SUNSET ADVISORY COMMISSION

Report to the 89th Legislature

2024-25

89TH LEGISLATURE

SUNSET ADVISORY COMMISSION

Cover photo: The Texas State Capitol was completed in 1888. With the Goddess of Liberty atop the dome, the Texas State Capitol Building is 19 feet taller than the U.S. Capitol Building in Washington, D.C. The photo shows the south facade of the Capitol. Photo Credit: Janet Wood

SUNSET ADVISORY COMMISSION

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February 13, 2025

The Honorable Greg Abbott
Governor of Texas

The Honorable Dan Patrick   The Honorable Dustin Burrows
Lieutenant Governor of Texas   Speaker, Texas House of Representatives

Honorable Members of the 89th Legislature
Assembled in Regular Session

Ladies and Gentlemen:

As we begin the 89th Legislative Session, the members of the Sunset Advisory Commission present to you the results of the many hours of staff work, hearings, debate, and decisions of the commission. As you know, the Texas Sunset Act directs commission members and staff to evaluate the performance of agencies scheduled for review each biennium and recommend abolishing or continuing these agencies, propose statutory or management changes needed to better serve Texans, and prepare legislation to implement the commission's proposed statutory changes.

The Sunset Commission reviewed 12 entities for the 89th Legislative Session, resulting in 213 recommendations with an overall positive fiscal impact to the state of almost $147 million over the next five fiscal years. These recommendations will streamline state government while enhancing services to our citizens, improve accountability, align agencies' procedures with best practices, eliminate unnecessary regulations, and strengthen the effective delivery of services to Texans. The commission is making several appropriative recommendations to the House Appropriations and Senate Finance committees for consideration, including directing the Texas Department of Criminal Justice (TDCJ) to transfer administration and management of postsecondary correctional education to the Windham School District and authorizing it to use funds for costs of attendance, increasing funding for cybersecurity services provided by the Department of Information Resources (DIR), providing funding for more timely customer service at the Texas Ethics Commission (TEC), and modifying the Texas Lottery Commission's (TLC) budget pattern to add a new goal for indirect administration. Other recommendations include requiring TDCJ to create a long-term facilities and staffing plan to identify future needs and ensure public safety, requiring TLC to develop and adopt a formal process for resolving questions about its authority and statutory ambiguity, modifying DIR's board to better represent state agencies of all sizes, and streamlining TEC's statute to ease the burden on filers and the agency itself while balancing the need for full public disclosure.

On behalf of the Sunset Advisory Commission, we are pleased to share with you the commission's findings and recommendations to streamline and improve state government for the benefit of those we serve — the people of Texas.

Respectfully submitted,

Representative Keith Bell   Senator Tan Parker
Chair   Vice Chair
Sunset Advisory Commission   Sunset Advisory Commission

SUMMARY OF SUNSET REVIEWS

The Sunset process is the regular assessment of the continuing need for a state agency or program. The process works by setting an automatic termination (Sunset) date in state law on which an agency will be abolished unless the Legislature passes a bill to continue it, typically for another 12 years. This date determines when an agency is subject to Sunset review and provides the Legislature a unique opportunity and a strong incentive to closely examine an agency's mission, priorities, and performance and take action to address problems identified.

Sunset for the 89th Legislative Session

The Sunset Commission reviewed 12 entities this biennium. Criminal justice featured prominently, with reviews of the Texas Department of Criminal Justice (TDCJ), Board of Pardons and Paroles, Correctional Managed Health Care Committee, and Windham School District. Technology was another focus area, with a review of the Department of Information Resources (DIR). Other reviews included the Texas Ethics Commission (TEC), Texas Lottery Commission (TLC), a special-purpose review of the Texas Real Estate Commission, and reviews of four river authorities — the Angelina and Neches River Authority, Lower Neches Valley Authority, Sabine River Authority of Texas, and Trinity River Authority of Texas. Of the 12 entities reviewed, nine were not subject to abolishment.

