Glenn Hegar

81st Legislature In Review

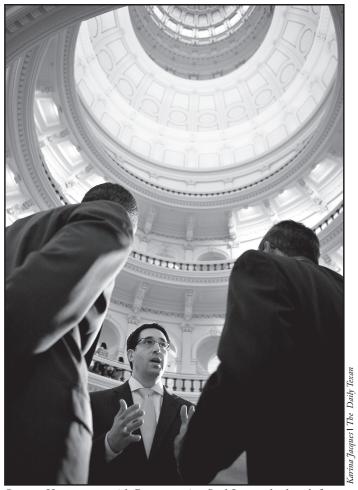
Dear Friends,

I would like to take this opportunity to thank you for the privilege of allowing me to represent you and Senate District 18 in the Texas Legislature. I hope that you find this legislative update informative. It highlights many of the issues addressed during the recently concluded 81st Legislative Session that have statewide impact as well as bills that I authored particularly for the benefit of our 19 county senate district.

The 81st Session ended on June 1st. Each session is unique, bringing a focus to new issues and challenges facing Texans and this session was no exception. After 140 days of discussion and debate, it is evident that hardworking Texas taxpayers were the winners on most issues, but there were some disappointments.

Key legislation included the biennial state budget, Voter ID, public school accountability reform, establishment of a process to create more flagship universities in Texas, tax cuts for small businesses, and efforts to place a limit on tuition increases at four-year public universities.

Overall, this session was a success for Texas taxpayers and the Texas economy. While our nation faces the greatest economic downturn in decades, Texas has a fiscally sound budget that funds essential services within our means.



Senator Hegar meets with Representative Carl Isett and others before a press conference in the Capitol Rotunda.

Furthermore, many areas of state government were reformed to make them more efficient, and we made great progress towards achieving landmark reforms in insurance, transportation, and eminent domain. Most importantly for those constituents residing on or near the Texas Gulf Coast is a reformed Texas Windstorm Insurance Association that will protect Texas taxpayers without punitive fees or rate increases.

Quite often the most pressing issues, as well as internal distractions, determine the productivity of an entire legislative session. Such was the case with the 81st Legislative Session. While the Senate passed many meaningful reforms, in the Texas House of Representatives a deliberate attempt to delay work in order to prevent consideration of the Voter ID bill played a significant role in preventing much of this legislation from making it through the entire legislative process and being signed into law. However, I am confident that we have taken large strides in initiating meaningful reform in agencies like the Texas Department of Insurance and the Texas Department of Transportation and I am hopeful that we will be able to complete the job in the next legislative session.

Please take a few moments to review this legislative update. In order for me to represent your values in our state's capitol it is important that I hear from you about the issues that concern you. My office is always

open to you and your fellow citizens of Senate District 18, so please call or write my office with your questions and concerns. My staff and I are here to assist you.

Thank you again for allowing me the honor of serving you and your family in the Texas Senate.

Sincerely,

Glenn Hegar



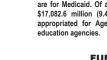
2009 LEGISLATIVE

State Budget

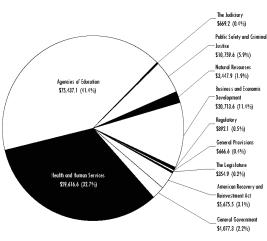
The 81st Legislature passed a biennial budget (SB 1) for Texas that is fiscally prudent and respects taxpayers' dollars by keeping state spending below the rate of inflation and population growth, which are forecasted at 4.5% per year.

The budget funds essential services while maintaining spending growth at 3.7% per year, including the so-called "federal stimulus funds;" provides a safety net for frail and disabled Texans; continues record local school property tax cuts approved in 2007; directs state agencies to prioritize "federal stimulus funds" as one-time expenditures to prevent future fiscal obligations to the state; increases funding for public education by \$1.9 billion and higher education by \$1.2 billion; and appropriates \$2 billion in General Obligation Bonds to build additional highways, \$1 billion of which will be used to leverage \$2 to \$3 billion of construction through the State Infrastructure Bank. Additionally, the budget no longer diverts \$378 million from the Texas Department of Transportation, appropriates an additional \$113 million for border security, and increases business tax exemptions from \$300,000 to \$1 million, freeing some 40,000 small Texas businesses from the business tax.

