident Board with regard to worker's compensation cases.

Sincerely,

A handwritten signature in cursive script that reads "Kent Caperton".

Kent A. Caperton

KAC/SO:ml





BILL SARPALIUS  
District 31

The Senate of  
The State of Texas  
Austin 78711

Committees:

NATURAL RESOURCES  
Chairman, SUBCOMMITTEE  
ON AGRICULTURE  
ECONOMIC DEVELOPMENT  
HUMAN RESOURCES  
SUBCOMMITTEE ON  
PUBLIC HEALTH

Counties:

Armstrong

Bailey

Carson

Castro

Collingsworth

Dallam

Deaf Smith

Donley

Gray

Hansford

Hartley

Hemphill

Hockley

Hutchinson

Lamb

Lipscomb

Moore

Ochiltree

Oldham

Parmer

Potter

Randall

Roberts

Sherman

Swisher

Wheeler

December 17, 1982

Mr. Bill Wells  
Director  
Sunset Advisory Commission  
Room 304  
Reagan Building

SUBJECT: Sunset Commission Rules: Public Statement of connection to  
Agencies.

Dear Mr. Wells:

This statement is made in accordance with the rules of the Sunset Advisory  
Commission. Within the provisions of the rules, I have had no contact with  
any agency investigated other than contact called for by my capacity as a  
State Senator.

Sincerely,

A handwritten signature in cursive script that reads "Bill Sarpalius".

Bill Sarpalius

BS/i



THE TEXAS HOUSE OF REPRESENTATIVES



Elton Bomer

P.O. BOX 2910  
AUSTIN, TEXAS 78769  
512/475-2954

711 W. CORSICANA STREET  
ATHENS, TEXAS 75751  
214/675-1671

December 10, 1982

Mr. Bill Wells  
Director  
Sunset Advisory Commission  
Room 304  
Reagan Building

SUBJECT: Sunset Commission Rules: Public Statement of  
connection to Agencies.

Dear Mr. Wells:

This statement is made in accordance with the rules of the  
Sunset Advisory Commission. Within the provisions of the  
rules, I have had no contact with any agency investigated  
other than contact called for by my capacity as a State  
Representative.

Sincerely,

A handwritten signature in cursive script, appearing to read "Elton Bomer", with a long horizontal flourish extending to the right.

Elton Bomer  
State Representative

EB:kk





# house of representatives

*Ernestine Glossbrenner*

*P. O. Box 2910*

*Austin, Texas 78769*

December 20, 1982

Mr. Bill Wells, Director  
Sunset Advisory Commission  
Room 305, John H. Reagan Building  
Austin, Texas 78711

Dear Mr. Wells:

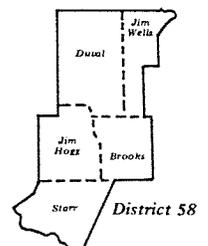
In accordance with Rule 10 of the Sunset Advisory Commission rules, my contacts with the agencies currently under Sunset review have been in line with my responsibilities as State Representative. I have not served as a representative, consultant, officer or employee of any of the agencies currently under Sunset review.

Sincerely,

A handwritten signature in black ink, appearing to read "Ernestine V. Glossbrenner".

Ernestine V. Glossbrenner

EVG/rg



Alice, Texas 78332



STATE OF TEXAS  
SUNSET ADVISORY COMMISSION



Senator Ed Howard, Chairman

Representative Charles Evans, Vice Chairman

Sen. Ike Harris  
Sen. Kent Caperton  
Sen. Bill Sarpalus  
Mr. Vernon A. McGee, Public Member

Rep. Elton Bomer  
Rep. Ernestine Glossbrenner  
Rep. Gary Thompson  
Ms. Carol Barger, Public Member

January 4, 1983

Mr Bill Wells  
Sunset Advisory Commission  
P.O. BOX 13066  
Austin, TX 78711

Dear Mr Wells:

Regarding the Sunset Commission Rule 10, I have had the following contact with agencies reviewed by the Sunset Commission:

PUBLIC UTILITY COMMISSION:

1979	Southwestern Bell Telephone	Intervenor:
1980	Company--Rate Hike Request	Representing Consumers
1981		Union & Texas ACORN on
		behalf of residential
		ratepayers
1979	Houston Lighting & Power	Intervenor:
1980	Rate Hike Request	Representing Consumers
1981		Union & Houston ACORN
		on behalf of residential
		ratepayers.
1980	Petition for Rulemaking for	Petitioner:
	Termination of Service Standards	Representing Consumers Union
1980	Cost Study Docket	Intervenor:
		Representing Consumers Union
		& Texas ACORN
1982	Proposed Rule on Late	filed comments
	Payment Charges	

