



A Report on

# The Self-reported Implementation of Sunset Advisory Commission Management Actions

November 30, 2018

Members of the Legislative Audit Committee:

The State Auditor's Office (Office) has obtained the following entities' self-reported implementation status for 121 nonstatutory recommendations (management actions) in the *Sunset Advisory Commission Report to the 85th Legislature* (see text box on page 3 of this letter for additional information):

- Board of Chiropractic Examiners.
- Board of Pharmacy.
- Board of Veterinary Medical Examiners.
- Commission on Environmental Quality.
- Department of Licensing and Regulation.
- Employees Retirement System.
- Executive Council of Physical Therapy and Occupational Therapy Examiners.
- Optometry Board.
- Palo Duro Water District.
- Railroad Commission.
- State Bar of Texas.
- Sulphur River Basin Authority.
- Texas Board of Nursing.
- Texas Department of Transportation.
- Texas State Board of Dental Examiners.
- Upper Colorado River Authority.

#### Definitions of Implementation Status

**Fully Implemented:** Successful development and use of a process, system, or policy to implement a management action.

**Substantially Implemented:** Successful development but inconsistent use of a process, system, or policy to implement a management action.

**Incomplete/Ongoing:** Ongoing development of a process, system, or policy to address a management action.

**Not Implemented:** Lack of a formal process, system, or policy to address a management action.

SAO Report No. 19-012

The entities reported to the Office that on or before August 13, 2018 (percentages do not sum precisely due to rounding):

- They had fully implemented 83 (68.6 percent) of the 121 management actions.
- They had substantially implemented 17 (14.0 percent) of the 121 management actions.
- The implementation of 20 (16.5 percent) of the 121 management actions was incomplete or ongoing.
- The implementation of 1 (0.8 percent) of the 121 management actions became unnecessary due to a change in statute.

For the purposes of this project, auditors followed up on the implementation status of 50 selected management actions that 13 entities reported as fully implemented and that the Sunset Advisory Commission rated as having either a high or medium priority. Those management actions were directed to the Board of Chiropractic Examiners; the Board of Pharmacy; the Board of Veterinary Medical Examiners; the Department of Licensing and Regulation; the Employees Retirement System; the Optometry Board; the Palo Duro Water District; the Railroad Commission; the State Bar of Texas; the Sulphur River Basin Authority; the Texas Board of Nursing; the Texas Department of Transportation; and the Upper Colorado River Authority.

Auditors verified that 42 of those management actions were fully implemented, 3 were substantially implemented, and 5 were incomplete/ongoing. Table 1 in the attachment to this letter summarizes the implementation status the State Auditor's Office determined for those 50 management actions. Table 2 in the attachment to this letter summarizes the self-reported implementation status of all of the management actions at the entities included in this report.

We appreciate the entities' cooperation with this report. If you have any questions, please contact Michael Clayton, Audit Manager, or me at (512) 936-9500.

Sincerely,

Lisa R. Collier, CPA, CFE, CIDA  
First Assistant State Auditor

Attachment

cc: The Honorable Greg Abbott, Governor  
Boards, commissions, and executive management of the following entities:

- Board of Chiropractic Examiners
- Board of Pharmacy
- Board of Veterinary Medical Examiners
- Commission on Environmental Quality
- Department of Licensing and Regulation
- Employees Retirement System
- Executive Council of Physical Therapy and Occupational Therapy Examiners
- Optometry Board
- Palo Duro Water District
- Railroad Commission
- State Bar of Texas
- Sulphur River Basin Authority
- Sunset Advisory Commission
- Texas Board of Nursing
- Texas Department of Transportation
- Texas State Board of Dental Examiners
- Upper Colorado River Authority

### Objective, Scope, and Methodology

Texas Government Code, Section 325.012(d), provides for the State Auditor's Office's examination of the nonstatutory recommendations (management actions) that the Sunset Advisory Commission (Commission) makes.

The objective of this project was to report on the implementation status of the management actions included in the *Sunset Advisory Commission's Report to the 85th Legislature*. The Commission provided a list of 121 selected management actions to the State Auditor's Office for this report.

The project scope included 16 entities to which the Commission directed management actions in its report to the 85th Legislature.

For the purpose of this project, auditors requested the implementation status of the management actions from each entity. The project methodology consisted of reviewing selected management actions that the entities self-reported as fully implemented. For the selected management actions, auditors reviewed supporting documentation for evidence of an entity's implementation of the management actions.

The agencies self-reported the information in this report, and the State Auditor's Office did not independently verify all of that information. It is important to note that this project was a non-audit service; therefore, the information in this report was not subject to all of the tests and confirmations that would be performed in an audit. However, the information in this report was subject to certain quality control procedures to help ensure accuracy.

The following members of the State Auditor's staff performed the project:

- Krista L. Steele, MBA, CPA, CFE, CIA, CGAP (Project Manager)
- Rebecca Franklin, CISA, CFE, CGAP (Assistant Project Manager)
- Thomas Andrew Mahoney, CGAP (Assistant Project Manager)
- Brady Bennett, MBA, CFE
- Brandy Corbin
- Sterling Pape
- Eddie Valls, MAcy
- George D. Eure, CPA (Quality Control Reviewer)
- Michael Owen Clayton, CPA, CISA, CFE, CIDA (Audit Manager)



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# Attachment

Section 1

## **Implementation Status Determined by the State Auditor’s Office of Sunset Advisory Commission Management Actions**

Table 1 shows the implementation status that the State Auditor’s Office determined for the 50 nonstatutory recommendations (management actions) selected and reviewed from the *Sunset Advisory Commission Report to the 85th Legislature*. Those management actions were directed to the Board of Chiropractic Examiners; the Board of Pharmacy; the Board of Veterinary Medical Examiners; the Department of Licensing and Regulation; the Employees Retirement System; the Optometry Board; the Palo Duro Water District; the Railroad Commission; the State Bar of Texas; the Sulphur River Basin Authority; the Texas Board of Nursing; the Texas Department of Transportation; and the Upper Colorado River Authority. Those agencies reported that the 50 management actions had been **fully implemented** as of August 13, 2018. In Table 1, if the implementation status was determined to not be fully implemented, auditor comments explain the reasoning for that determination. For those management actions with no comment, auditors determined that the management action was fully implemented.

Table 1

Implementation Status of Sunset Advisory Commission Management Actions		
Management Action	Auditors’ Determination of the Implementation Status	State Auditor’s Office Comments <sup>a</sup>
Board of Chiropractic Examiners		
Direct the board to clearly define grossly unprofessional conduct.	Substantially Implemented	The status of this management action was determined to be substantially implemented because the Board did not define specific criteria for deeming equipment unsanitary or unsafe, which could put patients at risk.
Direct the board to limit its continuing education audit process.	Fully Implemented	
Board of Pharmacy		
The board should remove the unnecessary requirement that renewal forms be notarized.	Fully Implemented	
Board of Veterinary Medical Examiners (Board)		
Direct the agency to clearly define and consistently implement its enforcement procedures. In addition, the Sunset Commission adopted recommendations directing the agency to develop and publish policies governing a <b>complainant’s</b> access to information regarding his or her complaint. These policies should be written in plain language and easy to find on the agency website.	Incomplete/Ongoing	The status of this management action was determined to be incomplete/ongoing because policies and procedures were not established, implemented, or provided for the consistent use of case status terminology. In addition, the Board did not establish how often complainants should be provided with updates.

Implementation Status of Sunset Advisory Commission Management Actions

Management Action	Auditors' Determination of the Implementation Status	State Auditor's Office Comments <sup>a</sup>
Direct the veterinary board and the pharmacy board to enter into a memorandum of understanding (MOU) to ensure the veterinary board has access to information about the sales of certain controlled substances by wholesale pharmaceutical distributors that will be reported to the pharmacy board as required by H.B. 2561.	Fully Implemented	
The agency should create and implement inspection guidelines with aggravating and mitigating factors to evaluate controlled substances deficiencies recorded during onsite inspections.	Fully Implemented	
Direct the agency to solicit and consider input from licensed veterinary technicians and equine dental providers on all rule changes and policy decisions affecting these license types.	Fully Implemented	
Direct the agency to improve its board member training. The agency should ensure that all board members fully understand their duties and responsibilities specified by the board member training requirements in Section 801.057, Texas Occupations Code, including the <b>agency's statute and rules, programs, functions, and budget.</b> The agency should also ensure board members understand their authority to employ and responsibility to oversee the executive director. Training should <b>emphasize the board's role in understanding and approving important agency documents such as large contracts and the agency's strategic plan.</b>	Substantially Implemented	The status of this management action was determined to be substantially implemented because the board member training manual that was provided does not emphasize the Board's role in developing and approving the strategic plan.
Direct the agency to provide more information on the reasons for a complaint dismissal by revising its current case information letters, including case closing letters, to provide an explanation of the reason(s) for dismissal, as well as an explanation of the appeals process.	Incomplete/Ongoing	The status of this management action was determined to be incomplete/ongoing because the case closing letters do not contain an explanation regarding the process for appealing Board decisions to dismiss complaints.
Direct the veterinary board to provide written quarterly reports to the Sunset Commission regarding the implementation of the recommendations adopted by the commission, beginning January 31, 2017.	Fully Implemented	
Department of Licensing and Regulation <sup>b</sup>		
Direct the agency to prohibit a board member who investigates a complaint from participating in any resulting disciplinary proceeding, including an informal settlement conference.	Fully Implemented	
Direct the agency to incorporate the State Office of Administrative Hearings into its complaint resolution process.	Fully Implemented	
Employees Retirement System (ERS)		
Direct ERS to implement contract term dates in agency contracts, except in limited circumstances.	Fully Implemented	
ERS should establish an advisory committee to obtain regular stakeholder and expert input on benefits.	Fully Implemented	
Direct ERS to develop a process and clear criteria for evaluating changes to the GBP [Group Benefits Program].	Fully Implemented	

Implementation Status of Sunset Advisory Commission Management Actions

Management Action	Auditors' Determination of the Implementation Status	State Auditor's Office Comments <sup>a</sup>
Direct ERS to more effectively educate members about choices and decisions that can lead to unexpected health insurance charges.	Incomplete/Ongoing	The status of this management action was determined to be incomplete/ongoing because the agency did not provide on its Web site real-life examples that could lead to unexpected health insurance charges for the many plans and options that it provides. However, auditors noted that the agency has provided information on its Web site regarding different options when an unexpected health concern arises.
Direct ERS to ensure balanced representation on the Grievance Review Committee of customer service and other staff.	Fully Implemented	
Direct ERS to develop policies and procedures to govern reviews of Chapter 615 survivor benefit applications.	Fully Implemented	
<b>Optometry Board (Board)</b>		
Direct the agency to make all formal disciplinary orders easily accessible and readily available on its website.	Fully Implemented	
Direct the agency to report all letters of formal agreement to the National Practitioner Data Bank unless discussions with agency counsel and the federal administrator indicate otherwise.	Incomplete/Ongoing	The status of this management action was determined to be incomplete/ongoing because the Board has not yet verified whether certain disciplinary actions should be reported to the National Practitioner Data Bank.
<b>Palo Duro Water District <sup>C</sup></b>		
Direct PDRA to develop and maintain a website.	Fully Implemented	
Direct PDRA to provide clearly written summaries of staff and consultant activities at each board meeting.	Fully Implemented	
<b>Railroad Commission</b>		
Direct the Railroad Commission to accurately track and report the number of oil and gas violations annually.	Fully Implemented	
Direct the Railroad Commission to systematically track major violations.	Fully Implemented	
Direct the Railroad Commission to develop a definition of repeat violations in rule and report the number of repeat violations on its website.	Fully Implemented	
Direct the Railroad Commission to audit a sample of oil and natural gas production reports and transportation reports.	Fully Implemented	
Direct the Railroad Commission to expand its risk matrix for oil and gas inspections.	Incomplete/Ongoing	The status of this management action was determined to be incomplete/ongoing because the Railroad Commission did not sufficiently expand its risk matrix for oil and gas inspections to clarify how inspections are prioritized, and it did not incorporate the matrix in rule.
Direct the Railroad Commission to centralize all contract administration functions by September 1, 2016.	Fully Implemented	
Direct the Railroad Commission to implement and keep updated contracting best practices as outlined by recent legislation and the comptroller.	Fully Implemented	