Most importantly, our new budget saved the state's so called "Rainy Day Fund" to provide protection for taxpayers in the event of a true fiscal emergency, plus increased funding for job training programs by \$500 million to help put more Texans back to work during these tough economic times. With the passage of this fiscally sound budget, Texas should continue to maintain its position as the nation's leading job creator. In 2008, Texas created more jobs than the 49 other U.S. states combined.



IN MILLIONS



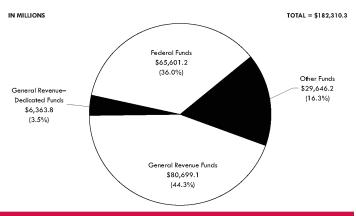
APPROPRIATIONS

ALL FUNDS

TOTAL = \$182,310.3

Note: Of all funds appropriated for Health & Human Services, \$44,824.8 million (24.6%) are for Medicaid. Of all funds appropriated for Business & Economic Development, \$17,082.6 million (9.4%) are for the Department of Transportation. Of all funds appropriated for Agencies of Education, \$52,805.9 million (30%) are for public

FUNDING SOURCES FOR 2010-11



Texas Department of Transportation

Senator Hegar led the fight to make the Texas Department of Transportation (TxDOT) transparent, more accountable, more accessible to the public, and to refocus the agency back to its core mission of building and maintaining roads—nothing more, nothing less. Texans deserve to have their tax dollars spent in a transparent, accountable, and efficient manner that makes us proud to be Texans. The Texas Senate passed a bill to not extend private partnerships and which guaranteed that Texans would no longer be denied access to and from their private property. Senator Hegar has helped lead the fight for two legislative sessions to accomplish meaningful eminent domain reform and was pleased that the goal of ending the Trans-Texas Corridor, ensuring landowner's access to and from their property, and achieving the real and meaningful reforms at TxDOT that Texans have been seeking for several years appeared to be in sight.

Unfortunately, there were some legislators who were also working hard in the last few days of the session to kill the TxDOT reform legislation because Senator Hegar refused to allow his bill to include provisions allowing for a local option gas tax increase. Senator Hegar's refusal to allow for the gas tax provisions and his opponent's zeal to have it included resulted in a legislative battle that ended when the clock expired on the last day of session. Senator Hegar remains steadfast in his commitment to enacting needed TxDOT reforms during the next Legislative Session, but he will never compromise

issues on increasing the gas tax simply to say that he achieved what in reality would only be a hollow victory.

Eminent Domain

Senator Hegar secured his place in the legislature as one of the champions of eminent domain reform, assuming a major leadership role in the fight to strengthen the protection of Texas landowners subject to property takings under eminent domain authority. He was closely involved in work on the two most significant eminent domain reform bills of the session, House Joint Resolution 14 and Senate Bill 18. House Joint Resolution 14 is a proposed constitutional amendment that Texas voters will have the opportunity to approve in the November 3rd General Election. It would prevent the taking of private property for economic development and require the legislature to approve the granting of any future eminent domain authority by a two-thirds majority.

Senate Bill 18, which Senator Hegar co-authored, was an even stronger measure. It sought to provide Texas landowners with a much more clearly defined and balanced process for eminent domain takings requirments, including strictly outlined timetables and a clear list of the required information a condemning entity must produce before initiating condemnations. Unfortunately, Senator Hegar's landowner friendly bill was just one of the many measures that were never considered by the House of Representatives due to the Voter ID logjam.

A final measure that bears mentioning is House Bill 768, a measure that did away with an antiquated process called "Jury of View" that allowed the government bureacracy to sidestep the eminent domain process altogether and take private property without adhering to the more stringent landowner protections outlined in current law. House Bill 768 won passage and the governor's signature, putting an end, once and for all, to the unfair 'View" process.

