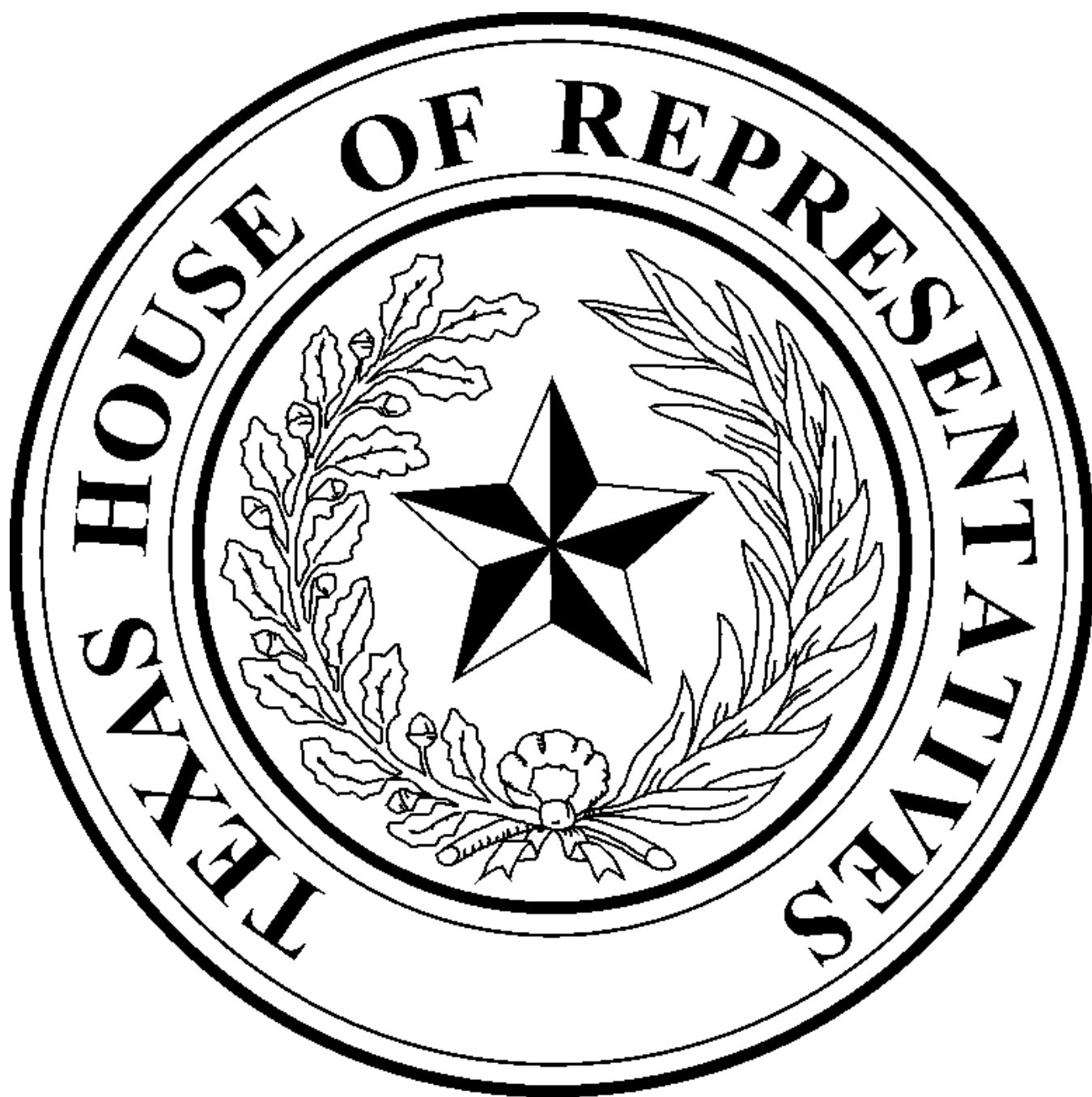


Accomplishments of the 81st Texas Legislature



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"Much was accomplished during the 81st Legislative Session. We invested more money in the classroom, college scholarships, and health care while limiting spending and saving for the future in these uncertain economic times. We addressed the priorities of our citizens with a renewed spirit of civility and cooperation, demonstrating that Texas matters more than party or politics."

-Speaker Joe Straus

Members of the Texas House convened in January with new leadership and new roles, \$9 billion less to spend than in the previous session, and strong concerns over a downward spiraling economy. Despite these challenges, the Legislature passed a budget that spends less in general revenue, avoids the use of the Rainy Day Fund, and cuts taxes for small businesses while still investing in education, health care, and infrastructure.