Implementation Status of Sunset Advisory Commission Management Actions

Management Action	Auditors' Determination of the Implementation Status	State Auditor's Office Comments <sup>a</sup>
Direct the Railroad Commission to incorporate findings from the <b>TexNet Seismic Monitoring Program at UT's</b> Bureau of Economic Geology as they become available into its oil and gas disposal well rules or guidance, as applicable. The rules should seek to prevent any induced seismicity caused by disposal wells.	Fully Implemented	
State Bar of Texas		
Direct the Office of the Chief Disciplinary Counsel to more proactively provide assistance to complainants in understanding reasons for complaint dismissal.	Substantially Implemented	The status of this management action was determined to be substantially implemented because the agency's revisions to the complaint dismissal notification letters did not include specific reasons for each particular complaint dismissal.
Sulphur River Basin Authority (SRBA)		
Direct SRBA to seek bids for the next phase of its feasibility study.	Fully Implemented	
Direct SRBA to implement certain practices to improve transparency and openness in its operations. Also direct SRBA, after posting board materials on its website, to create a listserv to enable people to sign up for updates when the board posts new materials to the website.	Fully Implemented	
Direct SRBA to provide clearly written summaries of staff and consultant activities at each board meeting.	Fully Implemented	
Direct SRBA to comply with TCEQ rules by adopting required administrative policies.	Fully Implemented	
Texas Board of Nursing		
Direct the board to review its criminal conduct guidelines to limit disciplinary action to crimes directly related to the practice of nursing.	Fully Implemented	
Direct the board to designate a contract manager assigned to the peer assistance program.	Fully Implemented	
Texas Department of Transportation (TxDOT)		
TxDOT should develop a more risk-based, cross-functional focus to its internal project development activities.	Fully Implemented	
Direct TxDOT to regularly report on its progress implementing the Modernize Portfolio and Project Management system to ensure visibility and oversight of this important but high-risk project.	Fully Implemented	
Direct TxDOT to develop and implement a process for regular, centralized monitoring of construction contract delays.	Fully Implemented	
Direct TxDOT to update production rate information for estimating project timelines and establish a schedule for regular revisions.	Fully Implemented	
Direct TxDOT to provide guidance for district management of construction engineering inspectors, including how to perform staffing analyses and manage these expanding contracts.	Fully Implemented	
Direct TxDOT to develop additional training and monitoring processes <b>to oversee districts' management</b> of large, complex contracts, such as design-build.	Fully Implemented	

### Implementation Status of Sunset Advisory Commission Management Actions

Management Action	Auditors' Determination of the Implementation Status	State Auditor's Office Comments <sup>a</sup>
Direct TxDOT to provide comprehensive guidance and monitoring for decentralized procurement of professional engineering services contracts.	Fully Implemented	
Direct TxDOT to develop a risk-based approach to centrally reviewing contracts.	Fully Implemented	
Direct TxDOT to actively recruit new businesses for certification and provide training on contracting with TxDOT.	Fully Implemented	
Direct TxDOT to improve central monitoring and support for its business opportunity programs.	Fully Implemented	
Direct TxDOT to track specific statutory justifications for state aircraft use.	Fully Implemented	
Direct TxDOT to adopt a clear internal policy governing the appropriate use of the state aircraft fleet by department staff and regularly monitor usage.	Fully Implemented	
<b>Upper Colorado River Authority (UCRA)</b>		
Direct UCRA to comply with TCEQ rules by adopting required administrative policies.	Fully Implemented	
<p><sup>a</sup> Auditors reviewed the Sunset Advisory Commission Report to the 85th Legislature and the Commission's entity-specific reports to determine the implementation status of each management action for the 13 state entities covered in this table. The Commission's reports include further details related to the management actions, such as the intent of the management actions and additional actions required to implement each recommendation. Auditors also consulted with Commission staff in making determinations on the implementation status for some management actions. The Commission reports are available on its Web site at <a href="https://www.sunset.texas.gov/review-cycles/2016-2017-review-cycle">https://www.sunset.texas.gov/review-cycles/2016-2017-review-cycle</a>.</p> <p><sup>b</sup> The Board of Podiatric Medical Examiners was transferred to the Department of Licensing and Regulation effective September 1, 2017. In its report, the Commission reviewed the Board of Podiatric Medical Examiners and referred to it as either the Board of Podiatric Medical Examiners or the agency. The recommendations in Table 1 are directly from the Commission's report; however, the Department of Licensing and Regulation was responsible for implementing the recommendations.</p> <p><sup>c</sup> The Palo Duro Water District (PDWD) changed its name in September 2017 from the Palo Duro River Authority (PDRA) as a result of a statutory recommendation from the Sunset Advisory Commission in its report to the 85th Legislature. The recommendations in Table 1 are directly from the Commission's report.</p>		

## **Entities' Self-reported Status of Implementation of Sunset Advisory Commission Management Actions**

Table 2 presents information on the entities' self-reported status of implementation of management actions in the *Sunset Advisory Commission Report to the 85th Legislature*. The State Auditor's Office requested that the entities provide their responses in August 2018. As a result of auditor testing, some entities updated implementation dates and/or comments.

Table 2

<b>Entities' Self-reported Status of Implementation of Sunset Advisory Commission Management Actions</b>		
Management Action	Self-reported Implementation Status	Entity Comments
Board of Chiropractic Examiners (TBCE)		
Direct the Board to develop a plan to improve its investigative process and reduce complaint resolution timeframes.	Incomplete/Ongoing	<b>The agency's Executive Director resigned at the end of Dec. 2017 and a replacement was not hired until March 2018.</b> Sunset implementation has primarily focused on the statutory changes in SB 304. The Executive Director, joined by a new general counsel and new lead investigator, has begun investigative process changes to meet the requirements of 1.1 [this management action].
Direct the Board to prioritize investigations by risk to the public.	Incomplete/Ongoing	<b>The agency's Executive Director resigned at the end of Dec. 2017 and a replacement was not hired until March 2018.</b> Sunset implementation has primarily focused on the statutory changes in SB 304. The Executive Director, joined by a new general counsel and new lead investigator, has begun review of a complaint coding system to prioritize investigations to meet the requirements of 1.2 [this management action].
Direct the Board to revise its penalty matrix to more closely align the severity of penalties with the risk a violation poses to the public.	Incomplete/Ongoing	<b>The agency's Executive Director resigned at the end of Dec. 2017 and a replacement was not hired until March 2018.</b> Sunset implementation has primarily focused on the statutory changes in SB 304. The Executive Director, joined by a new general counsel and new lead investigator, has begun a review and upgrade of the penalty matrix for board input and approval to meet the requirements of 1.3 [this management action].
Direct the Board to clearly define grossly unprofessional conduct.	Fully Implemented as of June 1, 2017	<b>TBCE proposed the removal of 'Grossly Unprofessional' as found in TBCE Rule 78.1 to leave in its place Unprofessional Conduct;</b> this was posted in the Texas Register. The revised TBCE Rule 78.1 became effective with the change listed above on June 1, 2017.
Direct the Board to develop a more user-friendly online complaint form.	Fully Implemented as of October 16, 2016	Fully Implemented, with additional improvements underway. A fillable PDF <b>complaint form was placed on the agency's website because the agency did not possess the technology to successfully deploy an interactive web form.</b> Furthermore, some of the items that the agency did have were not configured to support online interaction with the general public. The agency has purchased a database server and webserver but the two were never configured to communicate with each other over the network, because there were concerns about security raised by our server and network contractor. Once an ongoing reconfiguration is completed the agency will deploy online forms.
Direct the Board to stop requiring letters of recommendation as part of the initial application process.	Fully Implemented as of December 1, 2016	Fully Implemented
Direct the Board to limit its continuing education audit process.	Fully Implemented as of February 1, 2017	Fully Implemented

**Entities' Self-reported Status of Implementation of Sunset Advisory Commission Management Actions**

Management Action	Self-reported Implementation Status	Entity Comments
<b>Board of Pharmacy (TSBP)</b>		
Direct the Board to create PMP [Prescription Monitoring Program] delegate accounts for pharmacy technicians.	Fully Implemented as of September 1, 2016	A pharmacist may authorize a pharmacy technician to obtain a delegate account in the PMP and look up patient information on behalf of the pharmacist. This item was fully implemented when TSBP took over the PMP on 9/1/2016.
Direct the Board to work with vendors and stakeholders to integrate the Prescription Monitoring Program with pharmacy dispensing software.	Incomplete/Ongoing	<b>TSBP's PMP vendor allows for pharmacy software to integrate into the PMP.</b> Software integration has been available to pharmacies since TSBP took over the PMP on 9/1/2016. Although it is available to the pharmacy software systems, not many pharmacies are integrated into the PMP at this time. TSBP is seeking funding during the 2019 Legislative session to fund integration of the PMP for all users.
Direct the Board to make trend data about controlled substance prescriptions in Texas publicly available.	Incomplete/Ongoing	TSBP is working with DSHS [Department of State Health Services] to analyze PMP data and make trend data available by posting it on the TSBP website.
The Board should remove the unnecessary requirement that renewal forms be notarized.	Fully Implemented as of August 15, 2017	TSBP has removed the requirements for notarization requirements from renewal applications.
Direct the Board to query a national disciplinary database before license renewal.	Incomplete/Ongoing	TSBP is working with the National Association of Boards of Pharmacy (NABP) to develop a process to obtain information regarding disciplinary action from the NABP data base directly into the TSBP database. TSBP hopes to have the process <b>complete during FY2019. However, it is dependent on NABP's ability to submit the data to TSBP and TSBP's ability to receive the data.</b>
The Board should develop and implement a succession plan to prepare for impending retirements.	Substantially Implemented	Expected retirements have occurred and qualified individuals have been hired to replace key individuals that retired. TSBP is working on an ongoing succession plan for the future.
Direct the Pharmacy Board to study the potential benefits of recognizing all pharmacy technician certifications offered by entities accredited by the National Commission for Certifying Agencies [NCCA].	Fully Implemented as of September 1, 2017	TSBP accepts both pharmacy technician certification exams that are accredited by NCCA.
<b>Board of Veterinary Medical Examiners</b>		
Direct the agency to clearly define and consistently implement its enforcement procedures. In addition, the Sunset Commission adopted recommendations directing the agency to develop and publish policies governing a <b>complainant's access to</b> information regarding his or her complaint. These policies should be written in plain language and easy to find on the agency website.	Fully Implemented as of August 1, 2018	The executive staff reviewed enforcement procedures related to complaint intake, complaint management, investigation, and disposition. Staff recommended several rule changes which were approved by the Board at the April 10th meeting. The approved amendments included: a. 575.27 Complaints— Receipt (Repeal of Existing Rule) b. 575.27 Complaints (New Rule) c. 575.28 Complaints— Investigations (Repeal of Existing Rule) d. 575.28 Investigations (New Rule) e. 575.29 Informal Conferences (Repeal of Existing Rule) f. 575.29 Informal Conferences (New Rule) g. 575.40 Cease and Desist Procedures (Repeal of Existing Rule) Agency staff developed and finalized Standard Operating Procedures for complaint investigations by the Enforcement division.
Direct the agency to improve its enforcement data tracking systems and processes.	Incomplete/Ongoing	The agency has implemented a better paper-based system as a temporary solution and contracted with GTS, a DIR [Department of Information Resources] Vendor to rebuild the Data Tracking System. The system is scheduled to be online in November 2018. <sup>a</sup>