Lt. Governor David Dewhurst, Senator Craig Estes, Senator Hegar, and Senator Robert Duncan meet briefly on the dais to discuss eminent domain legislation.

2009 LEGISLATIVE REVIEW

Public Education

Texas has long been a leader in school accountability; however, the passing standards under the current system have not efficiently provided a link to success after graduation, for college or the workforce. In an effort to address the growing concerns regarding the standards by which public school students are promoted, the Texas Legislature passed legislation that reforms the state's public school accountability system.

House Bill 3 amends the public school accountability system, curriculum, and promotion requirements by applying college readiness standards to the state's K-12 curriculum, aligning high school graduation exams with higher education expectations, and providing parents with more access to student achievement data.

Most importantly, greater flexibility in coursework will provide students with an opportunity to choose classes that better fit their individual needs and objectives. Many students do not plan to go to college and need the flexibility to instead focus on Career and Technical Education courses for workforce training.

Another important measure that passed this session is House Bill 3646, a public school finance measure that sends \$1.9 billion in federal stimulus money to Texas school districts. The bill includes a provision for money to be spent directly on a salary increase of at least \$800 for each classroom teacher, full-time speech pathologist, full-time librarian, full-time counselor and full-time school nurse. Additionally, HB 3646 requires a comprehensive review of public school finance weights, allotments, and adjustments prior to the 2011 legislative session.

Texas Windstorm Insurance Association

The Texas Gulf Coast accounts for one-third of the state's total economic output. This point makes it clear that a strong and vibrant coastal economy is vital to the prosperity of the entire state. Senate District 18 contains over one-third of the Texas coastline and therefore is an essential component of the state's economic engine. As a result, Senator Hegar made reforming the Texas Windstorm Insurance Association (TWIA) one of his top legislative priorities this session.

Senator Hegar worked with his legislative colleagues from across the state to create a new funding structure for TWIA. The funding plan established by House Bill 4409 will protect coastal residents from new surcharges and excessive rate hikes while allowing the Association to modernize its functions through the use of new technologies and actuarial tools. The bill also creates a Legislative Oversight Board to monitor TWIA and an incentive program to encourage private insurance companies to write coastal policies in the market. It also changes the makeup of the TWIA Board, ensuring that it has coastal representation and provides federal tax-exempt status for the Association.



Senator Hegar confers with Senator Royce West, Senator Leticia Van de Putte, and Senator Rodney Ellis about TDI Sunset legislation.

Higher Education

Senator Hegar sponsored legislation to grant the University of Houston at Victoria (UHV) four-year university status, an event that represents a significant step forward for the residents of the Coastal Bend and South Texas regions.

House Bill 1056 lifts the limitations imposed upon UHV to serve only third and fourth year university students, and gives them the authority to offer freshman and sophomore course instruction. As a four-year university, UHV will provide greater access and choice in higher education, as well as provide an economic boost to the City of Victoria and the surrounding communities.

Another important piece of legislation that passed this session creates funding methods and initiatives to support emerging public research universities within the State. House Bill 51 will be the first step in establishing additional tier-one research universities in Texas that will increase educational opportunities, as well as help our universities to attract and retain high quality individuals and staff.

Legislation was also approved to maintain the benefits of the Top Ten Percent Law while giving universities the flexibility they need to select qualified students in Texas. Senate Bill 175 amends the Top 10 Percent Law by capping the number of students automatically admitted at 60 percent, beginning with admissions for the 2010-11 academic year. Once an institution reaches 60 percent, all students within that percentile will be accepted and any remaining top 10 percent students will enter the general applicant pool.

Texas Department of Insurance

Senator Hegar led the effort to significantly increase the Texas Department of Insurance's (TDI) ability to protect consumers and punish rogue insurance companies while increasing competition and ensuring that consumers have access to more information about insurance companies. Most importantly, Senator Hegar's bill provided new protections for Texas homeowners. The bill increased penalties for insurance companies that charge homeowners excessive rates and requires insurers to report how often and how quickly they pay claims.

