

LAWS OF DELAWARE
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CHAPTER 66
152nd GENERAL ASSEMBLY
FORMERLY
SENATE BILL NO. 134

AN ACT TO AMEND TITLE 29 OF THE DELAWARE CODE RELATING TO THE DELAWARE LEGISLATIVE OVERSIGHT AND SUNSET ACT.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF DELAWARE:

Section 1. Amend § 10201, Title 29 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows and by redesignating accordingly:

§ 10201. Definitions.

As used in this chapter:

(1) ~~“Agency”~~ “Entity” means ~~any a~~ regulatory, administrative, advisory, executive, or legislative body of this State, including a board, bureau, commission, department, division, committee, council, association, authority, or ~~any other entity~~ organized body established by an act of the General Assembly of this State that meets any of the following:

- a. Is given authority in the Delaware Code to regulate a business, occupation, or profession.
- b. Is supported in whole or in part by public funds.
- c. Expends or disburses public funds.
- d. Is specifically charged by a public body to advise or make recommendations.

(2) ~~“Committee” or “Joint Legislative Oversight and Sunset Committee”~~ “Committee” means the ~~joint legislative committee~~ Joint Legislative Oversight and Sunset Committee established by this chapter.

(3) “Committee staff” means the employees of the Division of Research of Legislative Council who are assigned to support the Committee.

(4) “Focused review” means a specialized assessment of an entity, conducted under § 10212 of this title.

(5) “Full review” means a formal assessment of the entirety of an entity, conducted under § 10211 of this title. “Full review” does not include a focused review.

~~(3)~~ (6) “Highest administrative officer” means an official who is appointed by the Governor as a member of the Governor’s cabinet.

~~(4)~~ (7) “Performance evaluation” means an assessment of how well an agency has performed and is performing its functions, and how well the agency has served and is serving the public need. the review mechanism under this chapter that is an assessment of an entity’s performance and function.

(8) “Self-report” means the report under § 10207 of this title.

(9) “Under review” means undergoing a process implemented under this chapter.

Section 2. Amend § 10202, Title 29 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 10202. Declaration of policy.

(a) It is essential to the maintenance of a healthy state economy and of a government that has the confidence of its citizens that the State establish a system of periodic legislative review of its ~~agencies. This entities.~~ The review of agency entity performance and activities is consistent with other activities and goals of the General Assembly. The primary purpose of this a full review or focused review under this chapter is to determine whether there is a genuine public need for the agency entity under review and, if so, to determine whether the agency entity is correctly performing to meet that need.

(b) The purpose of this chapter is to provide an action-forcing mechanism designed to increase the accountability of ~~various agencies~~ an entity through increased legislative scrutiny of ~~agencies and their~~ the entity and its activities. The intent of the General Assembly is to establish a timetable ~~for the initial review of certain agencies, and process for a full review or focused review of an entity and the services it provides~~ and ultimately to review ~~all agencies~~ each entity established by or receiving financial assistance from the State. ~~The action-forcing mechanism is to terminate agencies under review on certain dates, unless affirmatively re-established by law.~~

(c) The purpose of this chapter is not to terminate ~~agencies which are~~ an entity which the Committee determines is sufficiently meeting a recognized State need and ~~which are accountable to~~ is accountable and responsive to the public interests. Rather, the primary purpose of this chapter is to use the review mechanism to strengthen and support ~~these agencies. an entity that the Committee determines is meeting a recognized State need.~~

Section 3. Amend § 10203, Title 29 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 10203. ~~Joint Legislative Oversight and Sunset Committee composition; Chairperson; chair and vice chair; appointment; quorum; reimbursement; meetings~~ hearings.

(a) The Joint Legislative Oversight and Sunset Committee is composed of 5 members of the Senate appointed by the President Pro Tempore and 5 members of the House of Representatives appointed by the Speaker of the House of Representatives.

(1) Not more than 3 Senate appointees, nor 3 House appointees, may belong to the same political party.

(2) ~~The Chairperson and Vice Chairperson of the Committee~~ The Committee chair and vice chair alternate each year between a Representative appointed by the Speaker of the House of Representatives and a Senator appointed by the President Pro ~~Tem~~ Tempore of the Senate. During odd-numbered years, a Senator serves as ~~chairperson~~ chair and a Representative serves as ~~Vice Chairperson;~~ vice chair; during even-numbered years, a Representative serves as ~~Chairperson~~ chair and a Senator serves as ~~Vice Chairperson.~~ vice chair.

(b) ~~In each General Assembly, new members of the Committee must be appointed within the month of January,~~ Committee members must be appointed in the first January of each General Assembly, or within 1 week of the organization of each respective house, whichever is later.

(c) Quorum.

(1) A quorum consists of at least 6 Committee members. A quorum must be present in order to transact business. ~~If a quorum is present, a business, except that a quorum is not required if the only business the Committee is transacting is to hear an entity under review give a presentation.~~

(2) A proposition is carried by a majority of the entire Committee, unless a statute or rule requires a larger number of affirmative votes. A vacancy on the Committee is not counted to determine the number of members needed to achieve a majority.

