



April 2019

**The District comes to the Capitol.** Over the last month, several groups representing varied interests in House District 1 have visited my



Figure 1. Lamar - Delta TRTA on April 3.

office at the Capitol. My staff and I are always happy to have visitors.

Besides retired school employees, we have also been visited by students from Texarkana ISD's Texas Middle School and Texas A&M - Texarkana; see below:



Figure 2. Figure 4. Texas A&M - Texarkana students: Greg Hogan & Rachael Matte - students



Figure 3. Students & sponsors from Texas Middle School.

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Figure 4. A&M Texarkana Dr. Cutrer and students visit the Capitol outside the House Chamber.

**Around the District.** *Special Olympics in New Boston.* With over 400 athletes and 500 volunteers, the 16th Bowie County Special Olympics kicked off at 9:30 a.m. Monday at the New Boston High School Football Stadium, where athletes competed for ribbons and medals in track and field events including softball throw, tennis ball throw, turbo javelin, shotput, long jump and running 10, 50, 100 and 200 meter lengths. Mr. Buddy Alford, former special education teacher in Bowie County, helped establish this beloved event.



Figure 5. Mrs. Alford and her sons celebrating the start of this year's Special Olympic Games in New Boston. Photo: Heather Russell Wilson (Bowie County Citizen's Tribune).

Delegates from local schools included featured athletes from New Boston ISD, Red Lick ISD, Redwater ISD, Maud ISD, Pleasant Grove, Avery ISD, James Bowie ISD,

Atlanta ISD, Bloomburg ISD, Linden-Kildare ISD, Hughes Springs ISD, Liberty-Eylau ISD, and Texarkana ISD.

Many of these athletes will participate in the Special Olympics Texas' (SOTX) 50th Annual Summer Games in San Antonio (Inclusion City USA) and hosted by Morgan's Wonderland. Events will be held at area venues from May 2 - May 5, 2019. All events are free and open to the public. The four-day event is SOTX's largest competition of the year, featuring almost 3,000 athletes from around the state.

**Around the Capitol.** *Major issues moving slowly.* As we enter the last four weeks of the 86th regular session, several major issues are yet unresolved with the House and Senate taking different approaches to property tax reform and school finance. The House passed its school finance bill, HB 3, on April 3; while the Senate took the lead on property tax reform when it passed SB 2 on April 15, though the House version of property tax reform, HB 2, has been waiting to be heard by the full House until the Senate bill caught up in the legislative foot race. The property tax bills (HB 2 & SB 2) are scheduled to be debated by the House on April 30.

**Property tax reform.** Here are the major provisions of the House version of the property tax reform bill (SB 2) also known as the "Texas Taxpayer Transparency Act" adopted by the House Committee on Ways & Means on April 25, as summarized by the *Texas Tribune*:

- Cities, counties and emergency service districts must hold an automatic election if they wish to raise 3.5% more property tax revenue than the previous year;

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- Those entities can increase their property tax levies by \$500,000 a year, without triggering an election;
- Other taxing units — namely, hospital districts and community colleges — remain at an 8% election trigger;
- Homestead exemptions offered by local municipalities can be factored into the revenue growth calculation, preventing cities and counties from being penalized if they offer their residents tax reductions;
- A rolling, five-year carry-over provision lets taxing units bank unused revenue growth;
- Requires more training for appraisal officials;
- Includes transparency measures related to tax rate notices and the “truth-in-taxation” process, including a compressed tax rate adoption timeline to facilitate automatic rollback elections in November;
- A real-time online database that tells taxpayers how proposed tax rates would impact them;
- Terminology changes, including changing “effective” rate to “no-new revenue” rate and “rollback” rate to “voter-approved” rate;
- The school property tax rate growth cap was lowered to two percent revenue growth though the chairman stated that any changes in school property taxes should be incorporated into the school finance bill; and,
- A provision added by Ways & Means states that if the school finance legislation (HB 3) is not enacted, then SB 2 does not have any effect.

*School finance reform.* Also on April 25, the Senate Education Chairman Larry Taylor unveiled a new version of the Senate’s school finance reform legislation (**SB 4**) during a

committee hearing. He told the committee that he intended to be slow and methodical in the committee's work on the school finance reform package with a vote not expected until early May. After a vote of the Senate Education Committee, the bill will have to be voted on by the full Senate and differences worked out between the House and Senate all before the deadline of May 25, which is two days before the regular session ends on May 27. Major highlights of the Senate's school finance reform bill include the following:

- Raises the Basic Allotment (BA) amount per student from the current \$5140 to \$5880;
- Funds free, full-day pre-K for low-income students;
- Includes the \$5,000 pay raise for teachers and librarians;
- Calculates school funding using property values from the *current* year rather than from the prior year, as the system works now. Please note that this change could have unintended consequences for other local governments that levy taxes for when local appraisal districts have to provide information to and receive appeals from cities, counties, MUDS, etc.;
- Increases the homestead exemption from \$25,000 to \$40,000—if the proposal to increase the sales tax one percentage point passes, this would take effect one year later;
- Reduces the effect of the state's system of "recapture" that uses "excess" revenue from property wealthy school district;
- Implements "outcomes based funding" that ties district funding and teacher salaries to student test scores; and,
- Starting in 2023, ISDs that have significant property value increases would have their tax rates automatically

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reduced to keep revenue growth in line and the state would be responsible for additional funds.

