

EXECUTIVE SUMMARY OF SUNSET STAFF REPORT

Texas Parks and Wildlife Department

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The Texas Parks and Wildlife Department (TPWD) has the important responsibility of managing, conserving, and providing access to Texas' lands and natural resources. To do so, the agency carries out two distinct but related functions in state government. As the state's game and fish agency, TPWD is responsible for the protection and stewardship of some of the state's most valuable and most threatened resources. The agency also operates and maintains public lands, making them available for outdoor recreational opportunities for Texans and visitors to the state. The importance of these functions to the state warrants the continuation of TPWD. However, each of these functions presents modern challenges for the agency. TPWD, like fish and wildlife agencies nationwide, is experiencing a decline in hunters, anglers, and boaters — along with a commensurate decline in license fee revenue. Meanwhile, as Texas' population has swelled and the state has experienced unprecedented growth, the need to conserve land and water resources and provide access to outdoor recreational opportunities is both higher in demand and harder to secure. Adding to this challenge, the COVID-19 pandemic has also affected the agency's operations and budget. With the state's parks largely closed or limiting operations for most of the popular spring season, revenue for basic operations has declined and future revenue remains unpredictable for the rest of the biennium.

Keeping all this in mind, Sunset staff focused its review on identifying ways to better position the agency for success in an ever-changing environment. Sunset found the agency's strongly decentralized structure, with 13 divisions responsible for different agency functions, sometimes presents challenges with consistent understanding of policies across the agency, indicating the need for processes to ensure agencywide comprehension. Likewise, the agency's strategic planning processes have become muddled over time, impeding the agency's ability to best plan its operations and identify and address its future needs. The strategic plan could benefit from more concrete objectives and outcome-based performance measures to better guide the agency's operations. Likewise, the Land and Water Resources Conservation and Recreation Plan needs to return to its intended statutory purpose, identifying and addressing the state's resources and needs. The agency's internal auditing program also faces challenges, which the agency should address through a stronger risk assessment process and more formalized input from the Texas Parks and Wildlife Commission.

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While TPWD is well known as the agency that issues recreational hunting and fishing licenses, the Sunset review noted the agency also issues about 80 different licenses and permits that regulate a vast range of activities to protect the state's natural resources from potential harms like overharvesting and invasive species. Currently, thousands of individuals and small business owners obtain licenses from TPWD to make their livelihoods in occupations like commercial fishing, retail and wholesale fish dealing, alligator farming, and deer breeding. These licensees and the state rely on fair and effective regulation from TPWD, but the review identified opportunities to ensure the agency provides adequate due process and treats licensees consistently and fairly across its regulatory programs.

Hunting, fishing, and outdoor recreation are integral to the lives and livelihoods of Texans, and have been for centuries. The agency's strong ties to longstanding traditional and familiar ways of operating must adapt to a dynamic and changing world. TPWD is up to the task, but a few changes could improve its operations and better prepare the agency to meet its shifting challenges. The following material summarizes Sunset staff recommendations on the Texas Parks and Wildlife Department.

Sunset Staff Issues and Recommendations

ISSUE 1

The State Has a Continuing Need for the Texas Parks and Wildlife Department.

TPWD's mission to manage and conserve natural and cultural resources and provide outdoor recreation opportunities continues to be important to Texas. Activities like hunting and fishing, if unregulated, have the potential to threaten the state's wildlife, and TPWD provides the necessary regulation and conservation measures to protect these resources. By acquiring and managing parks and other public lands, TPWD also ensures the growing population of Texans and tourists have access to the state's diverse lands and unique natural features for recreation.

Key Recommendations

- Continue the Texas Parks and Wildlife Department for 12 years, until 2033.
- Apply the standard across-the-board requirements regarding commission member training and maintaining a system for receiving and acting on complaints.

ISSUE 2

Some Elements of TPWD's Licensing and Enforcement Functions Are Inconsistent and Lack Transparency.

In addition to the agency's millions of recreational hunting and fishing licenses, TPWD also issues thousands of nonrecreational licenses covering a wide range of activities that have the potential to impact Texas' natural resources. These licenses regulate activities many Texans depend on for their livelihoods. The agency must ensure it oversees and enforces these licenses fairly and efficiently, in line with best practices for occupational licenses. TPWD uses separate criminal and administrative enforcement processes, but does not sufficiently align them, creating difficulties for both agency employees and licensees in achieving

fair, strong, and consistent enforcement. Additionally, the agency oversees these licenses through five different divisions with no standardized business processes, creating inefficiencies for agency staff and frustration for licensees.

Key Recommendations

- Require TPWD to provide an opportunity to access an informal review process for nonrecreational license and permit types.
- Require TPWD to establish a risk-based approach to inspections.
- Direct the agency to adopt policies for using its full range of existing enforcement authority, including revocation and suspension in appropriate cases.
- Direct TPWD to clearly and actively communicate enforcement processes and outcomes to licensees.

ISSUE 3

TPWD Needs to Improve Strategic Management Processes to Ensure It Can Best Meet the Future Needs of Texans.

TPWD coordinates its functions and guides its operations through two primary strategic planning documents: the *Land and Water Resources Conservation and Recreation Plan* and the *Natural Agenda*. The Land and Water Plan has strayed from its original, statutory purpose. The *Natural Agenda* is the state-required strategic plan, which should be enhanced to better guide the agency's operations and measure its performance. Also, TPWD's decentralized structure, with 13 divisions that each operate with significant autonomy, provides some obstacles in the agency's ability to accomplish its mission consistently and effectively.

Key Recommendations

- Require TPWD to refine the scope and measure the effectiveness of the Land and Water Plan, and direct the Texas Parks and Wildlife Commission to establish a conservation and recreation planning subcommittee.
- Direct TPWD to improve and use the *Natural Agenda* as the agency's sole, agencywide strategic plan.
- Direct TPWD to institute processes to better ensure consistent, actionable policies and practices across the agency's divisions.

ISSUE 4

TPWD's Internal Auditing Program Does Not Identify or Address All the Agency's Risks, Limiting Its Effectiveness.

The agency's risk assessment process does not produce a complete and accurate picture of TPWD's risks. As a result, the agency's internal auditing program disproportionately focuses on lower risk areas and activities, while higher risk areas potentially go unidentified and unaddressed. TPWD's risk assessment and internal audit processes also provide little opportunity for the commission to give early input and

guidance, or to exercise thorough oversight because the commission receives limited information on the implementation status of audit recommendations.

Key Recommendations

- Direct the Texas Parks and Wildlife Commission to formally establish an internal audit subcommittee.
- Direct TPWD to fully identify and prioritize the risks of all of the agency's activities in its risk assessment process, and to develop a more complete and diversified internal audit plan.
- Direct TPWD to use its newly developed quarterly audit status report to provide more information about the status and implementation of audit recommendations.

Fiscal Impact Summary

Overall, the recommendations in this report would have some upfront costs but should also result in efficiencies for the agency. Most of the recommendations in the report are intended to ensure TPWD makes the most efficient use of its resources, such as streamlining its regulatory programs, but the exact fiscal impact cannot be estimated without knowing how TPWD would implement them.