(3) A member who participates in a meeting virtually rather than being physically present at the meeting is not counted toward quorum in determining whether the Committee may transact business. However, a member participating in a meeting virtually may vote as if the member were physically present at the meeting. This paragraph does not apply if the President Pro Tempore of the Senate and the Speaker of the House of Representatives issue a public notice that members of the Senate or House of Representatives or a legislative committee are authorized to convene and conduct a virtual meeting due to an emergency.

(d) A member of the Committee is entitled to reimbursement from the appropriate funds of the member's house for the expenses that the member actually and necessarily incurs in performing the duties of the Committee. A request for reimbursement must be approved by the ~~Chairperson of the~~ Committee chair.

(e) A member of the Joint Finance Committee or Legislative Council may not serve on the Committee. However, this subsection does not apply when the minority party in either house has less than 7 members.

(f) ~~Although all meetings of the Committee are~~ Except as provided by Committee rules or § 10209(d) of this title, each Committee hearing is open to the public, ~~but only Committee members of the Committee and persons designated by the Chairperson~~ the chair designates are permitted to speak or otherwise ~~participate.~~ participate.

Section 4. Amend § 10204, Title 29 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 10204. Committee staff; appropriations.

(a) Employees of the Division of Research of Legislative Council and of the Office of the Controller General serve as the permanent staff of the Committee.

(b) The Committee may, by the affirmative vote of at least 6 members, provide for other assistance, equipment, or expenditures that are within the limits of the Committee's budget. The General Assembly shall appropriate funds that it considers necessary to carry out the Committee's activities and ~~goals of the Committee.~~ goals.

Section 5. Amend § 10205, Title 29 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 10205. Committee rules and regulations.

The Committee may adopt ~~Committee rules and~~ rules or regulations necessary to carry out the activities and goals of this chapter.

Section 6. Amend § 10206, Title 29 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 10206. Committee subpoena powers.

(a)(1) The Committee may issue process to ~~witnesses~~ a witness at any place in this State and compel ~~their attendance, and compel the production of books, records, papers, and other objects that may be necessary or proper for the purposes of the Committee's proceedings.~~ the witness's attendance or compel the production of a document, book, record, paper, or other object that may be necessary or proper for the purpose of a full review or focused review.

(2) The Committee may issue ~~attachments~~ an attachment when necessary to obtain compliance with ~~subpoenas~~ a subpoena or other process. An attachment ~~so~~ issued under this section may be addressed to and served by any peace officer in this State.

(3) ~~The Chairperson of the Committee shall issue in the name of the Committee any subpoenas requested by the Committee, if the request received the affirmative vote of at least 6 members of the Committee. If the Chairperson of the Committee is unavailable, the designee of the Chairperson may issue subpoenas or any other lawful process in accord with the provisions of this subsection. The Committee chair shall issue in the name of the Committee a subpoena that the Committee requests by affirmative vote of a majority of Committee members. If the chair is unavailable, the chair's designee may issue a subpoena or another lawful process under this section.~~

(b) ~~All testimony~~ Testimony taken under subpoena must be given under oath subject to the penalties of perjury, and must be reduced to writing.

Section 7. Amend § 10207, Title 29 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 10207. ~~Agency reports to the Committee.~~ Entity self-report.

(a) ~~Each agency under review by the Committee shall forward to the Committee an annual report containing~~ Self-report for full review. An entity under full review shall forward to Committee staff a self-report that includes all of the following information:

(1) A chart or diagram showing the greater ~~agency~~ entity of which it is a part, if any, and ~~all agencies~~ each entity over which it has jurisdiction.

(2) ~~Agency~~ Entity goals and objectives, and the statutory ~~authority~~ authority, if any, for the goals and objectives, ~~if any.~~ objectives.

(3) ~~All programs in being at any time for the period of~~ Each entity program that has existed for at least 1 year immediately ~~prior to~~ before the date of the ~~annual report.~~ self-report.

(4) The total value of state funds or materials, or both, ~~used by the agency~~ that the entity used for each of the last 5 fiscal years immediately before the date that the Committee selects the entity for review.

(5) A listing of ~~all Delaware Code provisions from which the agency~~ each provision in the Delaware Code from which the entity derives its rights, duties, ~~and~~ or functions.