By adding \$250 million to financial aid, legislators made college more affordable for 35,000 students. By putting seed funding in a new research fund, we laid the groundwork for additional Tier One universities. By putting \$1.9 billion in new money into public education, legislators helped schools meet the demands of growth even in tough economic times. New education reforms passed that will move our schools to higher academic achievement.

Unlike numerous states that raised the tax and debt burden on citizens and employers, Texas legislators cut taxes for small businesses to help thousands of business owners survive the national recession. By avoiding use of the Rainy Day Fund, the 81st Legislature put the next Legislature in a stronger position to address an inevitable structural deficit without the benefit of another infusion of federal stimulus funds.

Investments were made in health care, with a \$5 billion total increase for health and human services that included more than \$200 million in new funding to expand community-based services for Texans with intellectual and developmental disabilities. Legislators also approved \$450 million in bond funding for cancer research.

While Texas may continue to face challenges posed by the current economic turmoil, our state is better positioned than most to fund essential services while protecting taxpayers from a rising tax burden. With a renewed spirit of bipartisan cooperation demonstrated this session, legislators proved they are up to the task of addressing future challenges.

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Balanced Budget:

First and foremost, the House worked together to adopt a budget that is balanced and fiscally responsible. House members showed wise judgment in adopting a biennial budget that does not touch the Rainy Day Fund, controls state expenditures, provides important funding for education, health care, and transportation, and invests in the future of Texas. The 2010-2011 budget reduces general revenue spending by nearly \$1.6 billion, or 1.9 percent, compared to 2008-2009. The biennial budget totals \$182.3 billion in all funds (including \$80.7 billion in general revenue), drawing on \$12.1 billion in federal economic stimulus money in 2010-2011. This conservative approach to spending also enabled thousands of small businesses to receive a tax cut.

Significant achievements in the budget include:

- \$1.9 billion increase in public education funding, including a pay raise for teachers;
- \$1.2 billion increase in higher education;
- \$264 million boost in higher education financial aid;
- \$35 million increase to address Texas' shortage of professional nurses;
- \$208 million increase in General Revenue to increase community service options for our most vulnerable disabled populations;
- \$450 million in General Obligation bonds to affirm our commitment to making Texas a leader in the research to find a cure for cancer;
- \$782 million in Water Bonds to implement the State Water Plan;
- \$421 million for one-time bonuses and targeted pay raises for the state workforce and retired teachers and state employees; and
- \$2 billion in General Obligation bonds for new road construction.

Consumer Protection:

Homeowner Protection-

Last August, Congress adopted the Housing and Economic Recovery Act of 2008, which included the Secure and Fair Enforcement Mortgage Licensing (SAFE Act). All states are required to adopt the provisions of the SAFE Act to comply with federal law. The SAFE Act establishes a national mortgage origination registration system, which means that any individual who engages in mortgage lending must register and be licensed. House Bill 10 was drafted to comply with the SAFE Act, but also gives the Finance Commission of Texas and the Credit Union Commission rulemaking authority.

HB 10 (Homeowner Protection)

by Representative Solomons and Senator Averitt

House Bill 10 places Texas in compliance with the Federal Secure and Fair Enforcement Mortgage Licensing Act passed by the U.S. Congress by:

- Protecting Texas homeowners by mandating the registration and licensing of individuals engaged in mortgage lending;
- Providing clear and broad authority to the state to investigate violations of the SAFE Act and, if necessary, revoke the licenses of mortgage lenders; and
- Requiring fingerprinting, background checks, and investigation of personal/financial history for all mortgage loan originators.

Barratry-

In an effort to enhance the protection of Texas consumers, the Legislature adopted HB 148, which relates to the prosecution of the offense of barratry ("ambulance chasing") and solicitation of professional employment. Additionally, this bill attempts to protect the privacy of accident victims and shield injured victims from the emotional distress of unwanted solicitation.

HB 148 (Barratry)

by Representative Todd Smith and Senator Wentworth

House Bill 148 provides protection to the public from solicitation from certain professionals to individuals soon after an accident by:

- Protecting the privacy of accident victims and their families;
- Shielding injury victims from the emotional distress of unwanted solicitation; and
- Expanding the conditions that constitute the Class A misdemeanor offense of barratry.