A major issue yet unresolved in the differences in the House and Senate approaches to property tax and school finance reform is how to pay for them, especially long term. The leadership (governor, Lt. governor and House speaker) have endorsed a one cent increase in the state sales tax, but not everyone is supportive of that idea even having Texans vote on that plan later this year. Other methods of finance are to redirect some of the oil & gas industry's severance taxes, as well as strategic use of the state's Economic Stabilization Fund, also known as the "Rainy Day Fund," which is also not supported by everyone.

Please know that whatever is included in the above summaries is subject to change, and the bills may be completely different, if and when, the bills are finally approved.

**TRS changes.** Last week, the House approved its version of Senate Bill 12, which provides a 13th month check for retired school employees and phases in additional funding over the next five years to the retired school employee pension plan so it becomes actuarially sound and ensures solvency. The 13th month check cannot exceed \$2400 and must be paid by September 1, 2020. Earlier this session, the House appropriated an additional \$684 million from general revenue to fund the state's increased contributions to the pension fund and \$658 million from the Rainy Day Fund for the 13th month check.

**Public Education** I laid out four bills this month in the House Committee on Public Education.

**HB 2691, HB 2824, HB 3521, and HB 4324.**

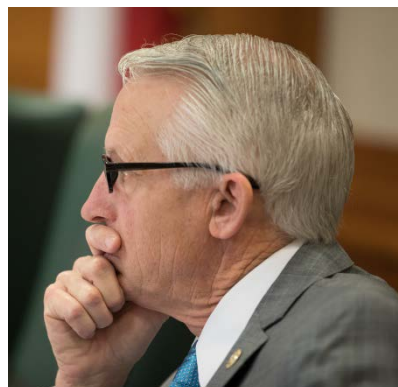
**HB 2691 - "student data protection bill."** If enacted, this bill will require vendors that use

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student data to perform functions for school districts to protect student data using a unique ID, as well as to adhere to a state-required data sharing agreement. This bill received widespread support and will help prevent vulnerabilities to cyber attacks and data-mining of our children by companies. It should be voted on this week by the full House.

**HB 2824** continues the successful writing pilot program I authored in HB 1164 in 2015, that is an alternative method of assessing public school students in the writing STAAR exam by shifting from a 26-line essay to one using several writing samples written and scored over the school year. It was voted out of the committee earlier this month and will hopefully be before the full House soon.

**HB 3521** is the product of a bipartisan education work group tasked with removing unfunded mandates from the Texas Education Code. It was voted unanimously out of committee on April 24, and its Senate companion (SB 668 by Sen. Hughes) is currently pending a vote.



*Figure 3. Rep. VanDeaver listening to a debate in the House Committee on Public Education. Photo: House Photography.*

**HB 4324** will help to establish a specific approved format for submitting high school student records electronically to colleges and universities.

It was heard on April 23 and voted out of committee the next day.



As of today, the House Committee on Public Education has voted out **194 bills**. I have authored 10 of those bills, with six already voted out of the House and waiting for Senate action, one is awaiting a vote by the full House, and three not yet scheduled for a House vote.

**Appropriations.** The House Committee on Appropriations (HAC) has voted out several bills and many have passed the House and are awaiting action in the Senate. Some of the bills include:

**HB 872** would add jailers and county jailers or guards to the list of employees whose surviving spouses were eligible to receive certain benefits if the employee was killed in the line of duty and had not qualified for an annuity under an employees' retirement plan.

The committee substitute for **HB 1618** would entitle eligible survivors of members of the Texas military forces, who were on active state duty to receive state death benefits, provided that these survivors were not otherwise eligible under federal law to receive a payment related to that duty.

The committee substitute for **HJR 10** would establish the Texas Legacy Fund (TLF) and redirect certain transfers of general revenue that currently go to the Economic Stabilization Fund (ESF) to this new fund, subject to a procedure established by the legislature if approved by the voters this fall. This joint resolution also creates the Texas Legacy Distribution Fund (TLDF) to receive transfers from the TLF and would make the TLDF available for certain types of appropriations by the legislature. The legislature could appropriate money from the TLDF only for:

- The early redemption or retiring of state debt that depended on general revenue for debt service;

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- Unfunded liabilities of the Employees Retirement System (ERS) or the Teacher Retirement System (TRS);
- Projects to repair, renovate, or construct state infrastructure other than transportation infrastructure or higher education facilities; or
- Other state obligations that were considered long-term obligations under generally accepted accounting principles and were approved by the legislature by a two-thirds vote of the members voting in each house.

**Governor's Easter Egg Hunt.** Just before Easter, I was pleased and honored to participate with my family in the annual Easter Egg hunt hosted by Governor & Mrs. Abbott. My granddaughters, Suzanna & Clara, were able to join the fun in Austin.



Figure 4. Photo: House Photography.

**Follow legislation.** To follow any legislation this session, use Texas Legislature Online at <https://capitol.texas.gov/>.

**Social media.** Please follow me on both my Facebook and Twitter accounts!

**My office is here to help.** I thank each of you for letting me serve you as your state representative. Please contact either the District office (903-628-0361) or Capitol office (512-463-0692) if there is anything you think we can do to help you.

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