~~(b) In October of the year immediately before an agency is reviewed, unless the agency has requested and been granted an extension that may not extend past December 31, each agency under review by the Committee shall forward all of the following to the Committee:~~

~~(1) (6) The last 5 budget reports or similar documents for the period immediately before the date of the self-report, relating to all program priorities, activities, and accomplishments, if the agency is subject to zero-based budgeting requirements: each program priority, activity, or accomplishment.~~

~~(2) (7) A concise and specific statement setting forth describing the performance or achievement of the agency entity relating to the criteria for review set forth in under § 10211 of this title, and addressing no other subject except the criteria for review: title.~~

~~(3) (8) Any additional information requested by the Committee, Additional information that the Committee or its staff may request, including any a record, document, or file over which the agency entity has custody or jurisdiction, if the additional information is available.~~

~~(9) Summary and results related to each past, upcoming, or ongoing audit of the entity, including each completed audit report from the 5 fiscal years immediately before the date of the self-report.~~

~~(10) Each annual report the entity has published during the 5 fiscal years immediately before the self-report.~~

(b) Self-report for focused review. Subject to paragraph (f)(2) of this section, an entity under focused review shall forward to Committee staff a self-report that includes the information under subsection (a) of this section that the staff requests of the entity.

~~(c) Notwithstanding any other law or statute to the contrary, upon notification to an agency that it is under review by the Committee, the agency shall forward all information set forth in this section to the Committee, and shall update the information and provide additional information that the Committee or its staff may from time to time request. Date self-report is due. An entity under full review or focused review shall submit a self-report to Committee staff not later than the date the staff establishes based on the Committee's needs.~~

(d) Updates to self-report. An entity under full review or focused review shall provide Committee staff with updates, if any, to the information required under this section throughout the review.

(e) The full review or focused review process continues regardless of an entity's cooperation with the review.

(f) Committee staff duties relating to self-report. Committee staff shall do all of the following:

(1) Provide an entity under full review or focused review a template for the self-report, instructions for completing the self-report, and a date by which the self-report is due.

(2) Based on the scope of a focused review, as determined under § 10212(b)(3) of this title, Committee staff shall determine which of the categories of information listed under subsection (a) of this section are appropriate for the focused review and include only those categories in the template staff provides an entity under paragraph (f)(1) of this section.

(3) Make the self-report available to the public after Committee staff reviews the self-report for completeness and, if appropriate, provides the entity an opportunity to submit additional information, but not later than the date of the Committee's initial public hearing relating to the entity.

Section 8. Amend § 10208, Title 29 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 10208. ~~[Reserved.]~~ Confidentiality; Freedom of Information Act.

(a) Committee staff shall treat as confidential each record or communication that an entity submits relating to the entity's focused review or full review, unless any of the following apply:

(1) Disclosure is necessary to enable Committee staff to perform staff's duties under this chapter. Committee staff may disclose a record or communication under this paragraph only to the extent it is necessary to perform staff's duties.

(2) The entity did not maintain the record or communication as confidential before the review.

(3) The entity agrees in writing that the record or communication may be disclosed.

(b) On receipt of a record or communication that by law is confidential under subsection (a) of this section or privileged, Committee staff shall maintain the confidentiality or privilege and may not further disclose or disseminate the information, except as provided under applicable state or federal law.

(c) Each record or communication exchanged between Committee staff and an entity under full review or focused review that is exempt from public disclosure under the Freedom of Information Act, Chapter 100 of Title 29 before the exchange remains exempt after the exchange.

Section 9. Amend § 10209, Title 29 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 10209. ~~Committee responsibilities and duties.~~ Full review; hearing notice; Committee staff duties; Committee duties.

(a) The purpose of a full review is to evaluate an entity and its statutes, policies, rules, regulations, and programs.

(b) ~~The Committee should try to give 2 weeks' notice to an agency under review of dates scheduled for Committee meetings, public hearings, and other related assemblages;~~ Notice of hearing. Whenever possible, the Committee shall give 2 weeks' notice to an entity under full review of a Committee hearing related to that entity; however, lack of notice does not affect the lawfulness of ~~the Committee's activities or decisions~~ a Committee action or decision.

(b) (c) ~~To review an agency,~~ the Committee staff duties. To prepare the Committee for a full review of an entity, Committee staff shall do all of the following:

(1) ~~Direct staff to prepare a draft report to be used in public hearings.~~

a. ~~Following review and comment by the Committee, the draft report must be made available to the public.~~

~~b. The draft report must contain information that assists the Committee in conducting a review of the agency and meeting its requirements under this section, including background information on and an introductory analysis of the information submitted by the agency under review, together with any preliminary evaluations or recommendations arising from the information in the draft report.~~

(1) Fulfill staff's duties under § 10207(f) of this title, relating to the entity's self-report.

(2) Conduct a thorough review of all information furnished to the Committee by the agency the information that the entity under review provides in its self-report under § 10207(a) of this title.

(3) Obtain, verify, and review any reports, audits, or actions taken by other state agencies concerning the agency under review. each report, audit, or action taken by another entity or organization concerning the entity under review.

(4) Performance evaluation. Conduct a performance evaluation of the agency under review based, at least in part, on the following criteria: entity under review.

a. The purpose of a performance evaluation is to do all of the following:

1. Improve the entity's accountability, effectiveness, and efficiency.

2. Determine how well the entity has served and is serving the public need.

b. A performance evaluation must be based on, at a minimum, all of the following:

1. Program effectiveness, including analysis of both of the following:

a. A. If the agency entity is a licensing agency entity, the extent to which the agency entity has permitted qualified applicants to be licensed.

b. B. The extent to which the agency entity has served the public interests. need, using the criteria for review under § 10211 of this title.