Economic Development:

Texas Enterprise Fund and Emerging Technology Fund-

The Texas Enterprise Fund is used for a variety of economic development projects, including infrastructure and community development, job training programs, and business incentives. The Emerging Technology Fund is used to assist private and nonprofit organizations in partnering with institutions of higher education to promote research and development in emerging technology industries.

Recognizing the importance state incentives play in attracting businesses, the Legislature provided more than \$270 million in funding for the Texas Enterprise and Emerging Technology Funds, combined.

Tax Abatements for Economic Development-

The Property Redevelopment and Tax Abatement Act (Chapter 312, Tax Code) was previously scheduled to expire on September 1, 2009. House Bill 3896 extends Chapter 312 provisions through September 1, 2019, ensuring local government can continue to use property tax abatements as an economic development tool.

HB 3896 (Tax Abatements)

by Representative Oliveira and Senator Seliger

House Bill 3896 authorizes cities, counties, and other taxing jurisdictions to enter into tax abatement agreements for local economic development purposes by:

- Extending the expiration date for Chapter 312, Tax Code (city and county abatements), to 2019 (from 2009);
- Allowing cities and counties to defer the commencement of the 10-year abatement period for an unspecified length of time mutually agreed upon by the taxing unit and the taxpayer; and
- Clarifying and ratifying that the abatement authority of a city or county extends to personal as well as real property and may apply to all or part of the value of each, and to leased and leasehold property.

Chapter 313 Value Limitation Agreements-

Chapter 313 agreements allow school districts to provide a temporary limitation on the taxable value of new property investments that are subject to the property tax. This program has been very successful in bringing new investments to Texas, many of which would not have located in the state if not for these tax abatements. Eligible projects include semiconductor manufacturing, chemical plants, auto manufacturing, research and development facilities, renewable energy, and nuclear energy projects. House Bill 3676 improves this valuable program by extending the sunset date from 2011 to 2014. This will provide projects with a long-planning horizon a reassurance that the state is committed to the program while permitting the Legislature to review its effectiveness.

HB 3676 (Chapter 313 Value Limitations)

by Representative Heflin and Senator Harris

House Bill 3676 reauthorizes the Chapter 313 value limitation agreements by:

- Extending the expiration date for Chapter 313, Tax Code (school tax limitations), to 2014 from 2011;
- Not holding a school district harmless if by a vote of 2/3 of the school board the district overrides a Comptroller recommendation to disapprove an application;
- Authorizing Payments In Lieu Of Taxes (PILOTs) to "protect the school district in the event the district incurs extraordinary education-related expenses related to the project that are not directly funded in state aid formulas";
- Limiting the authorization of PILOTs to \$100 per student per year over the life of the agreement;
- Applying a "clawback" penalty when a taxpayer fails to make the agreed to investment and create the required number of jobs; and
- Requiring the Legislative Budget Board to conduct an effectiveness and efficiency study and report to the 2011 Legislature.

Entertainment Industry Incentives-

The Moving Image Industry Incentive Program was created in 2005 to promote the entertainment industry in Texas. To guarantee Texas remains competitive in attracting entertainment investments to the state, legislators approved HB 873 this session. The bill fosters the native growth of the film, video, television, and digital interactive media production industries and indirectly creates anchoring jobs that stay here in Texas.

HB 873 (Entertainment Industry Incentives)

by Representative Dukes and Senator Deuell

House Bill 873 strengthens the state's investment in an industry that attracts other investment and creates jobs for Texans by:

- Requiring that at least 60 percent of funded projects be filmed in Texas, and increasing the size of state grants if a production company spends at least 25 percent of its filming days in underutilized and economically distressed areas; and
- Requiring that at least 70 percent of the production crew, actors, and extras for a project be Texas residents.

Business Margins Tax-

Small businesses make up a substantial portion of the Texas economy. During the first reporting year of the revised Texas Franchise Tax, or "margins tax," small businesses saw their franchise tax payments increase substantially, even doubling in some cases. The intent of the revised tax was to spread the tax burden equally across all taxpayers. However, small businesses ended up with a disproportionate share of the tax burden. House Bill 4765 provides relief to small businesses by increasing the "small business exemption" from \$300,000 to \$1 million for fiscal years 2010 and 2011 and \$600,000 thereafter.

HB 4765 (Margins Tax)

by Representative Oliveira and Senator Patrick

House Bill 4765 provides tax relief to some small businesses by:

- Raising the "small business" tax exemption to \$1 million for the years 2010 and 2011, and \$600,000 in future years;
- Raising the exemption to \$1 million, which equates to average tax relief of \$4,413 for approximately 40,000 taxpayers; and
- Maintaining the exemption at \$600,000, which coupled with lowering the EZ filing rate to .48 percent, equates to average tax relief of \$2,500 for approximately 60,000 taxpayers.

