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Representative Dan Huberty



CAPITOL OFFICE

Capitol Extension E2.722
P.O. Box 2910
Austin, TX 78768
Phone: 512.463.0520

DISTRICT OFFICE

4501 Magnolia Cove
Suite 201
Kingwood, TX 77345
Phone: 281.360.9410

E-MAIL

District127.Huberty@house.state.tx.us

Staff Contact Information:

CASEY CHRISTMAN

Chief of Staff

Casey.Christman@house.state.tx.us

MAGGIE IRWIN

Legislative Director

Maggie.Irwin@house.state.tx.us

BEN MELSON

Legislative Aide

Ben.Melson@house.state.tx.us

CHASE BARKER

Legislative Aide

Chase.Barker@house.state.tx.us

Summary of 83rd Regular Session

Texas's 83rd Legislative Session was a tremendous success in terms of advancing beneficial public policy for Texas taxpayers. Lawmakers passed historic legislation reforming our education system, addressing Medicaid fraud, requiring drug testing prior to receiving state benefits and providing financial security for our retired teachers. Additionally, we chipped away at accounting gimmicks that have hindered our budgetary process, took responsible, necessary steps to fund our water infrastructure and lowered taxes on Texas companies.

Most important, legislators balanced the state's budget without imposing new taxes. We made public and higher education funding a priority by increasing the level of funding from the previous budget and allocating 54% of general revenue to educate the next generation. Thanks to a healthy Texas economy and strong fiscal discipline, we were able to dedicate more money to our legislative priorities like education.

Texas is an engine for job-creation because Texans consistently stand strong on the principles of low taxation, a stable and predictable regulatory environment and a fair court system, including reasonable tort reform. In ranking after ranking, Texas is at the top for business climate, fastest growing cities, and job growth. While other states build roadblocks to businesses, Texas lays out the welcome mat.

Please continue reading for a full wrap-up of the 83rd Regular Session. As always if you have questions, please feel free to contact my office with any questions you may have regarding the 83rd Legislative Session. You can reach the Capitol Office at 512-463-0520, or my District Office at 281-360-9410.

Sincerely,

Dan Huberty
State Representative- District 127

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Summary of Legislative Action for 83rd Regular Session

The recently concluded regular session of the Texas Legislature should be declared a success for the people of Texas. A large number of important issues were passed into law. In terms of advancing beneficial public policy for Texas taxpayers, legislators were tremendously successful. House members chipped away at accounting gimmicks that have hindered our budgetary process; made serious investments in public and higher education for all Texans; took responsible, necessary steps to fund water infrastructure, lowered taxes on Texas business and reduced taxpayer fees on utility bills. You can read more about each item below.

State Biennial Budget

The first key to ensuring a strong Texas economy is to keep the state's fiscal house in order. That means balancing the budget without resorting to new taxes or draining the state's Rainy Day Fund.

This legislative session began with a much more positive revenue outlook than in 2011. Instead of a \$27 billion shortfall, the regular session began with an \$8 billion surplus. This increase in revenue allowed the legislature to fully fund enrollment growth in public education and provides for an increase of \$3.4 billion for the Foundation School Program.

Key budget highlights:

- Appropriates \$196.9 billion over two years.
- \$7 billion increase in All Funds, a 3.7% increase over the previous biennium
- \$3 billion increase in General Revenue for Public and Higher Education, a 7.1% increase over the previous biennium. Public and Higher Education now represent 54% of General Revenue spending
- \$530 million increase to strengthen the Teacher Retirement System and provides for a long-awaited cost-of-living adjustment (COLA) for education retirees.
- Significant increases in Health and Human Services, including \$259 million for mental health programs, \$100 million for women's health programs and \$18 million for identification of fraud, waste and abuse in the Texas Medicaid program.
- Increases transparency by using gas tax dollars directly for roads, thereby eliminating \$400 million in Fund 6, transportation diversions.
- Provides \$1.36 billion in tax relief via tax credits and reductions.

Education

Legislators began this session determined to reform and revitalize Texas' education system. The body passed a series of critical reform measures that address major areas of the state's education system, including testing, curriculum, and distance learning.

A critical component of these reforms is HB 5. This measure will give students more flexibility to explore their individual interests as they prepare for higher education and the workforce by providing multiple pathways to graduation. Importantly, the measure also reduces the burden of standardized tests, which play too large a role in our education system, by reducing the number of mandated end-of-course tests from 15 to 5. The measure also provides new provisions to make our public schools more accountable.