2. Whether the entity has sufficient internal controls to achieve effective and efficient operations and provide a reliable reporting mechanism for internal and external use.

~~e. The 3. Whether the entity has complied with a law or another requirement that affects the entity's performance, including the extent to which the agency entity has recommended statutory changes, and whether those changes directly benefit the public or whether those changes primarily benefit the agency or other entities, entity, or another entity or organization, and are of only indirect benefit to the public. benefit the public only indirectly.~~

(5) Prepare a staff report.

a. Staff shall compile and produce a staff report. The staff report must include information that assists the Committee in conducting a thorough review of the entity and meet the Committee's requirements under this section. The staff report must include at least all of the following:

1. Background information on the entity.

2. Staff's analysis, conclusions, and recommendations arising from the staff's independent research and information that the entity submits, including from the entity's self-report.

3. The entity's response, if any, to staff's analysis, conclusions, and recommendations.

4. Additional research that the Committee may request.

b. After staff produces the staff report, staff shall provide the entity an opportunity to review and comment on the report before the submitting the report to the Committee or making the report available to the public.

c. After the Committee and the entity under review receive the staff report, staff shall make the report available to the public.

(d) Committee duties. To review an entity, the Committee shall do all of the following:

(1) Conduct the review at a public hearing.

(2) Consider the staff report and additional information that the entity under review or Committee staff may provide.

(3) Deliberate and consider recommendations in the staff report.

(4) Create additional recommendations that the Committee determines is necessary or appropriate.

(5) ~~Review the implementation of recommendations contained in the final reports presented, under § 10213 of this title, to the General Assembly and the Governor during previous legislative sessions.~~ Review the implementation of recommendations, if any, contained in an annual report relating to a previous full review or focused review of the entity.

(6) Take testimony relating to the full review or focused review from additional persons at the request of a Committee member and approval of the chair.

Section 10. Amend § 10210, Title 29 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 10210. Public hearings.

(a)(1) ~~From January through March of each year, unless the needs of the General Assembly require otherwise, the Committee shall regularly and uniformly convene initial public hearings scheduled by the Chairperson, in order to provide an opportunity for the Committee to meet with the agencies under review and to help formalize a timetable for the reviews.~~ convene an initial hearing for each entity under full review or focused review that the chair schedules, to provide an opportunity for the Committee to meet with the entity to discuss the analysis, conclusions, and recommendations in the entity's staff report and otherwise fulfill the Committee's duties under § 10209(d) of this title for a full review or § 10212 of this title for a focused review.

(2) ~~Following an initial public hearing for an agency, the Committee may, at the call of the Chairperson, meet to discuss and consider actions and recommendations relating to the agency, with or without the staff of the agency under review.~~ Following the initial public hearing under paragraph (a)(1) of this section, the Committee may, at the call of the chair, hold additional hearings as needed to complete conducting the full review or focused review. The entity's staff or highest administrative officer is not required to attend an additional hearing unless the chair requests their attendance.

(3) [Repealed.]

~~(4) To encourage participation by the general public, hearings and meetings convened under this subsection must occasionally be held~~ the Committee shall hold a public hearing in the early evening hours if the Committee determines that an evening meeting would better served the full review or focused review, the entity under review, or the constituency that the entity serves.

~~(b)(1) The highest administrative officer of an agency under review must be present at each public hearing or meeting relating to the agency and convened under this chapter, unless excused by the Chairperson, and at any Committee meeting where the officer's attendance is requested. The officer must be prepared to answer questions from members of the Committee and members of the general public. Highest administrative officer attendance at public hearings. The highest administrative officer of an entity under full review or focused review must be present at the initial public hearing relating to the review and at each additional public hearing for which the Committee chair requests the officer's presence.~~

~~(1) The Committee chair may excuse the highest administrative officer from the initial public hearing at the request of the officer, at the recommendation of Committee staff, or as the chair may determine is appropriate.~~

~~(2) The highest administrative officer of an agency under review may, with the Chairperson's chair's approval, appoint a designee to meet the officer's obligations under paragraph (b)(1) of this section. this subsection.~~

~~(3) The Committee may designate a person an individual other than the highest administrative officer of an agency under review to meet the officer's obligations under paragraph (b)(1) of this section. this subsection.~~

~~(c)(1) Notwithstanding the provisions of § 10203(f) of this title, at each title, at the initial public hearing held in accordance with the provisions of this chapter, relating to an entity under full review or focused review, individuals in attendance, including members of the general public, representatives of the agency entity under review, and witnesses on behalf of either the agency entity or the general public, are entitled to be heard and to present their evidence for the record.~~

~~(1) Testimony and written materials that are offered by members of the general public may not be unreasonably refused, and must be retained and considered by the Committee during its evaluation of an agency. Testimony or written materials relating to a full review or focused review that a member of the general public offers may not be unreasonably refused, and the Committee must retain and consider the testimony or written materials during the review.~~

~~(2) Testimony and written materials that are offered by an agency or by witnesses on behalf of the agency, including officers and others having a direct interest in the continued existence of the agency, must be accepted, but the testimony and written materials are not considered to have been offered by "members of the general public." Testimony or written materials relating to a full review or focused review that an entity or a witness on behalf of an entity, including an officer or another individual having a direct interest in the continued~~

existence of the entity under review, must be accepted and the Committee must retain and consider the testimony or written materials during the review.