Property Appraisal Reform-

State law currently authorizes taxpayers to appeal property value determination to an Appraisal Review Board (ARB) and, if a taxpayer deems it necessary, to further appeal the ARB's decision to district court. Because the cost of appealing is expensive and time-consuming, many taxpayers decide not to pursue property value assessment appeals. House Bill 3612 creates a three-year pilot program in Bexar, Cameron, Dallas, El Paso, Harris, Tarrant, and Travis counties under which a property owner may appeal an ARB decision on real/personal property valued at over \$1 million to the State Office of Administrative Hearings (SOAH).

HB 3612 (Property Appraisal Reform)

by Representative Otto and Senator Williams

House Bill 3612 reforms Texas' property tax appraisal process by:

- Creating a pilot program to allow taxpayer appeals of ARB decisions involving property valued at more than \$1 million in certain counties to be heard by the SOAH; and
- Providing a lower cost alternative compared to an appeal in district court, which will promote confidence and professionalism in the appraisal system.

School Sales Tax Holiday-

Recognizing the current national financial crisis and its negative impact on Texas families, the Legislature adopted HB 1801. This law expands the state's sales tax holiday to include school supplies. The expanded holiday will begin at 12:01 a.m. on the third Friday in August, end at 12:00 midnight on the following Sunday, and apply to sales prices of less than \$100.

HB 1801 (School Tax Holiday)

by Representative Bohac and Senator Shapiro

House Bill 1801 expands the current sales tax holiday by including school supplies.

Veterans Tax Relief-

The Texas Legislature recognized and provided relief for the state's disabled veterans with the passage of HB 3613. This legislation is expected to save Texas disabled veterans approximately \$11.4 million over the next two years and would be a gesture of gratitude on behalf of the state of Texas.

HB 3613 (Veterans Tax Relief)

by Representative Otto and Senator Williams

House Bill 3613 recognizes Texas' disabled veterans' service to our country by:

- Providing for totally disabled veterans a 100 percent exemption on their local property taxes; and
- Amending the schedule of property tax exemptions for veterans with certain disability ratings.

School Appraisal Reform-

Current law requires the Comptroller of Public Accounts to annually conduct a property value study in each school district to ensure the equitable distribution of state funds to public schools. In passing HB 8, the Legislature requires annual value studies already being conducted by the Comptroller to include a study of the appraisal evaluation process in each county. This bill will increase accuracy and improve standards and practices of property appraisals in Texas.

HB 8 (School Appraisal Reform)

by Representative Otto and Senator Williams

House Bill 8 expands the scope of the current property value study in each school district case by:

- Allowing the Comptroller to do more focused analyses of school districts' taxable property by reducing the number of appraisal district valuations studied each year; and
- Ensuring appraisal districts will produce more accurate and professional valuations.

Environment:

HB 2259 (Inactive Oil and Gas Wells)

by Representative Crownover and Senator Duncan

House Bill 2259 protects the Oil Field Clean-Up Fund against future liability from inactive wells by:

- Raising accountability and responsibility of operations in a manner that balances risk and costs; and
- Directing the Railroad Commission of Texas to implement requirements for an extension of a deadline for plugging an inactive well and adding obligations for surface cleanup.

HB 469 (Clean Coal Incentives)

by Representative King and Senator Seliger

House Bill 469 creates significant incentives for the development of clean coal technology by:

- Directing the Comptroller of Public Accounts to issue franchise tax credits of 10 percent of the total capital costs or \$100 million per qualifying project, whichever is less;
- Authorizing that the current reduced severance tax rate for manmade CO₂ used in enhanced oil recovery would apply to the use of CO₂ from clean energy projects for 30 years; and
- Requiring the Bureau of Economic Geology to monitor, measure, and verify the permanent status of sequestered CO₂ generated.

HB 2667 (Plumbing Fixtures)

by Representative Ritter and Senator Hinojosa

House Bill 2667 establishes phase-in of high efficiency plumbing fixtures brought into Texas by:

- Allowing manufacturers the time to change their production; and
- Permitting retailers the opportunity to turn over their inventory.

