



## Improving the Effectiveness and Efficiency of Texas Government

by the Honorable  
Maurice P. McTigue  
Vice President,  
Mercatus Center at  
George Mason University

In order to be able to carry out government policies, governments depend on delivery organizations to translate government policy into action in the community. These delivery organizations are typically referred to as departments or agencies. It is prudent that these organizations are subjected to periodic review to determine that their structure, their management, and their performance meets their legal obligations and the policy objectives set for them by government. To meet the above commitments there are three features of the organization that should be subject to review but at different intervals: the organization every 12 years, the regulatory powers every six years, and the services bought by appropriation every two years.

### Key Points

Different aspects of state agencies should be subject to review at regular, but different, intervals:

- the organization every 12 years
- regulatory powers every six years
- services funded by appropriation every two years.

### Periodic Organizational Review

This should be a complete review of the organization and should advise on the both the appropriateness of the statutory authority and management issues.

**Recommendations:** An external 12-year review of government organizations be commissioned to a private sector firm; paid for out of the agency's regular budget using administrative savings identified by the review; with the findings of the review be submitted to the governor, to the Sunset Commission, and to the public; and the recommendations of the report be incorporated into legislation by the Sunset Commission, in consultation with the governor and standing legislative jurisdictional committees, to be considered by the Legislature.

### Regulatory and Administrative Law Making Review Process

It is desirable that regulations and the regulation making process be subjected to periodic review. It is also appropriate that the Legislature play a role in this review process so that administrative law making has accountability to elected representatives.

**Recommendations:** The Sunset Commission, working with the relevant jurisdictional standing committees within the Legislature, should review an agency's regulations every six years to ensure that all regulations promulgated by this agency compliant with the authority granted in the statute; should recommend the elimination or change of regulations that are redundant and "ultra vires;" and should establish criteria for the process of promulgating new regulations.

### Operational Review

The operational review examines the day-to-day performance of the organization in achieving the objectives that were identified at the time the organization was created, and all other tasks that have been legally added to that mission. This is a function that should be carried out during the appropriations process.

**Recommendations:** The legislative appropriations bill should shift to a program-oriented bill pattern, eliminating the current strategic-based focus that can obscure the ineffectiveness of individual programs; the budget process be refined to include with each appropriation a description of what is to be achieved by the expenditure of that money; and by this process the appropriation is being converted from an allocation of money to be spent on a specified item to a purchase of a defined outcome or a series of specific outputs that will achieve a specified outcome. ★