Section 11. Amend § 10211, Title 29 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 10211. Criteria for full review.

(a) Standard.

(1) In conducting a full review of an entity, the Committee shall assess the entity based on each of the following:

a. Whether the entity is meeting a genuine State need.

b. Whether the entity should and can be strengthened or supported so that it can perform correctly to meet its purpose.

(2) The genuine public need for an agency entity under full review by the Committee and whether the agency entity is satisfactorily meeting that need may not be is not assumed. The agency entity has the burden of showing, through the criteria for review under subsection (b) of this section, that there is a genuine public need and that the agency entity is meeting that need.

(b) The criteria for review required by the provisions of subsection (a) of this section Criteria for review.

The criteria to conduct a full review of an entity are as follows:

(1) The purpose of the act establishing the agency entity and the manner of the entity's operation of the agency designed to achieve the purpose.

(2) Whether it can be independently established, apart from information supplied by the agency entity or by persons having a direct interest in the continued existence of the agency, entity, that the termination of the agency entity would be detrimental to the public health, safety, or welfare; welfare, and whether a possibility exists that the termination would be beneficial to the public health, safety, or welfare.

(3) An assessment of less restrictive or other methods of achieving the stated objectives of the act establishing the agency, entity and if those other methods provide as much protection to the public.

(4) Whether statute a law establishes a clear mandate to the agency, entity and whether the agency entity has complied with the mandate, if any, in the best interests of the general public.

(5) Whether other programs, activities, or agencies of the state government have another program, activity, or entity has the same or similar objectives, and, if so, a comparison of the costs and effectiveness of those programs, activities, or agencies, and the identification of any duplicate programs, activities, or agencies with those of the agency under review. that program, activity, or entity, and the identification of a duplicate program, activity, or entity with that of the entity under review.

(6) Whether, in the prior 3 years, the agency in the 3 years before the entity's full review, the entity has recommended to the General Assembly only those statutory changes of primary benefit to the public, or if those the recommended changes were primarily of benefit to the agency entity or to the occupation, business, or institution which it the entity serves or regulates.

(7) The efficiency with which the agency entity meets its statutory objectives.

(8) Whether applications and formal public complaints filed with the agency entity have been processed effectively and fairly.

(9) Whether the agency entity has issued professional or occupational licenses only to qualified applicants, and whether the agency entity has unfairly restricted access to ~~any~~ a person wishing to engage in a regulated business, occupation, or profession.

(10) The extent to which the agency entity has encouraged participation by the public in making ~~agency rules, regulations, and decisions,~~ an entity rule, regulation, or decision, as opposed to participation solely by those ~~it~~ the entity regulates, and the extent to which public participation has resulted in ~~rules, regulations, and decisions~~ a rule, regulation, or decision compatible with the objectives of the ~~agency~~ entity.

(11) Whether the agency entity has operated in an open and accountable manner with public access to records and meetings, and whether there are safeguards against possible conflicts of interests.

(12) Whether ~~“ethical conduct” provisions or rules of an agency,~~ an entity’s provision or rule relating to ethical conduct, if any, ~~are~~ is in fact limited to ethical or moral conduct, or if the ~~provisions or rules contain~~ provision or rule contains primarily commercial prohibitions and restrictions relating to profits, advertising, ~~and other business topics, or another business topic.~~

(13) The extent to which the ~~agency has been complying~~ entity has complied with Chapters 58, 100, and 101 of this title; §§ 6506, 6512, and 6519 of this title; and ~~§ 8, article XV~~ Section 8 of Article XV of the Delaware Constitution, or with the requirements of ~~any laws which are direct successors to~~ a law which is a direct successor to any of those listed in this paragraph ~~(b)(13)~~.

(14) ~~Any~~ A claimed impact as a result of federal intervention or loss of federal funds if the agency entity is terminated, the impact of which must be fully substantiated.

(15) ~~Any additional criteria designated by the Committee as applicable to the particular agency under review.~~ Additional criteria that the Committee determines is appropriate or necessary to complete the entity’s full review.

Section 12. Amend § 10212, Title 29 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 10212. ~~Agency “rules review”.~~ Focused review.