Similarly, the legislature eliminated the over-testing of students in grades 3-8 by decreasing the number of tests from 17 to 8, with Representative Huberty's HB 866. Data shows that it is not necessary or effective to test high-performing students annually. Rather, some of the time spent testing is better used teaching new concepts to high performing students and assisting underperforming students in their studies. For these reasons, HB 866 eliminates some of the STAAR testing requirements for students who meet certain performance thresholds. The bill also gives school districts and open-enrollment charter schools more discretion to appropriately test students to determine whether they are performing at a sufficient level.

New legislation to provide greater accountability, transparency, and local control to public school curriculum also passed this session.

(Continued on the Next Page)

Summary of Legislative Action for 83rd Regular Session (continued)

Representative Huberty's second bill, HB 462, was passed by the body to effectively push back against overly burdensome federal government mandates on education. When Congress created the U.S. Department of Education in 1979, it explicitly stated that the department must not increase the federal government's authority over education or diminish state and local responsibility for education. The current administration has aggressively pushed the Common Core Standards Initiative as a key part of its national education plan. This curriculum is, in effect, a national and politically correct curriculum that would bring Texas's education system down to lower national standards. HB 462, simply put, would prohibit state agencies and state schools from using the Common Core Standards Initiative curriculum, thus keeping Texas's higher standards in place.

Additionally, CSCAPE educational curriculum has recently fallen under intense scrutiny and caused many parents concern. SB 1406 places the controversial CSCAPE curriculum under much needed State Board of Education oversight and review.

Educational options for parents and students were also expanded. Texas residents will enjoy increased school choice via HB 2, which allows for an increase in public charter schools in the state. The measure also adds transparency and accountability measures for new and existing public charter schools. Another measure, HB 1926, allows school children across Texas to have equal educational opportunities through the expansion of online learning resources. The bill will expand the use of the state virtual school network so that students may access the education that best suits them, regardless of which school district they attend.

Higher Education

Members set out to provide a more cost effective, accountable system for college students this session, prioritizing measures that will reform and revitalize Texas' institutions of higher learning. HB 29 allows undergraduate students the option of entering into a four-year fixed tuition plan at state public colleges and universities. This measure helps parents and students make better informed decisions about the cost of college and encourages on-time graduation by capping this fixed tuition rate at four years.

HB 31 increases the transparency of the governing boards of Texas colleges and university systems. Specifically, the bill requires the boards to post notice of and broadcast their meetings online. The boards must also archive the meeting on their website. The bill takes measures to balance transparency with the need to protect the confidential deliberations of the boards.

Water Security

The 2012 State Water Plan shows that over the next 50 years, our water supply is expected to decrease 18% and our water demands are expected to increase by 27%. If inaction continues, Texas could be short 8.3 million acre-feet per year by 2060. That equals almost 3 trillion gallons of water. The State Water Plan contains over 500 strategies that, if fully implemented, will develop 9 million acre-feet of new water over the next 50 years. Without an adequate supply of clean, affordable water, the state's economy and public health would be irrevocably harmed. Water shortages during our current drought already cost Texas businesses and workers billions of dollars in lost income every year. If Texas does not implement the state water plan, those losses could grow to \$116 billion annually.

A dedicated source of funding to help develop the water plan's projects is necessary, largely because of rising costs for local water providers and the high introductory costs of large-scale projects. The capital cost to design, build, and implement the recommended strategies and projects between now and 2060 will be \$53 billion. Local entities are expected to need nearly \$27 billion in state financial assistance to implement these strategies.

In response to this critical issue, legislators strengthened the future of the state's water infrastructure by passing HB 4 and SJR 1. These measures create two dedicated funds for essential projects within the State Water Plan. SJR 1 specifically asks voters to approve a constitutional amendment to make these two water funds permanent. These measures combined will ensure a sustainable water supply for generations of Texans.

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Summary of Legislative Action for 83rd Regular Session (continued)

Tax Relief

Legislators sought to decrease the tax burden on both large and small businesses across the state to create an economic environment that facilitates job growth.

One such measure, HB 500, provides meaningful tax relief to small businesses across Texas. The measure promotes small business development and economic growth by providing over \$710 million in tax relief for Texas businesses. Much of this relief goes to small businesses, the backbone of the economy. HB 500 permanently exempts businesses with gross revenues of \$1 million or less from paying the state margin tax. The bill additionally exempts businesses grossing up to \$1 million annually by creating a guaranteed \$1 million deduction from the franchise tax.

The legislature also brought necessary tax relief to businesses performing job-creating research and development activities in Texas. In particular, HB 800 ensures that Texas's businesses are rewarded for their innovation and helps these businesses better compete in the global market. The legislation's provisions allow for businesses to claim either a sales tax exemption or a franchise tax credit for certain research and development activities.