Results

The Sunset Commission recommends the 89th Legislature pass legislation to continue three agencies with improvements and make enhancements to several other entities not subject to abolishment. The chart below summarizes commission recommendations to continue agencies, provides links to commission recommendations for each agency, and highlights the overall two- and five-year fiscal impacts of recommendations for all entities reviewed this cycle.

Sunset Summary Information, 89th Session

Agency	Action	Two-Year Net Fiscal Impact	Five-Year Net Fiscal Impact
Angelina and Neches River Authority	Not subject to abolishment (NSA)	No impact	No impact
Texas Department of Criminal Justice	Continue		
Board of Pardons and Paroles	NSA		
Correctional Managed Health Care Committee	NSA	$1,469,752	$151,008,670
Windham School District	NSA		
Texas Ethics Commission	NSA	($378,000)	($945,000)
Department of Information Resources	Continue	($1,300,000)	($3,250,000)
Texas Lottery Commission	Continue	Cannot be estimated	Cannot be estimated
Lower Neches Valley Authority	NSA	No impact	No impact
Texas Real Estate Commission (Special-Purpose Review)[1]	NSA	No impact	No impact
Sabine River Authority of Texas	NSA	No impact	No impact
Trinity River Authority of Texas	NSA	No impact	No impact
Net Fiscal Impact		**($208,248)**	**$146,813,670**

Improving government efficiency is a hallmark of the Sunset process. The Sunset Act specifically requires an assessment of the efficiency and effectiveness with which an agency operates. In total, the Sunset Commission adopted 213 recommendations — 100 that require statutory changes, 106 non-statutory management actions, and seven changes in appropriation — to improve accountability and operations, ensure available funds are used more efficiently, and position these entities to better serve and protect the people of Texas.

For TDCJ, the commission recommends the agency create a long-term facilities and staffing plan identifying future needs and presenting a phased plan to close certain facilities and that the agency reduce program placement timelines to achieve significant cost savings. For TEC, the commission recommends the agency categorize violations of law within its jurisdiction according to seriousness to help TEC focus its limited resources on the most serious violations. Other recommendations improve agencies' effectiveness and accountability, including recommendations directing TLC to modernize its data practices, data validation, and other quality controls, and directing DIR to improve communication to its customers regarding eligibility and cost of services.

The Sunset Commission's recommendations for the four criminal justice entities, including TDCJ, will have a positive fiscal impact to the state, DIR and TEC will have a negative fiscal impact, TLC will have a fiscal impact the commission could not estimate at the time of the review, and five reviews will have no fiscal impact. Recommendations for DIR, TDCJ, TEC, and TLC include appropriative recommendations for the House Appropriations and Senate Finance committees to consider, including funding for DIR to provide additional cybersecurity services, directing TDCJ to transfer administration and management of postsecondary correctional education to Windham and authorizing it to use funds to cover costs of attendance, providing additional funding for TEC to improve customer service, and adding a new goal to TLC's budget pattern for indirect administration.

Guide to Recommendations

The Sunset Commission's recommendations include three types of recommendations described below.

- **Statutory change.** Changes in law that require consideration and action by the full Legislature and are drafted into Sunset legislation on each agency.

- **Management action.** Changes that require consideration and action by the agency and do not require legislative action. As adopted by the Sunset Commission, these recommendations should be implemented by each agency over the next two years or as specified by the commission.

- **Appropriations change.** These changes articulate to the appropriative committees the Sunset Commission's interest in changes to agencies' appropriations. These changes are not contained in the Sunset bills for those agencies.

This report to the 89th Legislature incorporates by reference all Sunset staff reports completed this biennium. Use the link in the chart on the previous page to access detailed information on recommendations adopted by the Sunset Commission for each agency. Contact Sunset staff directly at sunset@sunset.texas.gov to obtain hard copies of this report to the 89th Legislature or to obtain any Sunset staff report that is of particular interest.

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1   The Texas Real Estate Commission is subject to abolishment through the Sunset process in 2033.