(a) ~~The Committee may conduct a specialized or focused review of 1 or more rules or regulations of an agency. This review is known as a “rules review,” and does not include the same schedules and procedures as an agency review.~~

(b) ~~The Committee may select an agency for a rules review in the same manner that it selects an agency for review under this chapter, or it may select an agency upon a written request by the chairperson of a standing committee of either house. If the Committee decides to conduct a rules review of an agency, the name of the agency must be included among those agencies scheduled for the next immediate review. A rules review may begin immediately if, in the determination of the Committee, an emergency exists.~~

~~(c) When the Committee conducts a rules review of an agency, it must first hold an information-gathering hearing in which any agency, individual, or business has the right to testify about any issue, concern, defect, or problem relating to the rules or regulations under review by the Committee. The Committee must also permit members of the public and any state agency to send written testimony and other materials to the Committee. The Committee shall, from the information-gathering hearing and submitted materials, compile a list of concerns which must include those issues, concerns, defects, or problems which the Committee feels merit closer study and consideration.~~

~~(d) Within 1 week following the information-gathering hearing, the Committee shall meet to consider the accumulated testimony and submitted materials, and may meet as many times thereafter to continue its review for as long as the Committee determines that meetings are necessary. Upon the conclusion of its review, the Committee shall list those changes in the agency's rules or regulations that the Committee considers necessary or appropriate, and shall meet with the highest administrative officer of the agency, or the administrative officer's designee to determine what changes, if any, can be agreed upon between the agency and the Committee. If an agreement or possible solutions to the remaining items set forth in the list of concerns cannot be obtained, the Committee shall issue its recommendations in the next final report, and shall cause legislation to be drafted that will, in the determination of the Committee, best accomplish its recommendations.~~

(a) The Committee may conduct a focused review of an entity if the Committee determines that a full review of the entity is not appropriate or necessary. The purpose of a focused review is to evaluate a component within an entity, such as a specific statute, policy, rule, regulation, or program related to the entity. A focused review is in contrast to the broader evaluation of a full review under this chapter.

(b) A focused review is conducted as follows:

(1) The Committee may select an entity or component of an entity, such as a program or sub-entity, for a focused review in the same manner that it selects an entity for a full review under § 10213(c) of this title.

(2) The Committee may begin a focused review immediately and is not subject to the timeline under § 10210(a) of this title.

(3) Committee staff shall work with the Committee to establish the scope of the focused review.

(4) Committee staff shall conduct research based on the scope established under paragraph (b)(3) of this section and another issue, concern, defect, or problem that the Committee may request or as the research may indicate.

(5) The Committee shall set a deadline for completion of the Committee staff's research, based on staff's estimation of the time needed to complete the research and the emergency nature, if any, of the focused review.

(6) In conducting research under this section, Committee staff shall engage the general public and each appropriate entity or organization, including the entity under focused review, to request written testimony, comment, or other material to aid the Committee in the focused review.

(7) Committee staff shall prepare a staff report containing a summary of the staff's research and staff's findings, conclusions, and recommendations. Committee staff shall submit the report to the Committee not later than the deadline that the Committee sets under paragraph (b)(5) of this section, unless staff requests and the chair approves an extension of time.

(8) After Committee staff has submitted the staff report under this section to the Committee, the Committee shall conduct the focused review by following § 10209(d) of this title.

(9) Committee staff shall make the staff report available to the public not later than the date of the Committee's initial public hearing under paragraph (b)(8) of this section.

(10) To conclude a focused review, the Committee shall publish each recommended change that the Committee may determine is necessary or appropriate.

Section 13. Amend § 10213, Title 29 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 10213. ~~Final report.~~ Annual report; review selection.

~~(a) On or before May 30 of the calendar year in which an agency under review is automatically terminated in accordance with the provisions of this chapter, the Committee shall present its final report to the General Assembly and to the Governor. The final report must contain a complete description of the agency and its objectives, including all subagencies or programs within the agency; a review of all material obtained pursuant to §§ 10207-10211 of this title; a determination of whether or not there is genuine public need for the agency, and whether the agency is satisfactorily meeting that need; recommendations of the Committee; and other matters or information that the Committee may wish to include.~~ Annual report. The Committee shall submit an annual report, compiled by Committee staff and approved by the Committee, to the General Assembly, the Governor, and the Director and Librarian of the Division of Research each year not later than July 31. The annual report must contain at least all of the following:

(1) A summary of the outcomes and Committee's actions relating to each full review or focused review that the Committee conducts since its previous annual report, including each of the recommendations the Committee makes under § 10214 of this title.

(2) A summary of the legislation that the Committee approves for introduction since the Committee's previous annual report.

(3) A list of the entities the Committee selects for full review or focused review the next year following the report.

(4) Other information that the Committee may wish to include.

~~(b) The final report required by subsection (a) of this section must contain the Committee's review schedule of those agencies recommended for review during the year following the final report. The review schedule for that year must contain no less than 4 agencies and should~~ Review selection. The Committee must conduct at least 4 full reviews or focused reviews each year. Selection for full review or focused review may take into consideration all of the following:

(1) ~~Any agency~~ The number of entities whose full review or focused review is being continued to the following year. A continued full review or focused review may be counted as 1 of the 4 required reviews.