**Entities' Self-reported Status of Implementation of Sunset Advisory Commission Management Actions**

Management Action	Self-reported Implementation Status	Entity Comments
Direct the veterinary board and the pharmacy board to enter into a memorandum of understanding (MOU) to ensure the veterinary board has access to information about the sales of certain controlled substances by wholesale pharmaceutical distributors that will be reported to the pharmacy board as required by H.B. 2561.	Fully Implemented as of January 31, 2017	MOU executed by Interim Executive Director Rudy Calderon.
The agency should create and implement inspection guidelines with aggravating and mitigating factors to evaluate controlled substances deficiencies recorded during onsite inspections.	Fully Implemented as of August 1, 2018	The executive staff reviewed enforcement procedures related to inspections. As a result of their review, new inspection procedures have been created and investigators received training on the new procedures. The new procedures put an emphasis on voluntary compliance, education, and customer service while conducting inspections.
Direct the agency to develop a robust educational process to regularly educate licensees about controlled substances laws, rules, and inspection standards.	Incomplete/Ongoing	The agency has retrained all inspectors conducting field inspections of licensees to provide technical assistance during the inspection process. The agency has also conducted a series of regional meetings to begin the educational process and hear from the licensees what areas of training is needed. Additionally, we have met with the Texas Veterinary Medical Association about their ability to provide training in the area of controlled substances record keeping.
Direct the agency to solicit and consider input from licensed veterinary technicians [LVT] and equine dental providers on all rule changes and policy decisions affecting these license types.	Fully Implemented as of December 5, 2017	The Board has identified committees to address these licensees. Additionally, the Board now has an LVT member appointed as a board <b>member. Rules directly affecting these licensee's will be sent to the</b> appropriate committee.
Direct the agency to conduct continuing education audits as part of the license renewal process.	Incomplete/Ongoing	In August 2018, the agency filled a new position for a compliance investigator. This position is responsible to monitoring compliance with board orders, fingerprinting, and continuing education. Currently the agency is creating and implementing procedures for this new position.
Direct the agency to evaluate jurisprudence exam questions for each license type and create question banks for its jurisprudence exams.	Incomplete/Ongoing	The agency is conducting a systematic review of its operations since the new Executive Director was hired in November 2018. That review began with the Enforcement Division and is now beginning on the Licensing Division.
Direct the agency to remove the notarization requirement and evaluate other application requirements to streamline temporary license processing.	Fully Implemented as of July 31, 2018	Agency Rule 571.15 was approved at the July 31, 2018 meeting to comply with this management action.
Direct the agency to improve tracking of non-jurisdictional complaints.	Incomplete/Ongoing	The agency has implemented a better paper-based system as a temporary solution and contracted with GTS, a DIR Vendor to rebuild the Data Tracking System. The system is scheduled to be online in November 2018. <sup>a</sup>

**Entities' Self-reported Status of Implementation of Sunset Advisory Commission Management Actions**

Management Action	Self-reported Implementation Status	Entity Comments
<p>Direct the agency to improve its board member training. The agency should ensure that all board members fully understand their duties and responsibilities specified by the board member training requirements in Section 801.057, Texas Occupations Code, including <b>the agency's statute and rules</b>, programs, functions, and budget. The agency should also ensure board members understand their authority to employ and responsibility to oversee the executive director. Training should <b>emphasize the board's role in</b> understanding and approving important agency documents such as <b>large contracts and the agency's</b> strategic plan.</p>	<p>Fully Implemented as of December 5, 2017</p>	<p>Board Member Training Manual was created by the General Counsel and used in training new members to the board.</p>
<p>Direct the veterinary board to develop and adopt conflict of interest policies regarding board member involvement in the <b>agency's complaint investigation</b> and enforcement processes. These policies should require board members to disclose any conflicts of interest in regard to a complaint before the board or board member, and to recuse themselves from participating in any investigation or resulting disciplinary action involving the complaint. These policies should be written in plain language, and be posted and easy <b>to find on the agency's website.</b></p>	<p>Fully Implemented as of October 1, 2018 <sup>a</sup></p>	<p>The Board is routinely recusing or not voting on cases where there may be a conflict. The agency has added conflict of interest training into the board member training and manual. <sup>a</sup></p>
<p>Direct the agency to review and update the current job description for the Chief Fiscal Officer position. The agency should modify the qualifications, responsibilities, and job duties as needed to ensure the job description accurately represents the actual requirements of the position. The executive director would then ensure the agency hires someone in this position who is qualified and properly trained to perform these duties.</p>	<p>Fully Implemented as of November 30, 2017</p>	<p><b>The Chief Financial Officer's job description</b> was created, posted and filled in November 2017.</p>
<p>Direct the agency to develop and implement a career ladder program as required by Section 801.106(a), Texas Occupations Code. The career ladder information should be available in the employee manual or a similar document provided to all staff.</p>	<p>Fully Implemented as of January 31, 2017</p>	<p>Board staff are encouraged to seek career development opportunities whenever possible. As position responsibilities change and grow, the Executive Director may, at his or her discretion, promote an employee to a higher level within the same classification title if the employee meets the minimum qualifications of the proposed level.</p>

**Entities' Self-reported Status of Implementation of Sunset Advisory Commission Management Actions**

Management Action	Self-reported Implementation Status	Entity Comments
Direct the board to modify existing rules to allow a complainant to <b>receive all of the licensee's</b> responses to the complaint during an investigation under Title 22, Texas Administrative Code, Section 575.28(6)-(7).	Not Implemented	The agency changed its investigations rules to comply with 801.207 & 801.208 as amended by S.B. 319 (85R).
Direct the agency to provide more information on the reasons for a complaint dismissal by revising its current case information letters, including case closing letters, to provide an explanation of the reason(s) for dismissal, as well as an explanation of the appeals process.	Fully Implemented as of April 30, 2018	The agency changed its investigations rules to comply with 801.207 & 801.208 as amended by S.B. 319 (85R).
Direct the agency to ensure its website accurately reflects the disciplinary status of its licensees and make all approved disciplinary orders easily accessible and readily available on its website. The website should state the disciplinary status for a licensee as <b>"NO" only if the licensee has not</b> received any disciplinary action, whether formal or informal.	Incomplete/Ongoing	The new data system and web portal is addressing the manner in which data is displayed on the website.
Direct the veterinary board to provide written quarterly reports to the Sunset Commission regarding the implementation of the recommendations adopted by the commission, beginning January 31, 2017.	Fully Implemented as of January 31, 2017	The agency does provide quarterly reports to the Sunset Commission.
Commission on Environmental Quality (TCEQ) <sup>b</sup>		
Direct the Texas Commission on Environmental Quality to inspect <b>each of CCRA's [Central Colorado River Authority's] three lakes</b> , determine the condition and any repair needs of the dams.	Fully Implemented as of November 8, 2016	All three dams were found to be in poor condition with many deficiencies. No maintenance had been undertaken in years. A letter was sent to CCRA and UCRA [Upper Colorado River Authority] with a report sent to SAO [State Auditor's Office]. <b>The letter was dated December 6, 2016.</b> The recommendation was to either repair the dams or remove them. No response was received.
Department of Licensing and Regulation (TDLR) <sup>c</sup>		
Direct the agency to accept all license and registration applications, renewals, and fee payments online.	Incomplete/Ongoing	The Legislature transferred regulation of Podiatry to TDLR in September 2017. <b>TDLR inherited the Podiatry program's legacy IT system FileMaker Pro. The system's limitations prevent TDLR from accepting new license applications online for the Podiatry program.</b> At TDLR, Podiatry licensees can renew their licenses online and credit card payment is accepted. <b>Prior to the program's transfer, licensees were not able to renew online and had to pay by check.</b> In FY 18 1,083 licensees renewed online. This number far exceeds the 191 licenses issued to new applicants. As a result, most Podiatry licensees now benefit from an online option for licensing and fee payments. <b>As part of TDLR's Legislative Appropriations Request, the agency has requested Exceptional Item #1 to create a new licensing system, which should allow new applicants to apply online in the future.</b>

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Management Action	Self-reported Implementation Status	Entity Comments
Direct the agency to administer the Texas podiatric jurisprudence exam online.	Fully Implemented as of September 1, 2017	TDLR contracts with a third-party vendor to deliver examination services on behalf of the agency. The examination is computer-based and offered daily. Podiatry licensees can now register online with the vendor one day in advance and take the test at 186 testing locations across the United States, including 22 in Texas. Previously, Podiatry licensees had to travel to Austin to take the exam, and the exam was only offered three times per year.
Direct the board to eliminate the rule authorizing the use of notarized complaints.	Substantially Implemented	TDLR has initiated an amendment of this rule, which is in the rulemaking process required by Subchapter B of the Administrative Procedures Act. <b>Meanwhile, the rule to be amended, 130.63(a)(1), states the agency "may" request a complainant swear to allegations in a complaint before a Notary Public, and failure to submit a notarized statement "can" result in the complaint being dismissed.</b> There is no language in the complaint filing instructions about a notarization requirement and there is no place on the complaint form for a notarization.
Direct the agency to maintain <b>complainants' confidentiality</b> when possible.	Fully Implemented as of September 1, 2017	<b>TDLR's Enforcement Division strictly complies with Sec. 202.509 and</b> maintains confidentiality of complaints and investigative information. The Enforcement Division created written procedures for cases in the Podiatry and other health programs that restrict a copy of the complaint from being forwarded to the Respondent, and limit the documents sent to the Respondent to the minimum necessary to successfully conduct an investigation.
Direct the agency to establish a schedule for conducting each phase of the complaint resolution process.	Fully Implemented as of September 1, 2017	<b>TDLR's Complaint Resolution Procedure Manual outlines each</b> phase of the complaint resolution process and sets expectations for the completion of each phase. Strict guidelines are set for the intake, investigation, and prosecution of complaints, to ensure an efficient and expedient resolution.
Eliminate the use of Texas <b>Podiatric Medical Association's</b> peer review process for resolving minor jurisdictional complaints.	Fully Implemented as of September 1, 2017	TDLR does not use a peer review process for complaints received in any program it regulates. All complaints are investigated and resolved by TDLR staff only.
Direct the agency to prohibit a board member who investigates a complaint from participating in any resulting disciplinary proceeding, including an informal settlement conference.	Fully Implemented as of September 1, 2017	Members of the Podiatric Medical Examiners Advisory Board do not participate in disciplinary proceedings at TDLR. A board member may be consulted during an investigation, but only as an expert witness to provide guidance on standard-of-care matters. Disciplinary proceedings are investigated only by Enforcement Division staff investigators and are then resolved by staff prosecutors. If a disciplinary action is issued, it is done by decision of the Commission of Licensing and Regulation <b>or TDLR's executive director</b> , neither of whom has a part in any investigation.
Direct the agency to incorporate the State Office of Administrative Hearings into its complaint resolution process.	Fully Implemented as of September 1, 2017	All contested cases at TDLR that go to a hearing do so before the State Office of Administrative Hearings. Once a proposal for decision is issued by an administrative law judge, the Commission of Licensing and Regulation makes a final decision.
<b>Employees Retirement System (ERS)</b>		
Direct ERS to further centralize and consolidate its procurement and contracting staff into the new division.	Fully Implemented as of September 1, 2016	ERS began consolidating procurement and contracting operations in August 2015, with the appointment of a Director of Procurement position (now Director of Procurement and Contract Oversight) to oversee agency procurement activities. In March 2016, ERS centralized functions with the <b>creation of the agency's Office of Procurement and Contract Management (OPCO)</b> , charged with managing purchasing and procurement, and overseeing agency contract management consistent with relevant legal and operational standards and requirements. OPCO was initially staffed by combining existing solicitation development and legal staff from Benefit Contracts (now Group Benefits) and the Office of the General Counsel. On September 1, 2016 the agency completed centralization efforts with the <b>transfer of the agency's internal procurement staff from the Finance division to OPCO.</b> At this time, OPCO is responsible for management of ERS solicitation development and evaluation, contract execution, oversight of contract enforcement and assessment processes, internal agency