Pension Reform

This session, legislators took bold steps to shore up the state's pension systems. Some of the state's pension plans required innovative solutions and thoughtful changes to ensure that the plans are actuarially sound. Members worked to bring these important pension plans back onto a path toward financial health.

HB 13 makes a variety of improvements to the public pension system and the administrative functions of the State Pension Review Board. The measure will provide for increased transparency to public pensions and will make it easier for the public to access reports from the pension systems.

SB 1458 makes several critical changes to the Teacher Retirement System. The legislation returns TRS to actuarial soundness by increasing state and employee contributions to the system and by making important adjustments to eligibility, among other changes. The measure also provides a three percent cost of living adjustment to all retired teachers and their beneficiaries – the first cost of living adjustment offered since 2001.

SB 1459 makes a variety of improvements to the Employee Retirement System of Texas. The legislation increases state and employee contributions and makes eligibility changes to the system. The bill also increases the transparency of the system, specifically by directing ERS to separate the accounting for assets and liabilities relating to civilian members and law enforcement members. This provision will help the state better direct funding to the highest-cost areas of the system.

Truth in Budgeting

Legislators came into session with a mission to stop many of the accounting gimmicks used to pass the state budget, some of which have been used for nearly twenty years. Through House Bill 6 & 7 the Texas Legislature took major steps forward in reforming its arcane state budgeting process and ending the practice of "fee diversions" for out-of-date programs.

The first reform measure, HB 6, reduces reliance on dedicated accounts, a substantial step forward in the process of making the budget more transparent to taxpayers. A second measure, HB 7, institutes a process to review the use of these funds to certify the budget and makes several account-specific reforms to reduce fees in order to align them with spending. HB 7 will also end the "System Benefit Fund" taxation on consumers in deregulated energy markets, resulting in \$292 million in tax relief for consumers.

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Summary of Legislative Action for 83rd Regular Session (continued)

Transportation

This session, members passed legislation that will provide more transparency and accountability for transportation infrastructure projects in the state. The legislature also made efforts to provide for a more streamlined process for implementing these projects, which are critical to the continued growth and economic success of the state.

Steps were taken to ensure that municipalities and counties had the flexibility and authority to move forward on important transportation projects. SB 1461 allows municipalities that are located outside of a certain region to collaborate with a regional transportation authority in another county. This bill will allow, for example, UT Arlington to join with Dallas Area Rapid Transit Authority to provide citizens with express bus service.

Texas legislators also provided critical funding to help repair roads in the Eagle Ford shale and Permian Basin areas. According to recent data, a county road used for drilling oil and gas wells receives a traffic load comparable to 8 million standard vehicles. SB 1747 gives these regions the ability to collectively invest in their infrastructure. Additionally, HB 1025 appropriates \$450 million to carry out SB 1747's provisions and to address the transportation needs of state roadways in these regions.

The Legislature also took steps to reduce the possibility that public roads will be converted to toll roads. SB 1029 repealed the authority of certain state agencies to allow state roads, in some circumstances, to be converted to toll roads.

Government Efficiency & Reform

Texas has a strong history of governmental transparency and efficiency. This session, members passed a good many measures designed to ensure that state agencies are more open and forthcoming with their financial practices. Such measures will ensure that state taxpayers are empowered with important information about how their tax dollars are spent.

One such measure, HB 3648, ensures that state contracts are the best deal for the state's taxpayers by guarding the state against contract manipulation. The measure requires that state contracts for goods and services substantially comply with the terms in the agency's initial contract solicitation and with the terms considered in awarding the contract. Before the contract is awarded to a bidder, the state agency would be required to meet and consider any material change to the contract terms, including an increase in the contract price by 10 percent or more.

Members enacted a series of reforms to bring transparency to the operations of state agencies. HB 1487 increases transparency in the awarding of state grants. Currently, the Comptroller of Public Accounts maintains an online database of information regarding state expenditures, contracts, and grants. However, the grant portion of the website contains little information regarding how certain grant money is used. HB 1487 allows website visitors to ascertain the specific purposes for which a state grant in an amount greater than \$25,000 was used.

Another measure, HB 12, requires an agency to post on its website the value of any gift used to supplement an employee's salary. The agency must also disclose the methodology used to determine the compensation for executive staff members. This legislation will ensure that taxpayer-funded salaries are reasonable and appropriate. Similarly, HB 16 requires agencies to post agency audits, including internal audits, on their state agency website. This legislation will allow taxpayers to have as much information as possible regarding each agency's operations and expenses.