(2) ~~Any agency~~ The number of entities automatically scheduled for a full review or focused review.

(3) ~~Any agency added by the General Assembly.~~ The number of entities that the General Assembly may add.

(4) ~~Any agency added by the Committee by 6 affirmative votes.~~ The number of entities that the Committee adds under subsection (c) of this section.

(c) The Committee may, by 6 affirmative votes, ~~add agencies to, remove agencies from, or replace agencies~~ add an entity to, remove an entity from, or replace an entity on the Committee's full review and focused review schedule.

Section 14. Amend § 10214, Title 29 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 10214. ~~Committee recommendations and~~ recommendations; authority to recall ~~an agency~~ entity.

(a) ~~In its final report concerning an agency,~~ For each entity under full review or focused review, the Committee may recommend 1 or more of the following:

(1) ~~a. The continuance of the agency, as is;~~ Continuance of the entity as is.

~~b. termination of the agency;~~ Termination of the entity.

~~c. termination of any program within the agency;~~ Termination of a program within the entity or a rule or regulation adopted by the entity.

~~d. the consolidation, merger, or transfer of the agency or of functions of the agency to another agency;~~ Consolidation, merger, or transfer of the entity or of a function of the entity.

~~e. or continuation, hold over,~~ Continuation, holdover, or termination of the ~~agency~~ entity unless or until certain conditions are met or modifications are made, by legislation or otherwise, within a specified period of time.

(2) Budget appropriation limits for an ~~agency~~ entity.

(3) In general or specific terms, legislation which the Committee considers necessary to carry out its decision as to whether an ~~agency~~ entity should be continued or terminated.

(4) Legislation to amend the entity's governing statute or a related statute.

(b) When the Committee has released an ~~agency~~ entity from full review or focused review, it may recall the ~~agency~~ entity to a public hearing before the Committee to consider making additional recommendations under subsection (a) of this section if either of the following circumstances apply:

(1) The ~~agency~~ entity has the ability to meet a certain condition or make a modification that the Committee ~~recommended,~~ recommends, but fails to do so.

(2) The Committee ~~recommended~~ recommends legislation to amend the ~~agency's~~ entity's governing statute or a related statute, but, for any reason, the legislation ~~failed~~ fails to be enacted into law.

(3) The entity fails to submit to the Committee a report that the Committee requests with a status update on the implementation of a recommendation, on a date that the Committee determines.

Section 15. Amend § 10215, Title 29 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 10215. ~~Review schedules. Subsequent review; continuation of operations during review.~~

(a) An agency entity that has successfully completed a full review under this chapter or that has been re-established is not subject to another full review until the sixth year following its last full review, unless the Committee ~~believes that a sooner~~ determines by an affirmative vote of 6 members that a sooner full review is reasonable and necessary. ~~The termination date in a review schedule does not apply to an agency recommended for continuance.~~

(b) An agency entity which has been recommended for termination or reorganization, but which nevertheless is continued by legislative action or otherwise, must be placed on the Committee's review schedule for a full review at the end of 4 calendar years from the date of the ~~agency's~~ entity's originally scheduled review date. An agency entity which is reorganized ~~in accordance with the recommendation of the Committee at the Committee's recommendation~~ must be placed on the review schedule for a full review or focused review at the end of 4 calendar years from the date of the ~~agency's~~ entity's originally scheduled full review or focused review date.

(c) An entity shall continue conducting its regular business throughout its full review or focused review unless the Committee requests otherwise in writing.

Section 16. Amend § 10216, Title 29 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 10216. ~~Termination of an agency; Entity termination; reorganization or merger; re-establishment.~~

(a) Automatic termination. If the Committee recommends the termination of an agency entity and the agency entity is not re-established by an act of the General Assembly, ~~the agency is automatically terminated at the end of June 30 immediately following the date of the Committee's final report. the entity automatically terminates effective July 1 of the next calendar year after the Committee's annual report in which the Committee first recommends the termination.~~

(b) Termination of a lesser-included entity. When an agency entity is terminated pursuant to under this chapter, each lesser-included agency entity of the terminated agency entity is also terminated at the same time and under the same conditions, unless at least 1 of the following occur:

(1) the lesser-included agency is specifically exempted from termination by the Committee. The Committee specifically exempts the lesser-included entity from termination.

(2) or by law enacted before the end of June 30 immediately following the date of the Committee's final report. A law exempting the lesser-included entity from termination is enacted before the end of June 30 of the next calendar year after the Committee submits its annual report regarding the entity's termination.