The bill also included provisions to improve TDI oversight of health insurance companies, modernize fire inspections, and save consumers time and money by allowing them to access online tools when renewing their insurance policies. Unfortunately, the Texas House of Representatives never voted on the bill, preventing these important reforms from becoming law. Even so, Senator Hegar continues his fight to reform Texas insurance regulations to protect the best interests of Texas consumers and to punish insurance companies who try to take advantage of them.



2009 LEGISLATIVE REVIEW

Reforms and Government Efficiency in Our Texas Court Systems

Senator Hegar collaborated this session with the elected members of the Texas Supreme Court to pass legislation that will allow the state's highest civil court and other Texas courts to move into the 21st century and begin taking full advantage of the electronic technology available to them. Under prior law, Texas courts could not take advantage of common technologies, such as the Internet, for certain formal functions. Senator Hegar's legislation removed this barrier by allowing the courts to use existing technologies. More specifically, Senator Hegar's Senate Bill 1259 will give Texas courts the ability to accept electronic filings from attorneys and to store documents in an electronic format. This important update will not only improve the efficiency of the courts and reduce costs for Texas taxpayers, it will also prevent duplication of effort and better protect the environment by eliminating unnecessary paper.

Capitol Visitors from District 18

Constituents in Senate District 18 are encouraged to visit our State Capitol and experience first-hand the legislative session. This session, Senator Hegar and his staff welcomed hundreds of visitors from Senate District 18 to his Capitol office. Visitors consisted of school groups, chambers of commerce, and other leadership organizations. Ten of nineteen counties in Senate District 18 were recognized on the Senate Floor by Senator Hegar during the 81st Session as well. This session also marked the 100th Anniversary of Spoetzel Brewery in Shiner, Texas. The owners of the Lavaca County brewery were recognized on the Senate Floor and received a resolution commemorating their 100th Anniversary and their unique contribution to Texas culture.



Senator Hegar recognizes the 100th anniversary of Spoetzel Brewery in Shiner, at the State Capitol.

Honorary Pages

When the Senate is in session, students between the ages of 8 to 18 are invited to serve as honorary pages. Twentynine students from Senator Hegar's district participated in this special program during the 81st Legislature.

Working under the supervision of the Senate Sergeant-At-Arms, these honorary pages have a unique opportunity to be part of the Legislative Session. Pages perform duties such as delivering messages to Senators and distributing amendments.



Senator Hegar meets with honorary pages Ryan Van Geffen and Christopher Musser of Katy.

Pastor of the Day

Each day, the Texas Senate begins its deliberations with a prayer. Clergy members from across Texas are invited to deliver the opening prayer. This session, three pastors from Senate District 18 were recognized in the Senate Chamber for their service as the "Pastor of the Day" and for the special prayers asking for God's blessings upon our state.



Senator Hegar welcomes Pastor William "Bill" Hassel from First English Lutheran Church in Victoria as Pastor of the Day.

SELECT BILLS AUTHORED AND SPONSORED BY SENATOR HEGAR

The 81st Legislature passed 1,459 bills of the 7,600 that were filed during the 140-day session. Senator Hegar was the primary author or sponsor of 162 bills, 85 which eventually passed both the Texas Senate and House. Some of Senator Hegar's bills are included below. To review all of Senator Hegar's bills please visit his Senate website.

