

A Great Man Passes and Sunset Review

By John Sharbaugh, CAE | TSCPA Managing Director, Governmental Affairs

It is with deep sadness that I report that my predecessor in writing this column, Bob Owen, passed away on Aug. 24, 2017. Bob's dedication to his profession was exemplary. He served as the president of TSCPA's Dallas Chapter in 1988-89 and he was president of TSCPA in 1994-95. He was recognized with two of the highest awards given by TSCPA – as an Honorary Fellow and for Meritorious Service to the Profession.

The CPA profession has some core values and ideals that it challenges its members to follow, ethical concepts like integrity, honesty, objectivity and independence. On each one of these tenets, Bob scored an A+. And these traits certainly served him well in his role as the primary advocate for TSCPA for 19 years as managing director of governmental affairs.

We talk a lot these days about a need for heroes, that there are no national heroes or leaders we can look up to anymore. I disagree. I think

that we just aren't looking in the right places. The past few months in the aftermath of Hurricane Harvey here in Texas, we have seen how ordinary people can be heroes as they stepped up when confronted with a challenge or disaster. And there are other people around us who are heroes by how they live their lives each day and set an example for others to follow.

Bob was one of those people. He was a hero to me and I believe to many others who got to know and work with him. He set an example of professional excellence in how we should go about doing our jobs and leading our lives with a sense of grace and gratitude, in serving others and striving to be the best we can be – and doing it all with a sense of humor and wisdom.

I will dearly miss Bob, but I will never forget him. And I know I am a better person having had the opportunity to know him and call him my friend.

The TSCPA Accounting Education Foundation (AEF) has established an accounting scholarship in Bob's memory. Those who knew Bob and would like to donate to this tribute to him can send contributions to the TSCPA AEF at 14651 Dallas Parkway, Suite 700; Dallas TX 75254-7465. Make checks payable to the TSCPA AEF and note the donation is for the Bob Owen Scholarship Fund. Thanks for your consideration.

New Appointments to the Texas State Board

Gov. Greg Abbott completed his appointments to the Texas State Board of Public Accountancy (TSBPA). The *Public Accountancy Act* provides for 15 Board members appointed by the governor, with the advice and consent of the Senate, for six-year staggered terms.

The following appointments were made for terms expiring Jan. 31, 2023:

- Manuel “Manny” Cavazos, IV, Esq., CPA-Austin, will serve as presiding officer
- Lisa A. Friel, CPA-San Antonio, managing partner, Ernst & Young LLP
- James D. “Jim” Ingram, IV, CPA-Brazos Valley, shareholder, Ingram, Wallis & Co., P.C.

Public members of the Board for terms expiring Jan. 31, 2023 include:

- Jamie D. Grant, Arlington, Jamie D. Grant Wealth Management Group
- Debra S. Sharp, Houston, owner, SCI, Inc., ERISA Consulting

The following people have terms that have expired and their service as a Board member is complete:

- J. Coalter Baker, CPA-Austin, who served as presiding officer
- Jonathan Ballenger Cluck, Fair Oaks Ranch
- John Richard Broaddus, CPA-El Paso
- Rocky Lynn Duckworth, CPA-Houston
- Phillip W. (Phil) Worley, Hebronville

We welcome the new TSBPA members and thank those who have served the Board and the profession. A list of the current members and their term expirations can be found on the TSBPA website at www.tsbpa.state.tx.us/board/board-members.html.

Sunset Review – What is it?

As I mentioned in my last column, the Texas State Board of Public Accountancy (TSBPA) and the Texas Public Accountancy Act (TPAA) will undergo the sunset review process over the upcoming year. Hopefully, it will culminate in legislation being introduced and passed in the 2019 legislative session to reauthorize TSBPA and the TPAA. Otherwise, the licensed CPA profession as we know it in Texas will cease to exist.

What is the sunset process? For those who are unfamiliar with it, the Texas Legislature established the Texas Sunset Advisory Commission in 1977 as part of the *Texas Sunset Act*. This law established a process for the regular review of state agencies and their operations and spending. Every state entity other than universities, courts and agencies established by the state constitution is subject to periodic review by the Sunset Commission – about 130 agencies in all. The law also calls for the automatic end of an agency's operations, unless the legislature specifically reauthorizes the agency.

The Sunset Commission is an agency governed by legislative appointees. The lieutenant governor appoints five senators and one public member to serve as commissioners; the speaker of the House appoints five representatives and another public member. A staff of about 30, including a director, policy analysts and administrative staff, reports to the commission and provide administrative and operational support.

Agencies generally undergo a sunset review once every 12 years. An agency's sunset date is specified in its enabling statute. However, the legislature can change that timing if it so chooses. If you look at the Texas Public Accountancy Act (TPAA) Sec. 901.006, it states that TSBPA is subject to Chapter 325 (*Texas Sunset Act*) and unless continued in existence as provided by that chapter, the board is “abolished and this chapter expires September 1, 2015.” But in 2013, the legislature passed legislation extending the timing for the sunset review of TSBPA to 2019.

So in 2019, it will be 16 years since TSBPA and the TPAA underwent this process, the last time in 2003.

How the Process Works. As part of the sunset process, the agency under review must complete a self-evaluation identifying problems and opportunities it faces. TSBPA recently completed this self-evaluation process and sent its report to the commission staff. Then the sunset staff conducts interviews, field visits, focus groups, surveys and extensive analysis to determine whether an agency needs any structural changes or is needed at all. Sunset staff also gathers input from the public, interest groups and professional organizations, like TSCPA. Performance and operational data are collected, as well. Finally, the sunset staff releases its recommendations in a report to the commission. We anticipate that will happen later this year or early in 2018.

After the staff report is published, the Sunset Commission holds a public hearing on the agency under review. At the hearing, sunset staff members present their recommendations and the agency then formally responds. The public can submit written or oral testimony during the hearing on these recommendations or any other issues regarding the agency under review. This will be an opportunity for TSCPA and other interested parties to weigh into the process.

Finally, the commission votes on the staff recommendations, including its decision as to whether the agency should continue. The approved recommendations are then drafted into the agency's sunset bill. The legislature must pass each sunset bill or the agency in question will cease

operations after a one-year wind-down period. This year, that vital sunset bill for the Texas Medical Board and several other state agencies was not passed during the regular legislative session. That ended up being the main driver for Gov. Greg Abbott to call a special session of the legislature so the Medical Board would not cease to exist.

During the legislative phase of a sunset review, the public and other stakeholders can participate by providing input on each sunset bill as it is deliberated in the House and Senate. TSCPA certainly plans to weigh in during the 2019 legislative process to assure that TSBPA and the TPAA are continued.

Generally, it takes around a year and a half to two years from the time agencies prepare their initial self-evaluation reports to when the full legislature considers the resulting sunset bills to reauthorize an agency. In recent years, the legislature has enacted about 80 percent of the Sunset Commission's recommendations. Compared to the passage rate of most bills, that's a pretty good outcome. But we don't plan to take this process for granted and TSCPA will be working diligently over the upcoming months to assure a successful end to the sunset process for the profession. We will certainly keep TSCPA members informed along the way. ■

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