(c) ~~If the Committee recommends the reorganization of an agency under review or a merging of the agency with another agency, the agency under review must be terminated on the June 30 following the final report, unless~~

~~prior to June 30 a bill is introduced setting forth a proposed reorganization or merger. If the bill is not enacted into law within 7 months from the date of its introduction, the agency is automatically terminated. Reorganization or merger. If the Committee recommends that the entity under review is reorganized or merged with another entity, the Committee must introduce legislation establishing the reorganization or merger not later than June 30 of the next calendar year after the Committee submits its annual report recommending the reorganization or merger. If legislation reorganizing or merging the entity is not enacted, the entity automatically terminates effective on the date that the General Assembly in which the legislation is introduced expires.~~

~~(d) If the Committee recommends continuance of an agency, but only upon its meeting certain conditions or making certain modifications, the agency terminates 6 months from the date of the final report or on the termination date recommended by the Committee, whichever is later, unless the conditions have been met or the modifications have been made to the satisfaction of the Committee. [Repealed.]~~

~~(e) A bill to re-establish an agency entity that has been recommended for termination or reorganization must relate only to that specific agency, entity, and the name of the affected agency entity must be set forth stated in the title of the bill.~~

Section 17. Amend § 10217, Title 29 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 10217. Concluding year for terminated ~~agencies~~ entity; fiscal matters.

~~(a) Notwithstanding the termination of an agency, it Concluding year. If the Committee recommends terminating an entity and legislation terminating the entity is not introduced in the same calendar year that the Committee makes the recommendation to terminate, the entity may continue in temporary existence until the end of the next ~~succeeding~~ calendar year ~~in order~~ following the recommendation for termination, only to properly conclude ~~its~~ the entity's business.~~

~~(1) Unless otherwise provided by law, termination The Committee's recommendation to terminate an entity or legislation introduced but not enacted that terminates the entity does not reduce or otherwise limit the entity's power and authority ~~of a terminated agency during its~~ during the entity's concluding year.~~

~~(2) ~~Upon~~ On the expiration of the concluding year, all of the entity's rights, powers, and functions ~~of the agency~~ cease. ~~Any unobligated~~ Unobligated or unexpended appropriations of an agency entity terminated under this chapter lapse at the end of the concluding year.~~

~~(b) Fund transfer. At the end of a terminated agency's entity's concluding year, money in a dedicated fund of a ~~state agency~~ another entity on behalf of the terminated entity must be immediately transferred to the General Fund of the State Treasury, unless otherwise provided for by law. ~~Any~~ A law or portion of a law which dedicates money to a specific fund of a terminated ~~state agency~~ entity is automatically repealed at the end of the agency's entity's concluding year.~~

~~(c) Limitation on spending. If a terminated agency entity is funded in the Budget Appropriation Act for each year of the General Assembly, the ~~agency has no authority to~~ entity may not spend or obligate ~~any of the funds~~~~

after December 31 of the concluding year or on enactment of a law terminating the entity, whichever occurs first, unless specifically provided for by law.

(d) Property and records. If a terminated agency entity is part of a larger agency entity, all property and records in the custody of the ~~terminated agency~~ terminated entity must be transferred at the end of its concluding year to the next largest entity of which the terminated agency entity was a part. If the terminated agency entity was itself the largest entity or was an independent agency entity, the property ~~and records~~ or records must be transferred to the Secretary of State.

(e) Bonded indebtedness. If a terminated agency entity has any outstanding bonded indebtedness remaining at the end of its concluding year or on enactment of legislation terminating the entity, the responsibility for the management of the repayment of the bonded indebtedness through the continuation of the agency's entity functions, limited merely to the repayment function, is vested in the State Treasurer. ~~Any claims by the agency and any claims against the agency continue~~ The entity's claim or a claim against the entity continues and may not be terminated with the agency entity.

(f) ~~All Delaware Code references~~ Delaware Code. Each reference in the Delaware Code to a terminated ~~agency are~~ entity is invalid ~~upon~~ on the expiration of the agency's entity's concluding year or on enactment of legislation terminating the entity, whichever occurs first, unless specifically retained.

Section 18. Amend § 10218, Title 29 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 10218. Merit system employees.

If the termination of an ~~agency or of an agency's programs or activities~~ entity or an entity's program or activity results in unemployment for a ~~person~~ an individual employed under the Merit System of Personnel Administration [Chapter 59 of this title], the unemployed ~~person~~ individual is entitled to first preference in ~~all~~ each other state employment ~~opportunities~~ opportunity which ~~arise~~ arises thereafter for which the unemployed ~~person~~ individual is qualified. The unemployed ~~person~~ individual has the right of first refusal for a state employment ~~opportunities~~ opportunity until the ~~person~~ individual obtains permanent employment.

Section 19. Amend § 10219, Title 29 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 10219. Monitoring ~~of~~ recommendations.

During each legislative session, ~~the staff of the Committee~~ staff shall do all of the following:

(1) ~~monitor legislation affecting agencies that have undergone review by the Committee~~ Monitor legislation affecting the entity for at least 2 years after an entity's full review or focused review concludes.

(2) ~~and shall periodically report to the members of the Committee any proposed changes which might modify prior recommendations of the Committee.~~ Periodically report to the Committee a proposed or actual legislative, policy, or regulation change, if any, relating to an entity previously under full review or focused review, if the change may result in the Committee modifying a recommendation made during the review.

Approved June 29, 2023