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Management Action	Self-reported Implementation Status	Entity Comments
		purchasing, and tracking of contract and procurement training certifications and reporting requirements.
Direct ERS to implement contract term dates in agency contracts, except in limited circumstances.	Fully Implemented as of August 15, 2016	<b>ERS' goal is to seek contract terms most beneficial to ERS</b> , the trust, and its members while remaining compliant with state standards. In acknowledgment of this goal, and in response to the Sunset recommendation, during the summer of 2016 ERS staff revised and implemented two internal processes related to the approval of contract terms. The first, defining the process for <b>“Contract Term Review and Approval”</b> was initially adopted on July 22, 2016 and sets a required process to review and approve the proposal of any contract terms greater than the 4-year defined state standard. The second process, initially adopted on August 15, 2016, set an executive approval process for the execution of sole source contracts with a related requirement for periodic reviews within 4 years for automatically renewing contracts. Policy documentation has continued to be maintained by the division and updated as necessary to reflect alignment with evolving state standards and the application of identified best practices. The latest updates were approved during August 2018.
ERS should establish an advisory committee to obtain regular stakeholder and expert input on benefits.	Fully Implemented as of March 26, 2018	ERS staff worked throughout fiscal year 2017 researching the structures, formats, and governance structures of past internal and existing external advisory committees, culminating in the adoption of an inaugural governing charter of the Group Benefits Advisory Committee (GBAC) by the ERS Board of Trustees in August 2017. During their December 2017 meeting the Board adopted related rules and appointed an initial slate of ten committee members from applications received through a public notice of open seats. In March 2018 the Board appointed an eleventh and final member of the committee to provide industry knowledge and national expertise to the committee. The GBAC met for the first time on March 26, 2018, with a second meeting scheduled for October 2018. The committee is anticipated to meet twice a year with regular activity summaries and reports presented to the full Board of Trustees.
Direct ERS to develop a process and clear criteria for evaluating changes to the GBP [Group Benefits Program].	Fully Implemented as of February 21, 2018	To comply with Sunset management action 2.3, ERS identified the opportunity to restructure or formalize several existing policies and processes. These changes enhanced the consistency of agency processes used to consider decisions impacting benefit programs and constituent populations. ERS staff has also established required formal documentation of related activities to assist with planning processes and communication of policy and procedural changes both inside and outside the organization. <b>The first example of these improvements was to the agency's Solution Session process.</b> Solution Sessions were created as an open forum to allow agency subject matter experts to interact with industry representatives in vetting new and innovative benefit offerings. Agency staff began a review of the process in 2016 culminating in the adoption of a revised policy in February 2018. The revised process begins with prioritization of ideas that tie directly back to the established strategic direction and focus of the agency. Following presentations, participating agency staff is required to submit completed questionnaires <b>assessing the presentation's value to the agency and its constituents across a variety of metrics, including cost and benefit standards.</b> The policy ties the Solution Session process directly into the agency strategic planning process by linking the screening process to the <b>agency's strategic priorities and to the agency's annual project planning process</b> through formal review of past presentations at periodic intervals. The second example is the revision and reestablishment of a formal internal policy review and adoption process. Beginning in fiscal year 2017, ERS re-established a formal policy group review process to consider changes to administrative, operational, and benefit design policies. Division directors from across all agency divisions participate in the review. Staff proposing policy changes must develop a proposal document and work with other divisions directly impacted by the change to reach a consensus policy. Once agreement is reached, the proposal is presented to the full team of agency division directors. Directors then take the issue back to their respective

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Management Action	Self-reported Implementation Status	Entity Comments
		<p>divisions to gain feedback from front-line program staff. At a subsequent meeting directors are asked to approve the change or present potential alterations to address concerns. Policies are adopted when the Executive Director is satisfied that the change has consensus approval. The revised policy document process and model template were approved in January 2018. The establishment of the Group Benefits Advisory Committee (GBAC) provides another formal structure for the discussion and deliberation of benefit design changes that reach the level of Board discussion and consideration by nature of their scope or potential impact to member and participant populations. The GBAC charter requires regular feedback of the <b>committee's work to the Board of Trustees and allows for the direction of</b> specific research or reviews as directed by the trustees.</p>
<p>Direct ERS to more effectively educate members about choices and decisions that can lead to unexpected health insurance charges.</p>	<p>Substantially Implemented</p>	<p>ERS staff has consistently focused on member education and benefit awareness activities given the complex and continuously changing environment of health insurance practices. The agency has multiple divisions dedicated to this effort, including the Benefits Communications Division responsible for public messaging and publication development and the Customer Benefits Division responsible for leading direct member contact and interaction. Combined, these divisions represent more than 100 employees dedicated to improving program understanding and assisting members with benefit management.</p> <p>While it is difficult to identify a single effort or project to indicate completion or compliance with this recommendation, ERS has undertaken significant work over the period since the release of the Sunset staff report to continue improving communications activities and improve member understanding of the operations and impacts of ERS benefit programs.</p> <p><u>Website Redesign</u>: In late August 2017, following an independent, external review, ERS launched a redesigned public website seeking to improve user navigation and make pertinent information more easily accessible to stakeholder populations. The redesign included restructuring and streamlining content, adding icons and graphics to more clearly differentiate groups of information, and highlighting frequently used information. The website can be found at <a href="http://www.ers.texas.gov">www.ers.texas.gov</a>.</p> <p><u>Publications Review and Development</u>: The ERS Benefits Communications <b>team is constantly working to ensure the agency's many publications are</b> accurate, updated, and designed to clearly communicate relevant information to the target populations. Publications range in nature from annual enrollment publications to monthly member newsletters and one-time reports. Beginning in Fiscal Year 2017, both understanding the Sunset concerns and responding directly to changes in benefit offerings, ERS renewed its focus on seeking to educate plan members on their role in the health insurance process and the costs associated with certain actions, such as seeking treatment from free-standing emergency rooms. This focus resulted in newsletter articles highlighting the impacts of certain decisions, such as receiving <b>out-of network care, on the member's personal out-of-pocket costs</b> as well as the inclusion of tools and charts added to regular publications showing the cost impact differences of various healthcare decisions.</p> <p><b>To support the agency's ongoing efforts to improve the effectiveness of</b> communications and publications, during Calendar Year 2017 ERS hired an external consultant to perform an independent review of agency newsletters and annual publications. The Benefits Communications Division began working to implement the review recommendations during the spring of 2018.</p> <p>While the agency believes it has met the intent of the Sunset Commission management action in the time since the recommendation was adopted, ERS</p>

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Management Action	Self-reported Implementation Status	Entity Comments
		recognizes that effective member and stakeholder communications require ongoing effort and a commitment to continuous improvement.
Direct ERS to ensure balanced representation on the Grievance Review Committee of customer service and other staff.	Fully Implemented as of October 1, 2016	At the time of the Sunset Review the Grievance Review Committee (GRC) included 1 administrator and 7 voting members - 4 Benefit Contracts Division representatives, 2 Customer Benefits Division representatives, and 1 representative from the Office of the General Counsel. On September 1, 2016, the ERS Executive Office notified the participating divisions of a change in membership for the GRC. Beginning October 1, 2016 the GRC voting membership included 3 representatives from the Benefit Contracts Division, 3 representatives from the Customer Benefits Division, 1 representative from the Executive Office, and 1 representative from the Office of the General Counsel. While all members of the committee are required to act in the fiduciary interest of the trust, the membership changes create a balance of staff experience between those with primarily member facing responsibilities and those with operational responsibilities.
Direct ERS to develop policies and procedures to govern reviews of Chapter 615 survivor benefit applications.	Fully Implemented as of July 27, 2016	After reviewing internal policies and active division operations, Customer Benefits leadership agreed revisions and improvements to the policy were appropriate to clarify the review process. The policy revisions were made not only to assist with external review and understanding of the program, but to ensure application review activities remained consistent and unimpeded during future staffing or operational changes. Changes included greater detail and specific instructions on necessary activities at various steps in the application review process, documentation and filing requirements, and links to related forms, communication templates, and electronic records. Process flow explanations in Steps 8 and 9, regarding Medical Board reviews and applications involving firefighters diagnosed with cancer, were rewritten to add clarity on when and how to appropriately address these unique considerations that require additional review and input from staff outside the standard Chapter 615 application review process. Customer Benefits completed their work to review and revise internal policies related to Chapter 615 benefit applications during July 2016. Process documentation has continued to be maintained by the division and updated as necessary to reflect process changes or further clarify areas of identified complexity. The latest updates were approved and distributed during March 2018.
Direct ERS staff to comprehensively track and analyze benefit application decision and appeals data.	Substantially Implemented	Effective collection and analysis of data is necessary to manage health plan operations and related benefit offerings. While benefit programs are actively managed using highly stringent actuarial and financial analyses and models, ERS continuously looks for opportunities to inject even more strenuous analytics based reviews into business processes and operational decision making. Following the recommendations adopted by the Sunset Commission, ERS staff reviewed the collection of data used in the management of benefit programs, focusing closely on those activities resulting in application decisions or appeal determinations. Agency program staff in the Group Benefits and Customer Benefits Divisions identified additional data points that could be collected and tracked related to application processing. ERS began using the new data collection activities within the programs to review operations and identify trends that may need to be addressed or indicate issues to be resolved with agency management. The agency also implemented new regular reporting activities related to the expansion of data tracking, both within programs and divisions as well as up through executive management. This reporting allows for review and analysis of data trends and summary program metrics beyond front-line staff, improving the consistency of management decisions and responsiveness to members. ERS continues to review business processes for opportunities to enhance data collection and analysis, including the collection and review of data from third party benefit administrators directly serving member populations.

