

- SUBJECT:** Adding UIL and two authorities to Sunset review and revising schedules
- COMMITTEE:** Government Efficiency and Reform — committee substitute recommended
- VOTE:** 7 ayes — Harper-Brown, Perry, Capriglione, Stephenson, Taylor, Scott Turner, Vo
0 nays
- WITNESSES:** For — None
Against — None
On — Ken Levine, Sunset Commission
- BACKGROUND:** Education Code, sec. 33.083 requires the University Interscholastic League (UIL), as part of The University of Texas at Austin, to meet annual reporting requirements and submit its rules and procedures to the commissioner of education for approval.

In 1963, the 58th Legislature authorized the creation of the Clear Lake City Water Authority in Harris County. In 1985, the first called session of 69th Legislature authorized the creation of the Sulphur River Basin Authority.
- DIGEST:** CSHB 1675 would require the University Interscholastic League (UIL) to undergo a Sunset review during the period when other state agencies to be abolished in 2015 were reviewed. The UIL would not be abolished and would pay for the cost of the Sunset Advisory Commission’s review.

The bill also would require that the Clear Lake City Water Authority and the Sulphur River Basin Authority undergo Sunset review during the 2015 cycle. Neither authority would be subject to abolishment. The reviews would assess the governance, management, and operating structures of the entities as well as their compliance with legislative requirements. Both authorities would pay for the costs of their review.

The bill also would change the Sunset dates for various governmental

agencies as follows:

- the Texas Department of Transportation from 2015 to 2017;
- regional educational services centers from 2015 to 2019;
- the Texas State Board of Public Accountancy from 2015 to 2019;
- the Texas Invasive Species Coordinating Committee in 2021;
- the Texas Council on Purchasing from People with Disabilities from 2015 to 2021;
- the division of workers' compensation of the Texas Department of Insurance and the Office of Injured Employee Counsel from 2017 to 2021; and

The Early Childhood Health and Nutrition Interagency Council no longer would go through a separate review but be included in the periodic review of the Department of Agriculture.

Unless specifically continued, these agencies would be abolished on their Sunset dates.

CSHB 1675 would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2013.

**SUPPORTERS
SAY:**

CSHB 1675 appropriately would make the University Interscholastic League subject to oversight in the form of a Sunset review. The Sunset Commission could review several areas of concern relating to the operations of UIL, which is a statutorily created state organization. More than one-third of UIL's employees make \$80,000 or more per year. Each year, UIL collects substantial dues from local school districts and yet has never undergone an external audit. Recently, UIL tried to extend its reach by seeking to require competition officials to register with the league. Despite claims that UIL is not a state agency, the organization has benefitted from representation from the attorney general's office in a drawn out court case.

Placing under Sunset review the Sulphur River Basin Authority and the Clear Lake City Water Authority would provide additional oversight protection. Water authorities are handling larger amounts of state money, including multibillion-dollar projects, as water planning becomes ever more crucial throughout Texas. These water entities should be subject to more than the review of their financial and/or management operations,

such as annual audits. In conducting its reviews, the Sunset Commission looks at ethics, governance, efficiency, and other issues related to transparency.

A Sunset review would result in greater transparency in the way the these water authorities conduct their operations. Over the last 15 years, the Sulphur River Basin Authority has been the subject of complaints for contracting with entities in the Dallas Metroplex to provide water supplies outside of its Region D regional water planning area, and the Clear Lake City Water Authority has significant existing bond obligations and has been involved in extended legal proceedings.

CSHB 1675 also would improve the effectiveness and efficiency of the Sunset Commission by better grouping Sunset reviews by agency and subject matter. For example, the Texas Council on Purchasing from People with Disabilities would be moved to the 2021 cycle, when the Sunset Commission will review purchasing agencies.

Moreover, the bill would make room within the next Sunset review cycle for the commission to focus on the seven large Health and Human Services agencies. Sunset staff should be given an adequate opportunity to closely review these very complex agencies to find efficiencies.

**OPPONENTS
SAY:**

CSHB 1675 inappropriately would make the University Interscholastic League subject to the Sunset review process. UIL operates under the Division of Diversity and Community Engagement at the University of Texas at Austin. Other divisions of the University of Texas are not subject to Sunset review. The House Public Education Committee conducted a review of UIL during the last interim and published a favorable review and offered a few recommendations. UIL is a self-supporting organization that does not receive state appropriations and is already subject to certain audits and reporting requirements.

HB 1675 unnecessarily would require the Sulphur River Basin Authority and the Clear Lake Water Authority to undergo Sunset review. The Sulphur River Basin Authority is required to submit the results of a management audit every five years to the Texas Commission on Environmental Quality (TCEQ). The Clear Lake City Water Authority each year submits to the TCEQ the results of its required financial audit.

NOTES:

The committee substitute differs from the bill as filed by:

- requiring the University Interscholastic League, the Clear Lake City Water Authority, and the Sulphur River Basin Authority to undergo Sunset review;
- changing agencies set to be reviewed in the 2015 Sunset review cycle to later cycles;
- giving the Texas Department of Insurance's division of workers' compensation and the Office of Injured Employee Council later Sunset review dates.

The companion bill, SB 207 by Nichols, was referred to the Senate Committee on Transportation on February 25.