RAILROAD COMMISSION:

1980	Rulemaking on Termination	Representing Consumers Union
	of Service	on behalf of residential
		ratepayers

STATE OF TEXAS  
SUNSET ADVISORY COMMISSION



Senator Ed Howard, Chairman

Representative Charles Evans, Vice Chairman

Sen. Ike Harris  
Sen. Kent Caperton  
Sen. Bill Sarpalius  
Mr. Vernon A. McGee, Public Member

Rep. Elton Bomer  
Rep. Ernestine Glossbrenner  
Rep. Gary Thompson  
Ms. Carol Barger, Public Member

page 2

RAILROAD COMMISSION:

1982 Petition for Rulemaking on  
Termination of Service  
Standards

Petitioner:  
Representing Consumers Union  
& Texas ACORN on behalf of  
residential ratepayers.

1982 Gas Research Institute  
Petition

Representing Consumers  
Union

FINANCE COMMISSION &  
CONSUMER CREDIT COMMISSION:

1981 Petition for Rulemaking on  
Debt Collection Practices

Petitioner:  
Representing Consumers Union

STATE BOARD OF INSURANCE:

1980 Petition on Problems with  
Debit Life Insurance

Representing Consumers Union

Sincerely,

*Carol Barger*  
Carol Barger



State of Texas  
House of Representatives  
Austin, Texas

REP. GARY THOMPSON  
STATE CAPITOL  
P.O. BOX 2910  
AUSTIN, TEXAS 78769-2910

DISTRICT 79  
P.O. BOX 8235 ACU STA.  
ABILENE, TEXAS 79699  
AC 915 677-0211

17 December 1982

TO: SUNSET COMMISSION  
FROM: REP. GARY THOMPSON  
RE: PECUNIARY/PROFESSIONAL INTERESTS

Pursuant to the disclaimer policy of the Sunset Commission, I herewith submit the following data:

- a. owned: 185 shares of Pengo Crop. stock; Pengo is an oilfield servicing company.
- b. West Texas Utilities has contributed in 1982, \$8,600 toward sustaining Abilene Christian's American Enterprise Forum which I direct. I receive no salary from this program. Funds are used to purchase supplies, defray travel expenses for instructors, and pay a stipend to the instructor.



9441 Sherman Road  
Austin, TX 78742  
31 August 1981

Dear Senator Howard:

H.B. No. 542, 67th Legislature, R.S. at section 1.03 (b) specifies conditions of eligibility for public members on the Sunset Advisory Commission. Neither I nor Mrs. McGee violate those conditions.

However, my wish is to comply with the spirit as well as the letter of the law. Hence, this disclosure of former associations with the Advisory Council for Technical-Vocational Education in Texas, one of the State agencies scheduled for "sunset" review.

I propose to abstain from voting on any motion or recommendation by the Sunset Advisory Commission respecting the future status of that Advisory Council, subject to your concurrence.

Briefly, the facts about my former associations are these:

By nomination of then Governor Preston Smith, the State Board of Education appointed me a member of the Advisory Council effective Feb. 1, 1969. I served as a member until Aug. 31, 1975; and was chairperson in 1974 and 1975.

Subsequently that Advisory Council asked me to research certain topics as a part-time staff associate. Those episodes, time-periods and amounts paid were as follows:

Sample survey, computer analysis, and narrative summary of responses from former vocational students five years after high school graduation; January through August, 1978; \$10,488.

Review of statutory law specifying role-and-scope in technical-vocational education of all State agencies of public education, for the Council and for Dr. Frank W. R. Hubert's subcommittee; May through July, 1979; \$1,496.

From magnetic tape transcriptions of the Feb. 1980 conference "Business and Industry Speak; Education Listens," derive a summary suitable for publication; compile for students' use job outlooks in the 1980s for 12 occupational clusters, and a student-written brochure on seven qualifications employers universally look for in beginning employees. April-Dec., 1980; \$4,593.

Research 11 topics and prepare resource materials with appendices for changing the image of technical-vocational education in Texas; summer of 1981; \$1,491.

During my membership on the Sunset Advisory Commission, of course, I will have no association whatever with the Advisory Council for Technical-Vocational Education in Texas.

Sincerely,

Senator Ed Howard, Chairman  
Sunset Advisory Commission  
P. O. Box 12068  
Austin, TX 78711

Vernon A. McGee

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cc: Lieut. Gov. Wm. P. Hobby  
bcc: Bill Wells