Legislators also made strides to majorly reform the embattled Cancer Prevention and Research Institute of Texas, commonly known as "CPRIT." The bill makes substantial changes to the structure, duties, and funding of the organization.

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Summary of Legislative Action for 83rd Regular Session (continued)

Among other provisions, the measure includes heightened conflict-of-interest standards for CPRIT staff, oversight committee members, and grant reviewers, as well as a new process for developing and approving grants. The legislation also imposes new requirements on the organization that will require it to be far more effective in its monitoring of grantees' performance.

Medicaid Fraud

This legislative session, members sought to crack down on the abuse and misuse of the state's public health programs. From 2004 to 2011, the Health and Human Services Commission's Office of Inspector General identified more than \$6 billion in fraud, waste, and abuse in Texas public health programs. Because of the reforms passed this session, the state will be able to crack down on these abuses of the system and spend its dollars on the people who need them most.

A major part of these reforms is SB 8, an omnibus anti-fraud bill that targets a number of fraudulent and wasteful practices in the state's healthcare programs. Among other provisions, SB 8 gives new tools to the Inspector General of the Health and Human Services Commission to pursue fraud, waste, and abuse in nearly every health and human services program that is offered in Texas. SB 8 will also create a special team to look for spending anomalies in the Medicaid and CHIP programs, which will help the state stay aware of new trends in fraud and abuse.

Legislators also passed House Bill 3201, a sweeping dental practice reform bill for Texas. This bill calls for parental rights for pediatric dental patient care, additional disclosure information for dental license renewal, and new disciplinary actions by the Texas Dental Board. The legislation will crack down on the millions of dollars in dental and orthodontic Medicaid fraud recently uncovered by investigative news reports and the Texas Attorney General's office.

Another measure, HB 3556, will stamp out fraud committed by emergency medical service providers and ensure that these providers are engaged in the legitimate practice of emergency medical services. Among other protections, the bill increases licensing requirements on these providers to help weed out bad actors in the system. Additionally, the legislation specifically addresses a previous loophole in the system through which the owner of an emergency services firm under investigation could simply shut the business down and reopen a new version of the business through a friend or relative.

Veteran's Issues

Veterans are one of the greatest assets to our communities and our country. According to the Texas Veterans Commission, Texas is home to 1.7 million veterans. Members passed several pieces of legislation that sought to protect and assist those who fought to protect our freedoms. HB 97, along with a proposed constitutional amendment, creates a limited residence homestead exemption for partially disabled veterans and their spouses. Additionally, HB 2254 will assist veterans in returning to the workforce, as it will allow veterans to credit their military service, training, and education toward similar requirements for an occupational license from a state agency.

SB 1476 requires the Texas Veterans Commission to establish and implement the Veteran Entrepreneur Program. The goal of the program is to promote entrepreneurship and business ownership for veterans of the Armed Forces. The program will, among other initiatives, reach out to veteran entrepreneurs to improve their awareness of available federal and state benefits and services, collaborate with federal, state, and private agencies to make use of those services, and provide guidance and training through conferences, seminars, and workshops.

Religious Freedom

Legislators continued to fight for religious freedoms and specifically for the freedom to exercise religion in public forums. HB 308 allows Texas public schools to educate students about the history of traditional winter celebrations, including Christmas and Hanukkah.

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Summary of Legislative Action for 83rd Regular Session (continued)

The legislation also permits students and teachers to say “Merry Christmas,” “Happy Hanukkah,” and “happy holidays.” Under the measure, Texas public schools will also be able to display scenes or symbols associated with traditional winter celebrations, including a menorah, nativity scene, or Christmas tree.

Election Reform

Texas has historically had concerns and fought relentlessly against voter fraud. Similar to last session when members enacted a reform that required voters show their ID when voting, this session, fraud occurring with mail-in ballots was addressed.

HB 148 seeks to address the issue of ballot harvesting, a practice where paid workers deliver large numbers of mail-in ballots. This bill makes it illegal to have a quota based, compensation scheme to assist voters. This bill is an attempt to weed out the ‘bad actors’ that are preying on vulnerable Texans. Any amount of fraudulent or illegal activity is unacceptable in a system where one vote can determine the outcome of an election.

Second Amendment

In response to new local and federal regulations on gun owners, legislators embarked on a mission to guard the Second Amendment rights of Texas citizens. Recently, some Texas counties have attempted to regulate firearms in ways that clearly contradict state law. In one such case, Travis County considered banning gun shows from being held in county buildings — an action that would have plainly violated state statutes. In response to this and other incidents, the legislature passed SB 987, which will help prevent these unlawful regulations by giving the Attorney General the ability to obtain a temporary or permanent injunction against a city or county that attempts to enforce these unlawful restrictions.