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Management Action	Self-reported Implementation Status	Entity Comments
<p>Direct ERS, as part of its 2017 internal audit review of investment governance, to consider best practices in investment decision-making process, including</p> <ul style="list-style-type: none"> <li>• the composition of its internal investment committees,</li> <li>• investment authority,</li> <li>• veto authority, and</li> <li>• board oversight and use of the Investment Advisory Committee.</li> </ul> <p>ERS should provide a copy of the internal audit report to the appropriate substantive legislative oversight committees, as well as the governor, lieutenant governor, and speaker upon presentation to the Board of Trustees.</p>	Fully Implemented as of February 22, 2017	<p>The 2017 internal audit review of investment governance topics, including those required by the Sunset Commission adopted management action, was presented to the Board of Trustees on February 22, 2017 and distributed to the required legislative and elected official offices the same day. The report noted that the agency met the foundations of existing best practices; however, further improvements could promote increased consistency, transparency, and accountability.</p> <p>Since receiving the report, the ERS Board of Trustees has made multiple changes to agency investment governance operations consistent with the findings of the review and responsive to both identified and evolving industry best practices. Some examples of these changes include:</p> <ul style="list-style-type: none"> <li>• <b>Restructuring Asset Class Investment Committees to include participation</b> by Investment Advisory Committee members with specific asset class experience and requiring greater external investment manager involvement.</li> <li>• <b>Increasing direct Board involvement in the approval of certain types and levels of specific investment decisions.</b></li> <li>• <b>Adding a full-time Investment Compliance Officer</b> to provide independent review and attention to adherence to investment requirements, policies, and best practices and offer recommendations for improved policies and procedures.</li> </ul>
<b>Executive Council of Physical Therapy and Occupational Therapy Examiners</b>		
Direct the OT [Occupational Therapy] board to adopt rules to specify the types of criminal activities that may result in denial, suspension, or revocation of a license.	Fully Implemented as of March 1, 2017	Rules adopted under 374.5.
Direct the OT board to grant administrative dismissal to staff for low-level misdemeanor offenses.	Fully Implemented as of July 7, 2016	Committee meeting notes reflect the initial time the staff dismissed cases under this directive.
Direct the agency to develop a formal process to refer nonjurisdictional complaints to the appropriate agency.	Substantially Implemented	<b>Staff developed process of referral, but didn't formalize the procedure in writing.</b> Formal written process to be drafted by August 31, 2018.
<b>Optometry Board</b>		
Direct the agency to accept all license applications and fee payments online.	Incomplete/Ongoing	Agency is in discussion with other agencies that have implemented the on-line application. Several issues must be worked through, including submission of required affidavits. Discussions have been had with database programmers. Decisions on amount of programmer required are not yet finalized. Initial discussions will be required with Texas.gov
Direct the agency to update its website.	Fully Implemented as of September 30, 2017	Website totally redesigned.
Direct the agency to make all formal disciplinary orders easily accessible and readily available on its website.	Fully Implemented as of September 30, 2017	All orders in PDF format tied to license verification search.
Direct the agency to report all letters of formal agreement to the National Practitioner Data Bank unless discussions with agency counsel and the federal administrator indicate otherwise.	Incomplete/Ongoing	Agency plans to formally discuss matter with Office of Attorney General. May 2017 compliance review by National Practitioner Data Bank found Optometry Board compliant.

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Management Action	Self-reported Implementation Status	Entity Comments
Palo Duro Water District (PDWD) <sup>d</sup>		
Direct PDRA to develop and maintain a website.	Fully Implemented as of September 7, 2018 <sup>e</sup>	The PDWD created www.palodurowaterdistrict.com. The website provides information about the PDWD and its purpose. The website also provides contact information to call or email the PDWD.
Direct PDRA to manage their files according to their commission-approved plans to properly comply with open records and public information requests to ensure records are properly maintained, archived or destroyed.	Fully Implemented as of September 1, 2017	The PDWD staff works to keep records up to date.  All records are kept in office and are on hand at all times for the public.  All records are maintained or archived for future use.
Direct PDRA to track any Public Information Act requests in a format that easily allows the authority to track the timeliness of their response and identify trends in requested information.	Fully Implemented as of September 1, 2017	The PDWD ensures that the public has access to public information. Any person or entity that requests such information, the PDWD assists the request in a timely manner.
Direct PDRA to provide clearly written summaries of staff and consultant activities at each board meeting.	Fully Implemented as of September 1, 2017	The PDWD keeps detailed monthly reports on activities and board meetings.  Each month, the PDWD records and files board meeting minutes.
Railroad Commission (RRC)		
Direct the Railroad Commission to accurately track and report the number of oil and gas violations annually.	Fully Implemented as of June 5, 2018	<b>RRC's Inspection, Compliance and Enforcement (ICE) system deployed in 2015 and enhanced the agency's capabilities to track violations. Pursuant to HB 1818, the Commission published its Oil and Gas Enforcement and Monitoring Plan, which was approved by the Commission on June 5, 2018. The plan includes a data appendix that lists the total number of oil and gas violations annually. Additionally, each quarter, the Commission publishes to its website the number of oil and gas violations to comply with Rider 11 (GAA, 85th Legislative Session).</b>
Direct the Railroad Commission to systematically track major violations.	Fully Implemented as of September 1, 2016	RRC tracks all violations, and all major violations are reported at the time of discovery in the field rather than at the time of referral for penalty action, as recommended by the Sunset Commission. In addition, effective September 1, 2016, RRC issued Standard Operating Guidelines on Identifying, Tracking and Reporting Major Violations. These guidelines defined major violations and assist field inspectors, management and technical staff to identify, track and report major violations. The Commission also tracks major and repeat major violations as part of the Oil and Gas Monitoring and Enforcement Plan, required by HB 1818, which was approved by the Commission on June 5, 2018.
Direct the Railroad Commission to develop a definition of repeat violations in rule and report the number of repeat violations on its website.	Fully Implemented as of June 5, 2018	Instead of requiring a definition of repeat violations by rule, HB 1818 modified and codified (Tx Nat. Res Code Sec. 81.066) the Sunset Advisory Commission's management action recommendation by requiring the RRC to <b>maintain data on "the number of repeat major violations, categorized by individual oil or gas lease, if applicable" and to report that data in the Oil and Gas Monitoring and Enforcement Plan. To be consistent with HB 1818, the Commission's annual Oil and Gas Monitoring and Enforcement Plan includes a definition for "repeat major violations." The first plan was approved by the Commission on June 5, 2018. Annual updates to the data appendix of the plan will include the number of repeat major violations, categorized by individual oil or gas lease, if applicable.</b>

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Management Action	Self-reported Implementation Status	Entity Comments
Direct the Railroad Commission to audit a sample of oil and natural gas production reports and transportation reports.	Fully Implemented as of November 15, 2017	RRC issued Standard Operating Guidelines on November 15, 2017 regarding the T-1 pilot project that addresses this. The pilot program was integrated into a daily internal process where batches of received T-1 reports, which are monthly transportation and storage reports that must be filed with the Commission, would be subject to audit. During the first audit, no material discrepancies were discovered. As required by the Standard Operating Guidelines, the Commission continues to audit reports on a regular basis.
Direct the Railroad Commission to develop a policy to require production reports to be filed electronically, and also direct the agency to provide oil and gas production information on its website in a format that is easier for royalty owners to use and understand.	Incomplete/Ongoing	RRC currently receives a high percentage (more than 92% on average) of production reports electronically. However, electronic filing is not mandatory. This is because some operators may not have the ability to file reports electronically. RRC provides available oil and gas production data on its website through the RRC Online System.
Direct the Railroad Commission to expand its risk matrix for oil and gas inspections.	Fully Implemented as of September 1, 2016	Effective September 1, 2016, RRC issued Standard Operating Guidelines regarding Job Priorities for Field Inspectors. The guidelines help district office management and field inspectors plan and conduct their daily work activities in support of established Commission goals and performance standards, and are used to determine those activities that take priority over others for field inspection purposes. It outlines priority categories and bases prioritization on several risk factors, including: performance goals, proximity to public or sensitive areas, compliance history of an operator, and area knowledge/district concerns.
Direct the Railroad Commission to centralize all contract administration functions by September 1, 2016.	Fully Implemented as of September 1, 2016	All Railroad Commission contract administration functions were centralized by September 1, 2016. This includes contract administration functions for all district offices statewide.
Direct the Railroad Commission to implement and keep updated contracting best practices as outlined by recent legislation and the comptroller.	Fully Implemented as of September 1, 2016	Commission contract management staff and the Office of General Counsel implemented all legislative changes required by SB20 and the last legislative session. <b>Contract management staff are working closely with the agency's contracts attorney to analyze the Comptroller's recently updated contract management guide to implement any newly revised best practices.</b> Note: Legislative implementation is fully implemented. Best practices are continuously updated with guidance from the comptroller.
<b>Direct the Railroad Commission's</b> executive director to report quarterly to the commissioners at their open meetings regarding the status of contracting improvements.	Fully Implemented as of September 1, 2016	The Commissioners are briefed quarterly in an open meeting regarding the status of contracting improvements.
Direct the Railroad Commission to incorporate findings from the TexNet Seismic Monitoring Program <b>at UT's [University of Texas's]</b> Bureau of Economic Geology as they become available into its oil and gas disposal well rules or guidance, as applicable. The rules should seek to prevent any induced seismicity caused by disposal wells.	Fully Implemented as of October 28, 2014	Commission actively works with TexNet and implemented rules in October 2014 to address potential induced seismicity. RRC also announced the hiring of its new seismologist in the Summer of 2017. The agency will continue to work with TexNet as it studies the issue.

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Management Action	Self-reported Implementation Status	Entity Comments
State Bar of Texas		
<p>Direct the State Bar to post summary statistics and trend information regarding the attorney grievance system on the home page <b>of the State Bar's website</b>, including but not limited to data on the number of grievances received, their disposition, and the average time for resolution at each step of the grievance process.</p>	<p>Fully Implemented as of July 1, 2018</p>	<p>5 year statistical report has historically appeared on the website. The Home <b>Page contains a direct link to "Grievance Statistics" that includes a five year</b> report of grievances filed, their classification, and sanction dispositions, including average resolution time beginning with the 17-18 Bar Year. Average resolution time calculations began in June of 2017. The statistics also include most common areas of law involved and rule violations alleged.</p> <p>Note: this Management Action overlaps with a statutory requirement in 81.084, Government Code. (information under that section is being posted/updated going forward as data is collected under the new guidelines)</p>
<p>Direct the Office of the Chief Disciplinary Counsel to more proactively provide assistance to complainants in understanding reasons for complaint dismissal.</p>	<p>Fully Implemented as of March 1, 2017</p>	<p>The letters complainants receive upon dismissal of their case have been expanded to include additional bases for dismissing a grievance. The compilation of letters now include: that the grievance was filed outside the statute of limitations; conduct complained of is outside the professional obligations of a lawyer; grievance involves a judge (referral made to judicial conduct agency); individual complained about not a lawyer (referral made to unauthorized practice of law committee); grievance prematurely filed; grievance contains no narrative; grievance lacks enough information to properly classify; grievance alleges ineffective assistance of counsel which is outside scope of discipline system; lawyer deceased; lawyer disbarred or resigned in lieu of discipline.</p> <p>Additionally, we continue to communicate directly with the complainants and provide contact information where they can call and talk to a staff member about the process.</p>
Sulphur River Basin Authority (SRBA)		
<p>Direct the SRBA board to hire an executive director.</p>	<p>Incomplete/Ongoing</p>	<p>The Board is working on this topic. Ongoing development of a process, system, or policy to address a management action.</p>
<p>Direct SRBA to seek local financial investment in its water development projects.</p>	<p>Incomplete/Ongoing</p>	<p>The Board is working on this topic. Ongoing development of a process, system, or policy to address a management action.</p>
<p>Direct SRBA to seek bids for the next phase of its feasibility study.</p>	<p>Fully Implemented as of April 18, 2017</p>	<p>The Board approved a resolution adding additional By-Laws including a Professional Services Policy.</p> <p>There has been no next phase of Feasibility Study undertaken yet.</p> <p>According to policy now in effect, SRBA will seek proposals or bids if there is an additional next phase of a feasibility study.</p>
<p>Direct SRBA to implement certain practices to improve transparency and openness in its operations. Also direct SRBA, after posting board materials on its website, to create a listserv to enable people to sign up for updates when the board posts new materials to the website.</p>	<p>Fully Implemented as of October 3, 2018<sup>e</sup></p>	<p>The Board approved a resolution in regards to adding 20.01 to the By-Laws.</p> <p>The additional By-Laws assures increased opportunity for public comments in SRBA board meetings.</p> <p>All meetings are <b>posted on the Sec of State's web site, on two web sites for SRBA, posted in all 10 County Clerk's office. All agendas of all meeting are posted on the outside of the SRBA's Administrative office and sent to a local newspaper.</b></p>