- ★ SB 595 makes it abundantly clear in law that under no circumstances will the defendant in a child pornography case have the ability to retain the obscene materials the state holds in evidence in its case against them.
- ★ SB 687 mandates that DPS Troopers and TPWD Game Wardens are entitled to injury leave for any on-duty injuries.
- ★ SB 768 exempts from the license requirement activities that have been identified as not involving pesticide application or use.
- ★ SB 784 (amended on to HB 2730) closes a loophole in current law under which those charged with Driving Under the Influence (DUI) with a child passenger escape the mandatory license suspension other DUI defendants face.
- ★ SB 1149 authorizes the Texas Department of Criminal Justice to sell portions of the Central Prison Unit (CPU) at fair market value to the City of Sugarland for airport expansion.
- ★ SB 1712 allows the Matagorda Hospital District to enter into leases for 99 (instead of 25) years, helping the hospital district in its negotiations, especially as they pertain to the new medical complex.
- ★ SB 1847 specifies that people who have been found innocent of crimes they were incarcerated for are eligible to receive the same services available to parolees after their release from incarceration.

- ★ SCR 39 reaffirms Texas' right to self-government and state sovereignty under the Tenth Amendment to the U.S. Constitution. Also reaffirms Texans' Second Amendment right to keep and bear arms.
- ★ HB 693 exempts falconers from the pest control license requirements required by the Department of Agriculture to prevent unnecessary and irrelevant licensing procedures.
- ★ HB 2013 expands to volunteer firefighters an exemption from the payment of tuition and fees for courses offered as part of a fire science curriculum.
- ★ HB 2264 removes the unfair provision in current law that allows for a Concealed Handgun Licensee to have their license suspended or face criminal charges for carrying their licensed firearm into an establishment that derives 51% or more of its income from the sale of alcoholic beverages--even if that business did not display the required sign disclosing its status as such a business.
- ★ HB 3671 helps to increase the efficiency of inmate transfer between county jails and state prison by removing the requirement that paper files available elsewhere be sent along with the prisoner.

2009 LEGISLATIVE REVIEW

SENATOR GLENN HEGAR IN THE NEWS

During the session, Senator Hegar spoke out on many issues facing Texas and Senate District 18. The following opinion/editorial written by Senator Hegar appeared in newspapers across Texas and demonstrates that he will never be silent when he feels that state leaders are working against the interests of Texans.

Texas Consumers Must Hold Insurance Companies Accountable for Their Actions

This op/ed by Senator Hegar first appeared in Texas newspapers July 23, 2009.

Appalling and unethical are the words that best describe recent actions taken by several large insurance companies in Texas. At a time when millions of Texans are struggling to make ends meet, some insurance companies have chosen to saddle hardworking Texas homeowners with double-digit rate increases. This is simply unacceptable.

Such drastic rate increases are particularly inexcusable in light of the legislation just passed by the Texas Legislature to reform the Texas Windstorm Insurance Association (TWIA). Fixing TWIA was vital because, in its previous state it created unlimited liability for Texas taxpayers and Texas insurers. The TWIA reforms passed by the 81st Legislature solved this problem by stabilizing the homeowners' market, limiting insurer liability, and protecting policy holders from excessive rate hikes. Collectively, these improvements made TWIA stronger and now make it impossible for big insurers to justify their outrageous rate increases.

These unconscionable rate hikes underscore a point I made frequently to my legislative colleagues in the recently concluded session: the problem with insurance in Texas is that insurance companies hold all the cards. They are not accountable to Texans. The key to solving this problem is to empower Texas consumers, punish rogue insurers that unjustifiably raise rates, and to stabilize the Texas market.

Some argue that instituting a prior approval system will solve all of our problems. The facts show that this simply isn't true. In fact, many of the states with the highest homeowners' insurance rates in the country have systems where the insurance regulator approves rates before they are instituted. And, most states are moving away from these prior approval systems because they lead to sudden rate spikes, which make the recent increases in Texas seem mild in comparison. In sum, prior approval may sound good, but it simply doesn't work. At the end of the day, consumers are still left at the mercy of unscrupulous insurance companies that care more about their bottom line than serving Texas homeowners.

Instead of seeking a bureaucratic solution like prior approval, state lawmakers need to punish companies that unjustifiably raise rates and also empower Texas homeowners so that they can take control and force insurers to work for them, instead of against. As with so many other things in life, education is the key. Through consumer education and increased choices, we can tip the balance of power in favor of Texas consumers and away from big insurance.