The legislature also passed a variety of measures to protect and encourage the lawful carrying of a concealed weapon. One such measure, SB 864, modernizes the requirements to obtain Concealed Handguns License. Among other provisions, the legislation reduces the number of required classroom hours necessary to obtain or renew a concealed handgun license. Another measure, SB 299, remedies ambiguity surrounding the proper concealment of a handgun by protecting a license holder from being penalized for accidentally displaying a handgun. Also, SB 1907 will ensure that teachers and students that have a CHL are allowed to safely store their firearm and ammunition in their vehicle on a university campus.

Drug Screening & Unemployment Benefits

This session, legislators sought to ensure that taxpayer dollars are not used to subsidize illegal drug use and that recipients of unemployment benefits are prepared to enter the workforce, where drug testing is common. To that effect, HB 21 requires the Texas Workforce Commission to administer a non-invasive drug screening questionnaire as a part of the application for unemployment benefits. If a person’s drug screening questionnaire comes back indicating the likelihood of drug use, the applicant must submit to a drug test. If the person fails the drug test, they are ineligible to receive benefits until a subsequent drug test is passed. The measure brings Texas into alignment with at least eight other states that have passed legislation regarding drug testing or screening for people seeking or applying for public assistance.

Legislators also took steps to ensure that unemployment benefits were proactively used to reemploy people who are seeking benefits. One such measure, HB 3005, helps unemployed persons by providing more tools to the Texas Workforce Commission (TWC) to fund innovative re-employment programs. This bill allows the state to take advantage of a Congressional Act, HR 3630, the Middle Class Tax Relief and Job Creation Act, which encourages the funding of re-employment projects in a manner that is cost neutral and potentially even cost saving. The measure gives the TWC authority to negotiate with the federal government regarding the use of unemployment compensation funds to assist people in getting back to work.

Representative Huberty's 83rd Legislative Update

To view a list of Representative Huberty's legislative package, simply [click here](#). To see a list of Senate bills being sponsored by Representative Huberty, [click here](#).

HB 462 - Frequently referred to as the "Common Core" bill, HB 462 would prohibit the adoption of an appraisal process or criteria on the performance of teachers, as well as, the adoption of any common core or national curriculum standards by the State of Texas. HB 462 was signed by Governor Perry on June 14, to be effective immediately. Read more about the bill [here](#).

HB 866 - This piece of legislation addresses the current over burdensome amount of testing related to the newest state test, STAAR. It would allow for high-performing students to "test out" every other year of 3rd through 8th grade. It was signed by Governor Perry on June 14. Read more about this bill [here](#).

HB 1035 - This bill gives elected officeholders and candidates the option to file required reports and statements electronically, via e-filing. HB 1035 was also signed by Governor Perry on June 14. Read more about this bill [here](#).

HB 1264 - The bill requires school districts to report the number of enrolled students who are identified as having dyslexia via the Public Education Information Management System (PEIMS). HB 1264 was signed into law by Governor Perry on June 14, effective immediately. Read more about the bill [here](#).

M.U.D. Bills (HB 1593, 1594, 1800 and 1801) - These bills deal with the powers and duties of Municipal Utility Districts #422, 423, 504 and 505 in Harris County. They were all signed by Governor Perry on June 14, effective immediately.

HB 2049 - This bill allows a qualifying cogenerator to sell electric energy at retail to more than one purchaser of the cogenerator's thermal output. It was signed by Governor Perry on June 14, effective September 1, 2013; and can be viewed [here](#).

HB 2607 - Currently, school district employees must have their representative in person when appealing a grievance. This bill allows their attorney or representative to be present via a telephone conference call. It was signed by Governor Perry on June 14, effective immediately; and can be viewed [here](#).

HB 2961 - In order to prevent ever-prevalent identity theft, this bill would prohibit school districts from using employee social security numbers as an identifier. It was signed by Governor Perry on May 25, effective September 1, 2013; and can be viewed [here](#).

Representative Huberty also sponsored several Senate bills which are in the final stages of passage. Including: **SB 816** by Senator Glenn Hegar - Relating to the date by which a school district must complete a report of an initial evaluation of a student for special education services. This bill was signed by Governor Perry on June 14, effective on September 1, 2013. It can be viewed [here](#).

SB 1658 by Senator Ken Paxton - Relating to the effect of certain state aid on school districts required to take action to equalize wealth under the school finance system. This bill was signed by Governor Perry on June 14, effective on September 1, 2013. It can be viewed [here](#).