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Management Action	Self-reported Implementation Status	Entity Comments
Direct SRBA to manage their files according to their commission-approved plans to properly comply with open records and public information requests to ensure records are properly maintained, archived or destroyed.	Fully Implemented as of August 1, 2018	<p>On June 19, 2018, the SRBA Board of Directors authorized unnecessary files to be destroyed.</p> <p>On August 01, 2018, the unnecessary files were shredded on site with the SRBA Attorney and Administrator overseeing the process.</p> <p>SRBA has a written policy identifying the records that will be preserved. These preserved records are available pursuant to a proper request for them.</p>
Direct SRBA to track any Public Information Act requests in a format that easily allows the authority to track the timeliness of their response and identify trends in requested information.	Fully Implemented as of January 1, 2018	Since January 01, 2018, SRBA has not received any open records request. The SRBA will maintain a folder to safekeep any open records request that is received in the future.
Direct SRBA to provide clearly written summaries of staff and consultant activities at each board meeting.	Fully Implemented as of January 17, 2017	<p>Written summaries of staff and consultants are prepared.</p> <p>SRBA attaches these written summaries to the minutes of the meetings to which the summaries are provided.</p>
Direct SRBA to comply with TCEQ rules by adopting required administrative policies.	Fully Implemented as of April 18, 2017	The SRBA Board of Directors passed a resolution implementing all of the administrative policies required by TCEQ Rules and relevant sections of the Texas Water Code and the Texas Administrative Code.
<b>Texas Board of Nursing (Board)</b>		
Direct the board to review its criminal conduct guidelines to limit disciplinary action to crimes directly related to the practice of nursing.	Fully Implemented as of February 25, 2018	The Board adopted rule amendments to its Criminal Guidelines, effective February 25, 2018.
Direct the board to designate a contract manager assigned to the peer assistance program.	Fully Implemented as of January 8, 2018	A new attorney was hired to perform contracting duties for the agency, effective January 8, 2018. <b>The attorney's duties include contract management over the Board's peer assistance program.</b>
Direct the board to require its peer assistance program to publicly post information about the various program tracks and requirements.	Incomplete/Ongoing	<p>Staff contracted with a Psychologist with Substance Use Disorder experience on November 20, 2017 to advise on development of a more flexible peer assistance program with appropriate tracks and requirements for varied SUDs diagnoses.</p> <p>TPAPN is currently coordinating with BON Staff to finalize and begin implementation of flexible system based on severity of diagnosis consistent with the disease process and public safety.</p> <p>TPAPN is simultaneously working with an experienced professional peer assistance specialist to rewrite TPAPN policies and procedures for various tracks and requirements.</p> <p>The public roll out and posting of the information on TPAPN materials and website is expected to be finalized January 1, 2019.</p>

**Entities' Self-reported Status of Implementation of Sunset Advisory Commission Management Actions**

Management Action	Self-reported Implementation Status	Entity Comments
Texas Department of Transportation (TxDOT)		
Direct TxDOT to develop materials to increase awareness and use of the online project tracker tool for local elected officials.	Fully Implemented as of July 26, 2018	TxDOT conducted a comprehensive review of the TxDOT project tracker system, using feedback from internal and external users of the system and <b>advice from TxDOT's public involvement office</b> . TxDOT developed a plan for implementing needed improvements and adopted rule changes. The rules include a 4-yr update cycle and the updated system includes estimated construction completion. After the March 1, 2018, launch of the new TxDOT project tracker webpage, TxDOT notified all members of the Texas Legislature and their staff and provided materials on the new system. TxDOT also set-up live demonstrations and handed out information materials on project tracker at the Texas Capitol for members of the Legislature and their staff and the public. The project tracker webpage also has a feature to allow user feedback.
TxDOT should provide regular analysis and monitoring reports to the Transportation Commission <b>about the department's efforts</b> to correct issues with underperformance in key budget measures, letting controls, and right-of-way backlogs.	Substantially Implemented	<p>TxDOT provides a performance dashboard to the Texas Transportation Commission with information on key budget measures, lettings and right-of-way backlogs. TxDOT reviews the dashboard with the Commission every month to discuss issues, concerns, and ways to correct underlying issues. As of March 2017, monthly Commission dashboard presentation include, for projects recommended for award, a summary of projects ready to let (RTL), in addition to those non-RTL each with an approved Management Plan indicating how construction will be managed without delay from identified outstanding issues. As a result of the new controls, projects are not let with known issues that would result in delay to construction. Monthly reporting will continue with ongoing evaluation of the controls.</p> <p>The following monthly reports on contractor performance are also part of the Commission briefings.</p> <ul style="list-style-type: none"> <li>•Project performance (timeliness), by TxDOT District and by contractor</li> <li>•Summary of liquidated damages, by TxDOT District and by contractor</li> <li>•Contract change orders, by TxDOT District</li> </ul> <p>TxDOT will begin reporting data illustrating improvement of delays associated with the right of way and utility relocation process.</p> <p>TxDOT anticipates having this information ready for presentation at the September 2018 Commission meeting.</p>
TxDOT should develop a more risk-based, cross-functional focus to its internal project development activities.	Fully Implemented as of March 1, 2018	<p>The TxDOT Quarterly Review Process (QRP) includes a detailed review of projects in every TxDOT District and how they are meeting project development milestones for planning, engineering, environmental review, utility, right-of-way and letting.</p> <p>The QRP is being enhanced with the fall 2018 quarterly review to show a more explicit risk-based analysis and accompanying discussion with TxDOT Districts and TxDOT Divisions on mitigating problems on high-risk projects.</p>
Direct TxDOT to regularly report on its progress implementing the Modernize Portfolio and Project Management system to ensure visibility and oversight of this important but high-risk project.	Fully Implemented as of July 26, 2018	The Texas Transportation Commission (Commission) received an update in a public meeting at the July 26, 2018, Commission meeting on target costs and timeline for implementing the Modernize Portfolio and Project Management (MPPM) project. Prior to the July 2018 public update, TxDOT was giving regular internal progress reporting to the Commission. The Quality Assurance Team (QAT), comprised of representatives from the Legislative Budget Office (LBB), the State Auditor's Office (SAO), and the Department of Information Resources (DIR), is provided a monthly updates on MPPM.
TxDOT should make efforts to improve proactive external stakeholder outreach to avoid conflicts with future planned transportation projects.	Substantially Implemented	TxDOT has conducted outreach to the utility industry and other appropriate stakeholders to communicate program initiatives that focus on engaging project stakeholders sooner in the project development process in addition to offering continuous collaboration opportunities. A Master Utility Agreement has been developed, allowing our utility industry partners an opportunity to provide input to avoid conflicts with future planned transportation projects. Regular stakeholder meetings are on-going.

**Entities' Self-reported Status of Implementation of Sunset Advisory Commission Management Actions**

Management Action	Self-reported Implementation Status	Entity Comments
Direct TxDOT to develop clear criteria for applying sanctions.	Substantially Implemented	<p>Texas Transportation Commission (Commission) approved publication of proposed draft rule revisions to address clear criteria for applying sanctions and consolidate all types of sanctions for ethical violations, not just highway improvement contracts. TxDOT is working on internal criteria and guidance to supplement the rule changes. TxDOT staff expects to propose the rules for final adoption at the August 30, 2018, Commission meeting.</p> <p>The Commission approved publication of proposed draft rule revisions for a new process for evaluating contractor performance and a Performance Review Committee to determine contractor bidding capacity based on contractor financial information and contract performance in three areas: (1) quality; (2) safety; and (3) timeliness. Additionally, the method of assessing liquidated damages for travel delays on significant projects has been completely revamped to ensure the consistent and accurate assessment of damages. Contract remedies are now addressed specifically by the rules. TxDOT expects to propose the rules for final adoption at the August 30, 2018, Commission meeting.</p> <p>TxDOT has also developed three special provisions to incorporate the requirements into all construction and maintenance contracts beginning with those let September 2018; the TxDOT Specification Committee approved these special provisions in June 2018, and is currently working to address industry comments prior to Federal Highway Administration (FHWA) approval. In addition, TxDOT is developing interim guidance, training and an updated Construction Contract Administration Manual (CCAM) to ensure that these rule changes are effectively implemented.</p>
Direct TxDOT to develop and implement a process for regular, centralized monitoring of construction contract delays.	Fully Implemented as of October 8, 2018 <sup>e</sup>	<p>TxDOT provides the following monthly reports on contractor performance as part of the Texas Transportation Commission briefings:</p> <ul style="list-style-type: none"> <li>•<b>Project</b> performance (timeliness), by TxDOT District and by contractor</li> <li>•<b>Summary of liquidated damages, by TxDOT District and by contractor</b></li> <li>•<b>Contract change orders by TxDOT District While the monitoring required by Management Action Item 3.5 has been fully implemented, once Management Item 3.4 (Direct TxDOT to develop clear criteria for applying sanctions) is fully implemented; TxDOT anticipates that the contractor performance evaluations and related documentation collected by TxDOT Districts pursuant to item 3.4 will provide an improved mechanism for identifying drivers of poor contractor performance.</b></li> </ul>
Direct TxDOT to develop criteria for applying project incentives such as milestone incentives and A+B bidding.	Substantially Implemented	<p>TxDOT has in place an updated Accelerated Construction Guideline, revised December 2017, and an engineering project planning tool used by TxDOT Districts to evaluate the costs and benefits of considering accelerated construction alternatives. In December 2017, TxDOT introduced an Accelerated Construction Economic Screening Tool designed for use by TxDOT Districts to perform project analysis of potential construction acceleration considerations and alternatives, quantifiably addressing a number of cost considerations, to include safety, road user costs, economic impact costs of construction and construction project alternatives.</p> <p>TxDOT contracted with the Texas Transportation Institute to develop guidance on accelerated construction. TxDOT is developing a process to identify and review a sample of projects for decision evaluation and determination of time savings and associated costs. This effort will be ongoing.</p> <p>TxDOT created a Research, Development and Implementation Road Map that identifies a multi-disciplinary approach to accelerated project delivery that will move the Accelerated Construction initiative forward in Texas.</p>
Direct TxDOT to update production rate information for estimating project timelines and establish a schedule for regular revisions.	Fully Implemented as of March 1, 2018	<p>TxDOT and industry partners developed, updated and notified all stakeholders of the updated construction production rates, which were published on March 1, 2018. TxDOT will review and update these rates, as appropriate, by March 1 every two years.</p>