The Texas Legislature and the Texas Department of Insurance (TDI) have already taken important steps toward increased consumer choice and education. TDI operates a website, www.helpinsure.com, which allows Texas consumers to go online and compare prices company-by-company. Texans can get a variety of individualized quotes for their home and select the lowest rate or the plan that best fits their needs. Even so, I believe that legislators can and should do more to educate Texas consumers and provide them with even more tools to compare prices and coverage. I stand committed to working to give Texans the necessary tools in the upcoming legislative session.

None of these important resources and tools will be effective, however, if Texans do not utilize them. We must take control away from the big and unscrupulous insurance companies by forcing them to compete for our business. When an insurance company raises rates excessively, Texas consumers need to make them pay by giving their business to another company with more competitive rates. Texans have always been a strong and independent people. It's time for us to carry that attitude with us when insuring our homes and possessions.

As Texans step up to the plate and exercise their power as consumers, we in the Texas Legislature need to do our part as well. The State of Texas has an obligation to protect consumers from rogue companies, ensure that we have a system in place that guarantees insurance companies are financially solvent, and make sure companies pay their claims in full and in a timely manner. When someone's life has just been turned upside down by a tragedy, insurance companies must provide the help they've been paid premiums to provide and not create even more suffering in an effort to unjustly protect their bottom line. I have introduced legislative reforms aimed at accomplishing those goals in the past and eagerly await the opportunity to take up that fight again. Ultimately, we must rewrite current law to put the balance of power where it belongs: firmly in the grasp of hardworking Texas taxpayers.





Senator Glenn Hegar

Senator of the State of Texas P.O. Box 12068 Austin, Texas 78711 PRSRT STD U.S. POSTAGE PAID PERMIT NO. 2468 AUSTIN, TEXAS



Senator Hegar and his daughter, Claire, hard at work at his Chamber desk during a break.

Senator Glenn Hegar

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THE TEXAS SENATE IS AN EQUAL OPPORTUNITY EMPLOYER AND DOES NOT DISCRIMINATE ON THE BASIS OF RACE, COLOR, NATIONAL ORIGIN, SEX, RELIGION, AGE, OR DISABILITY IN EMPLOYMENT OR THE PROVISION OF SERVICES

About Senator Glenn Hegar

Occupation: Farmer. Senator Hegar is a sixth-generation Texan who farms on land that has been in his family since the mid 1800s.

Hometown: Katy

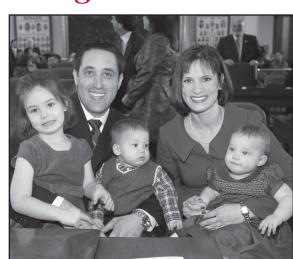
Education: BA-Texas A&M University, MA, JD-St. Mary's University,

LLM-University of Arkansas

Party: Republican

Legislative Experience: Served two terms in the House of Representatives from 2003-2007, and began serving as State Senator in January of 2007 after being elected in November 2006. He is the youngest member of the Texas Senate.

Committee/Appointments: Vice Chairman of the Government Organization Committee, plus a member of the Committee on Natural Resources; the Committee on Agriculture & Rural Affairs; Committee on Criminal Justice; the Committee on Nominations; Vice Chairman of the Sunset Advisory Commission; and Chairman of the Legislative Sportsman's Caucus. Lieutenant Governor David Dewburst's appointment Jonah, and Julia are Texas history, marking the first time that a freshman member of the Texas



Senator Hegar, his wife, Dara, and their children, Claire, Jonah, and Julia are pictured on opening day of the 81st Legislative Session.

Legislature was appointed to a leadership position of Chairman or Vice Chairman of the powerful Sunset Advisory Commission.

Senate District 18: Aransas, Austin, Bastrop, Caldwell, Calhoun, Colorado, DeWitt, Fayette, Fort Bend (part), Goliad, Gonzales, Jackson, Lavaca, Matagorda, Refugio, Victoria, Waller, Washington and Wharton counties.