**Entities' Self-reported Status of Implementation of Sunset Advisory Commission Management Actions**

Management Action	Self-reported Implementation Status	Entity Comments
Direct TxDOT to provide guidance for district management of construction engineering inspectors, including how to perform staffing analyses and manage these expanding contracts.	Fully Implemented as of August 7, 2018	<p>TxDOT published a guidebook to provide best practices for the implementation and management of Construction Engineering Inspection (CE&amp;I) contracts.</p> <p>Additional information linked in the guidebook—including recommended trainings on SiteManager, materials, change orders, and estimates—has been also posted to the TxDOT intranet to help ensure efficient and accurate communication and management of CE&amp;I contracts.</p> <p>An Inspector Capacity Planning Tool was completed as of October 2017.</p>
Direct TxDOT to better monitor and enforce the existing requirement that professional service project managers complete engineering contractor evaluations.	Fully Implemented as of June 30, 2017	TxDOT Chief Engineer sent a memorandum to all TxDOT Division Directors and District Engineers requiring their project managers to begin completing consultant contract evaluations annually on all contracts and at end of the project on all contracts. TxDOT implemented an automated evaluation reminder process and tracking report has been developed.
Direct TxDOT to improve the availability of comparative information needed for districts to effectively negotiate the scope of work for professional engineering contracts.	Fully Implemented as of December 11, 2017	TxDOT updated the Level of Effort negotiation tool and provided operational instructions to appropriate TxDOT staff and all TxDOT Districts.
Direct TxDOT to develop additional training and monitoring processes <b>to oversee districts' management</b> of large, complex contracts, such as design-build.	Fully Implemented as of March 1, 2018	<p>In coordination with the TxDOT Districts, the Project Finance, Debt, and Strategic Contracts Division developed training and implemented oversight processes to ensure standardization and consistency for alternative delivery projects.</p> <ul style="list-style-type: none"> <li>• Training</li> </ul> <p>TxDOT developed a training program to assist the Districts in their management of large, strategic contracts. All training modules are available <b>on TxDOT's the Alternative Delivery Program (ADP) SharePoint</b> site.</p> <ul style="list-style-type: none"> <li>• Performance Measures</li> </ul> <p>TxDOT provides oversight to alternative delivery projects through compiling Major Projects Update Reports (Dashboards) for TxDOT Administration and performing project reviews. The Dashboards are reviewed on a monthly basis. Project Enterprise Committees have also been established to address implementation and operational issues and monitoring and oversight of alternative delivery projects.</p> <ul style="list-style-type: none"> <li>• Quality Assurance Processes</li> </ul> <p>TxDOT implemented the following quality assurance processes: Developed and implemented the Project Reviews and Post-Construction Project Close-out procedure, updated the Quality Assurance Program documents, developed and implemented the automated Owner Verification Testing (OVT) Quarterly Report workflow, and standardized the OVT reporting template and scope of services language for all OVT contracts.</p> <ul style="list-style-type: none"> <li>• A Feedback Process</li> </ul> <p>TxDOT developed several processes for soliciting district input to identify gaps in training, guidance, and policies. These include surveys and soliciting and using feedback to improve guidance documents, manuals, policies, and procedures. An Executive Committee was also formed to oversee the development of and revisions to programmatic design-build documents. TxDOT has conducted multiple lessons learned workshops to gather feedback regarding items to be improved and items to be sustained.</p>
Direct TxDOT to provide comprehensive guidance and monitoring for decentralized procurement of professional engineering services contracts.	Fully Implemented as of December 9, 2017	<p>TxDOT has completed the task to provide comprehensive guidance and training for work authorizations &lt; \$1 Million on August 21, 2017.</p> <p>TxDOT provided a Policies and Procedures manual with defined performance measures and demonstrated this manual and performance measures at the TxDOT District wide training in April 2017. This also included a review plan to sample District work authorization completed requests to ensure compliance with agency policies and standards. The review process also</p>

**Entities' Self-reported Status of Implementation of Sunset Advisory Commission Management Actions**

Management Action	Self-reported Implementation Status	Entity Comments
		<p>identified a feedback loop to the Districts on sampled information to ensure consistency and accuracy. Training updates will be regularly provided to the TxDOT Districts.</p> <p>TxDOT created and published guidance for decentralized procurement of professional services contracts, which are applicable to low risk contracts at the District level.</p>
Direct TxDOT to develop a risk-based approach to centrally reviewing contracts.	Fully Implemented as of August 18, 2017	TxDOT Executive Director signed memo revising contract review policy. TxDOT implemented a revised contract review process for engineering contracts based on signature authority and corresponding risk.
Direct TxDOT to update its signature authority based on risk, eliminating unnecessary delays while preserving the appropriate level of review.	Fully Implemented as of July 31, 2018	<p>TxDOT revised signatory authority for engineering contracts, allowing for more contracts to be signed by the appropriate Director and adding signatory and increasing the dollar threshold at each Administration-level signature.</p> <p>An email/memo was sent to Division Directors, District Engineers and TxDOT Administration requesting updates to all signature authority and delegations. TxDOT Human Resources Division will include in their semi-annual Organization Charts update reminder language regarding updating signature authority. This is an ongoing duty.</p>
Direct TxDOT to develop and monitor performance measures for contract procurement.	Substantially Implemented	<p>The Modernize Portfolio and Project Management (MPPM) reset will delay the automated implementation of this management item. In the meantime, processes have been developed and implemented to monitor and improve contract procurement. Pending and anticipating ultimate implementation with MPPM, TxDOT has developed unified review sheets and met with Districts and Divisions to streamline contracting processes, including <b>Advance Funding Agreements. TxDOT's contracting and professional</b> procurement personnel have been working together to track contracts as they flow in and between the two divisions to identify potential inefficiencies. Contracting and procurement personnel track engineering, architectural, and surveying contracts as they flow through their respective divisions. Manual spreadsheets and tracking logs are used to track the professional procurement and contracting processes. MPPM will enhance visibility, efficiency and monitoring.</p>
Direct TxDOT to align its business opportunity goal setting with state and federal guidelines to more actively promote higher participation.	Substantially Implemented	<p>TxDOT has aligned its business opportunity goal setting with state and federal guidelines to more actively promote higher participation.</p> <p>The following items were implemented:</p> <p>a) Federal Highway Administration (FHWA) Fiscal Years (FY) 2017-2019 Disadvantaged Business Enterprise (DBE) Goal Methodology. TxDOT submits this report on TxDOT DBE goal and the methods used to calculate it, to the United States Department of <b>Transportation's (DOT) FHWA. The report</b> covers FY 2017-2019 and justifies the overall DBE goal of 12.6%. TxDOT plans to satisfy this overall goal by combining a 5.8% race-neutral component with a 6.8% race conscious component.</p> <p><b>TxDOT's goal methodology</b> consists of two steps:</p> <ol style="list-style-type: none"> <li>1. Establishing the base figure for the relative availability of DBEs.</li> <li>2. Adjusting the base figure as a result of available data.</li> </ol> <p>The 2009 Texas Disparity Study (TDS) was used to determine the relative availability of DBEs to establish the base figure. The TDS conducted its analysis and recommendation with consideration of the available legal standards. The recommendations are narrowly tailored to the findings. The base figure was adjusted according to an evaluation of available data compiled from the self-employment data, previous participation data, comments received from the public, and results of an online survey. DBE participation for federal-aid highway design and construction projects will be evaluated annually to determine whether market conditions warrant adjustments to the overall DBE goal and/or individual race-neutral and race-conscious components.</p> <p>As required by FHWA, through a Memorandum of Understanding (MOU), subrecipients of highway design and construction federal pass-through funds</p>

**Entities' Self-reported Status of Implementation of Sunset Advisory Commission Management Actions**

Management Action	Self-reported Implementation Status	Entity Comments
		<p><b>are required to adopt TxDOT's federally approved DBE program. As part of this requirement, subrecipients must adopt TxDOT's methods to establish the DBE goal and are required to report DBE awards, commitments and payments."</b></p> <p>b) FY 2018 Historically Underutilized Business (HUB) Opportunity Goals Memo- TxDOT has chosen to use the statewide goals established by the Comptroller in all categories.</p> <p>c) The Small Business Enterprise (SBE) rules will be adopted in August 2018. Ongoing efforts include the disparity study being conducted The most recent accomplishments for the disparity study include:</p> <ul style="list-style-type: none"> <li>-Public meetings were held in April 2018</li> <li>-The vendor sent an electronic survey to stakeholders in July 2018</li> <li>-Group business owner interview sessions kicked off in July 2018</li> </ul>
<p>Direct TxDOT to develop a standard process for addressing failure to meet business opportunity program goals.</p>	<p>Substantially Implemented</p>	<p>TxDOT has developed a standardized process to measure the successes and failures within its small and minority business programs. TxDOT currently conducts analysis of small and minority business programs to determine areas of low participation and reports this information monthly/quarterly to Division and District Directors and TxDOT Administration.</p> <p>Reporting this data allows TxDOT to increase collaboration across TxDOT to determine areas of low participation and ensure negative trends are addressed. The reporting also highlights areas where TxDOT is succeeding so TxDOT can build upon those successes.</p> <p>Disenfranchised Business Enterprises (DBE)</p> <ul style="list-style-type: none"> <li>-Developed monthly review/reporting of goal attainment (Commitment Report)</li> <li>-Developed monthly review of upcoming goals (Goal Setting Report)</li> </ul> <p>Historically Underutilized Businesses (HUB)</p> <ul style="list-style-type: none"> <li>-Developed monthly review/reporting of HUB participation by DD (Object Code Reports)</li> <li>--Analyze and identify high and low purchasing trends with HUBs by district and object code/work category</li> <li>--Identify successful strategies being used by selected districts that have a high % with HUBs</li> <li>--Work to incorporate any successful strategies with those districts (similar purchasing trend) that have a low % with HUBs</li> </ul> <p>Small Business Enterprises (SBE)</p> <ul style="list-style-type: none"> <li>-Dedicated two staff to the SBE function</li> <li>-Clarification of rules to be adopted at the August 2018 Texas Transportation Commission hearing</li> <li>-Developed quarterly review/report of payments made to small and minority businesses by category (SBE Expenditure Report)</li> </ul>
<p>Direct TxDOT to actively recruit new businesses for certification and provide training on contracting with TxDOT.</p>	<p>Fully Implemented as of October 5, 2018<sup>e</sup></p>	<p>TxDOT has developed multiple outreach and recruitment programs intended to reach both non-certified and certified firms. In an effort to reach firms seeking certification, TxDOT participates in a number of programs and events.</p> <p>(See Federal Highway Administration (FHWA) 3rd Quarter Disenfranchised Business (DBE) Enterprises Report.)</p> <p>In an effort to increase a DBE firm's successful participation as prime <b>contractors or subcontractors on TxDOT's federal</b>-aid highway contracts and projects TxDOT selected and contracted with four vendors to provide services for the Alliance program. Multiple key performance indicators (KPIs) were established within the current contract based on metrics versus outcomes identified by the Federal Highway Administration. TxDOT currently assesses the KPIs established for the Alliance program on a quarterly basis.</p>

**Entities' Self-reported Status of Implementation of Sunset Advisory Commission Management Actions**

Management Action	Self-reported Implementation Status	Entity Comments
		<p>TxDOT, along with its Alliance partners, has been working to expand and refine the current KPIs to more accurately reflect the milestones needed to achieve true successful participation for DBEs. To date, the team has developed concept milestones of three phases each business must achieve in order to become successful: developmental, transitional and graduation. Through the analysis of various reports, the Civil Rights Division has identified an additional milestone: contract award. While increased certification numbers are indicative of a successful program, whether or not a firm is getting work as a prime or subcontractor is just one measure of a firm's success. Through the Alliance program, firms are required to define what success means to them. The Civil Rights Division is currently developing a process to monitor businesses through each milestone with the intention of increasing contract awards. The Civil Rights Division is working the Alliance partners to integrate this into the program prior to contract renewal. Based on these measures, the Civil Rights Division, the Alliance vendors and key industry partners, including but not limited to the Associated General Contractors of Texas, are working together to identify key strategies and to continually improve outreach and training programs.</p>
<p>Direct TxDOT to improve central monitoring and support for its business opportunity programs.</p>	<p>Fully Implemented as of December 12, 2017</p>	<p><b>TxDOT's Civil Rights Division regularly meets with Division Directors and District Engineers</b> to review management reports and discuss strategies. In addition, the Civil Right Division has created several training courses and provided training to program liaisons.</p> <ul style="list-style-type: none"> <li>-Conducted training on how to implement the Historically Underutilized Businesses (HUB) requirements during the procurement and contract phase.</li> <li>-HUB Subcontracting Plan and other HUB requirements training was conducted -Internal HUB trainings are being reviewed by the Civil Rights Division management (i.e., Subcontracting Determination and Solicitation Review, Conducting an HSP Review, and Contracting Phase: HSP Monitoring).</li> <li>-Developed an online training: Intro to Disenfranchised Business Enterprises (DBE), Compliance and Monitoring</li> <li>-Conducted workshops on DBE administrative responsibilities for local governments</li> <li>- Produced DBE Contractors' Guide and announced its availability to the DBE community via the Diversity Management System.</li> <li>-Held a DBE Coordinators' meeting for District DBE Coordinators and Division DBE liaisons on August 15.</li> <li>-Scheduled DBE training for district staff and consultants on alternate delivery projects. Training will be held in Dallas on August 28, and Corpus Christi and Houston on August 30.</li> <li>-Final stages of ELM training, HUB during the Procurement Process.</li> </ul>
<p>Direct TxDOT to evaluate the small business enterprise program and develop policies and rules to provide meaningful opportunities for small businesses.</p>	<p>Substantially Implemented</p>	<p>Draft rules proposed in May 2018 and scheduled to be adopted at the August 2018 Texas Transportation Commission hearing.</p>
<p>TxDOT should streamline certification to actively certify SBE-eligible businesses and increase participation of businesses eligible for multiple programs.</p>	<p>Fully Implemented as of May 31, 2017</p>	<p>TxDOT began certifying Disenfranchised Business Enterprises (DBE) as Small Business Enterprises (SBEs) and as a result the number of SBEs in 2017 increased from 442 to 3127.</p>

**Entities' Self-reported Status of Implementation of Sunset Advisory Commission Management Actions**

Management Action	Self-reported Implementation Status	Entity Comments
Direct TxDOT to centrally coordinate and track results of business process improvement efforts, including the use of private management consultant contracts.	Substantially Implemented	<p>TxDOT stood-up a program and organized a workgroup to enhance the <b>TxDOT's ability to coordinate actions on cost savings and innovation</b> opportunities, and business process improvement (BPI) projects.</p> <p>TxDOT has created an internal process for the review of management consultant contracts and purchasing activities. TxDOT will use this process to evaluate requests for management consultant services through an assessment of comparable internal TxDOT capabilities and available capacities.</p>
Direct TxDOT to consider implementing a rapid process improvement program similar to the Texas Workforce Commission model.	Fully Implemented as of February 28, 2018	<p>A business process improvement (BPI) Pilot Program, including two Rural, two Urban and two Metropolitan TxDOT Districts for this Pilot was created. TxDOT staff has completed on-site meetings across all pilot TxDOT Districts. TxDOT continues to work closely on the State Agency Coordinating Committee (SACC) Quality Process Improvement &amp; Innovation Subcommittee (QPIIS), as a member. This forum is leveraged to share Best Practices with several other State Agencies and in close collaboration with the Texas Workforce Commission co-leader.</p>
Direct TxDOT to actively and consistently monitor, evaluate, and report district performance.	Substantially Implemented	<p>TxDOT created a Performance Measures Workgroup to assess usefulness of existing metrics, review alignment with state &amp; federal requirements, and make recommendations. Workgroup launched in October 2017; comprised of 12 members; and meets monthly.</p> <p>Administration and Engineering Operations performance dashboards (both with district level analysis) are made available on a regular basis to all District Engineers, Division Directors and supporting staff.</p> <p>Continue TxDOT's Quarterly Review Process (QRP) in support of performance-based planning and programming. This includes alignment of letting schedule, budget and forecasting, planning and funding, programming and long-range planning. Related activities include the use of a risk assessment tool to monitor the health of the district and statewide portfolio.</p>
Direct TxDOT to improve communication with and support of the districts.	Substantially Implemented	<p>Consistent updates to policies and procedures</p> <p>TxDOT created an enterprise governance policy workgroup in February 2018 to develop a department-wide methodology for regular manual updates and incorporation of policy memos into manuals. The work methodology includes the creation of formalized policies, procedures and timelines for communication of operational and administrative directive through TxDOT manuals.</p> <p>The workgroup established a Manual Roadmap providing status of updating and removing outdated guidance <b>form TxDOT's Manual System. This includes</b> timeframes for creation of new manuals. The workgroup also established a formal schedule for manual review on an annual basis.</p> <p>Customer service feedback loop</p> <p>Divisions solicit customer service feedback through a variety of means including district visits, face-to-face meetings, emails, phone calls, and surveys.</p> <p>Improve use of intranet</p> <p>(d) TxDOT developed a new Crossroads standard website that has a central location for reports on each division website.</p> <p>Identification and sharing of best practices</p> <p>Communities of practice are being identified and created which provides knowledge sharing of best practices.</p> <p>Quarterly Transportation Planning &amp; Development (TP&amp;D) meetings and Annual Short Course provides platform for best practice sharing.</p>
Direct TxDOT to track specific statutory justifications for state aircraft use.	Fully Implemented as of September 1, 2017	<p><b>TxDOT's flight manifest has been specifically modified to track all codes</b> related to specific statutory justifications for state aircraft use. Aircraft use form was created and memo sent by TxDOT Executive Director to all state agencies. The data is retained for each specific flight and passenger.</p>

**Entities' Self-reported Status of Implementation of Sunset Advisory Commission Management Actions**

Management Action	Self-reported Implementation Status	Entity Comments
Direct TxDOT to adopt a clear internal policy governing the appropriate use of the state aircraft fleet by department staff and regularly monitor usage.	Fully Implemented as of November 1, 2017	TxDOT Administration developed formal guidance as to the use of the aircraft for official state business agency wide. Aircraft usage within the agency is submitted via a dashboard submission on a monthly basis and is available and reviewed by the appropriate TxDOT Administration personnel.
Direct TxDOT to more proactively implement and monitor its efforts to increase workforce diversity.	Fully Implemented as of July 31, 2018	<p><b>The ongoing efforts to more proactively implement and monitor TxDOT's</b> efforts to increase workforce diversity are included in the quarterly Equal Employment Opportunity (EEO) Activity Reports to the Federal Highway Administration (FHWA). The most recent report is dated 07/30/2018.</p> <p>TxDOT Administration is provided monthly with diversity statistics and the Deputy Executive Director is given a monthly dashboard that contains this info. Plan initiatives are updated on a yearly basis. Currently the initiative being increasing employee diversity.</p> <p><b>TxDOT's Affirmative Action Plan has been posted to TxDOT's website and</b> sent out an email notification to all Division Directors &amp; District Engineers. A Diversity and Inclusion/EEO training module is currently being formatted by the Workforce Career Development team. There were 20 Recruitment Career Events that were and will be attended on behalf of our Recruitment team between November 2017 thru January 2018.</p> <p>TxDOT held an In-House career fair in Austin that promoted TxDOT employment opportunities.</p> <p>TxDOT developed a metric based tool to evaluate outreach efforts and performance against their attended career fairs.</p> <p>Statewide Job fairs - ongoing to increase diverse applicant pool by attending colleges, universities military facilities.</p>
<b>Texas State Board of Dental Examiners</b>		
Direct the board to make data on <b>the board's enforcement activity</b> publicly available on its website.	Substantially Implemented	The board has identified all data points needed to collect and disseminate recommended information. We are working with programming staff to collect data and create reports to be used for publishing information. We currently publish credential specific data on disciplinary actions, non-disciplinary actions, temporary suspensions, and cease and desist orders. Anticipated completion date October 1, 2018.
Direct the board to stagger registration and certificate renewals.	Fully Implemented as of September 1, 2018	Staggered registration will begin on September 1, 2018. All programs have been modified and tested, fee schedules have been updated, and the notification has been discriminated to license holders notifying them of the new staggered registration period.
Direct the board to track and quarterly report anesthesia-related data and to make publicly available on its website aggregate enforcement data by fiscal year and type of license.	Incomplete/Ongoing	The Anesthesia Inspection program will begin September 1, 2018. The inspection procedures are in place and the list of sites to be inspected is being developed. We are in the process of finalizing a list of all anesthesia related enforcement data points to report and will work with programming staff to collect data and create reports to be used for publishing information. Anticipated completion date October 1, 2018.
<b>Upper Colorado River Authority (UCRA)</b>		
Direct UCRA to work with local partners to identify priorities and develop strategies to meet changing watershed needs.	Substantially Implemented	<p>UCRA has been in contact with local and regional partners on multiple occasions and will continue to identify their unique water issues and priorities.</p> <p>UCRA will assist in the development of strategies relating to potential grants, loans and funding opportunities pertaining mainly to storm water, waste water and water supply planning and projects.</p> <p>This will be a <b>continual ongoing process with UCRA's partners.</b></p>

**Entities' Self-reported Status of Implementation of Sunset Advisory Commission Management Actions**

Management Action	Self-reported Implementation Status	Entity Comments
Direct UCRA to create and file all necessary record retention schedules with the Texas State Library and Archives Commission to ensure proper compliance with state and local record retention requirements. Also, direct UCRA to manage their files according to their commission-approved plans to properly comply with open records and public information requests to ensure records are properly maintained, archived or destroyed.	Fully Implemented as of June 27, 2017	UCRA has adopted the Texas State Library and Archives policy during the June 27, 2017 UCRA board meeting.  The UCRA Board of Directors has designated a staff member as the records retention officer which enables UCRA to be fully compliant with the Sunset Commission recommendation of open meetings and records requirements.
Direct UCRA to track any Public Information Act requests in a format that easily allows the authority to track the timeliness of their response and identify trends in requested information.	Fully Implemented as of September 1, 2017	All Public Information Act requests are documented, filed and updated as needed.  Each request is identified with a name, date and project category and sorted by state fiscal year.
Direct UCRA to comply with TCEQ rules by adopting required administrative policies.	Fully Implemented as of July 31, 2018	UCRA board approved By-Laws and the General Policies and Procedures to comply with TCEQ rules and administrative policies.

<sup>a</sup> The Board of Veterinary Medical Examiners (Board) originally reported these three management actions as Incomplete/Ongoing. After auditors began testing the implementation status of other recommendations, the Board provided new responses for these three management actions, updating the expected implementation date for two management actions and the status of one management action to Fully Implemented as of October 2018.

<sup>b</sup> This recommendation is directed to the Commission on Environmental Quality (TCEQ). Senate Bill 2262 (85th Legislature) abolished the Central Colorado River Authority effective January 1, 2019, and its assets will be transferred to Coleman County, Texas.

<sup>c</sup> The Board of Podiatric Medical Examiners was transferred to the Department of Licensing and Regulation (TDLR) effective September 1, 2017. In its report, the Commission reviewed the Board of Podiatric Medical Examiners and referred to it as either the Board of Podiatric Medical Examiners or the agency. The recommendations in this table are directly from the Commission's report; however, TDLR was responsible for implementing the recommendations.

<sup>d</sup> The Palo Duro Water District (PDWD) changed its name in September 2017 from the Palo Duro River Authority (PDRA) as a result of a statutory recommendation by the Sunset Advisory Commission in its report to the 85th Legislature. In its report, the Commission referred to PDWD as either the Palo Duro River Authority or the PDRA. The recommendations in this table are directly from the Commission's report.

<sup>e</sup> During testing, auditors determined that the management action had not been fully implemented, as reported by the entity. Once auditors notified the entity, it took additional action to fully implement the management action.