HB 1796 (Carbon Capture and Storage, New Electric Technology Incentives, and Air Quality)

by Representative Chisum and Senator Watson

House Bill 1796 requires the Land Commissioner to contract with the University of Texas Bureau of Economic Geology (BEG) to conduct a study of state-owned offshore submerged land to identify potential locations for a carbon dioxide repository.

- The School Land Board will issue a request for proposals for the construction of infrastructure for transportation to and storage in the offshore repository; and

- The Texas Commission on Environmental Quality (TCEQ) will be required to adopt standards for monitoring, measuring and verifying the permanent storage status of the repository, and the BEG would perform those functions and serve as a scientific advisor.

House Bill 1796 also incorporates pieces of major air quality legislation by:

- Extending the Texas Emissions Reduction Program and fees to 2019;
- Requiring the TCEQ to provide grants for eligible projects at facilities or other stationary sources to offset the incremental costs of emissions reductions;
- Authorizing eligible projects to include advanced clean energy projects, new technology projects that involve capital expenditures that exceed \$500 million, and electricity storage projects related to renewable energy;
- Giving preference to projects that use Texas natural resources, contain an energy efficiency component, or include renewable energy; and
- requiring the TCEQ, Railroad Commission, and Public Utility Commission to jointly participate in the federal process for developing federal greenhouse gas reporting requirements and the federal greenhouse gas registry requirements.

SB 1387 (Regulatory Framework for Carbon Dioxide Storage and Sequestration)

by Senator Seliger and Representative Crownover

Senate Bill 1387 provides a state-level regulatory framework for the storage and sequestration of CO₂ into geologic formations that may contain oil or gas by:

- Giving the Railroad Commission jurisdiction over the injection of CO₂ into wells that are or may be productive of oil or gas. The Railroad Commission would also have jurisdiction over storage in a salt brine formation that exists above or below an oil or gas formation - "stacked storage";
- Requiring that before the Railroad Commission may issue a permit, the Texas Commission on Environmental Quality (TCEQ) must certify that underground fresh water supplies will not be injured by the permitted activity; and
- Calling for the TCEQ, the Railroad Commission, and The University of Texas Bureau of Economic Geology to conduct a study of and report back to the legislature on the appropriate agency to regulate the long-term storage of CO₂ into non oil or gas producing geologic formations.

SB 184 (No-Cost Greenhouse Gas Reduction Strategies)

by Senator Kirk Watson and Representative Chisum

Senate Bill 184 focuses on no-cost greenhouse reduction strategies by:

- Requiring the Comptroller of Public Accounts to prepare a report for the Legislature to include a list of strategies for reducing emissions of greenhouse gases in Texas that may result in net savings for consumers or businesses or can be achieved without financial cost to consumers or businesses in the state; and

- Providing for the appointment of one or more advisory committees to assist in identifying and evaluating greenhouse gas emission reduction strategies, including representatives from the Texas Railroad Commission, General Land Office, Texas Commission on Environmental Quality, Texas Department of Agriculture, and a Texas institution of higher education.

Health Care:

Physician Shortage-

Texas faces a shortage of primary care physicians, particularly in the 179 counties designated as "medically underserved areas." Primary care physicians provide the vast majority of preventive medicine and chronic disease care, and their work is critical to keeping Texans healthy. House Bill 2154 will encourage physicians to practice in medically underserved areas by substantially increasing funding for the Physician Education Loan Repayment Program.

HB 2154 (Physician Education Loan Repayment Program)

by Representative Edwards and Senator Hinojosa

House Bill 2154 seeks to increase the number of physicians practicing in medically underserved areas by:

- Requiring participating doctors to set up practices in underserved areas and to see Medicaid and/or Children's Health Insurance Program (CHIP) clients; and
- Increasing loan repayment assistance for participating doctors each year for up to four years - from \$25,000 in the first year to \$55,000 in year four.

Nursing Shortage-

Texas is currently short some 22,000 nurses, yet we turn away 8,000 qualified applicants for nursing school every year. This is primarily due to a shortage of qualified and willing faculty. House Bill 4471 enhances financial aid grants to nursing programs based on their ability to increase the number of nursing graduates.

HB 4471 (Nursing Financial Aid)

by Representative Kolkhorst and Senator Nelson

House Bill 4471 increases incentives to nursing schools to hire more teachers and graduate more nurses by:

- Requiring the commissioner of higher education to enter into a memorandum of understanding (MOU) with professional nursing programs that establishes agreed performance standards; and
- Providing additional funding contingent upon institutions meeting the benchmarks established in the MOU.

Medicaid Buy-In for Children with Disabilities-

Families caring for children with significant disabilities may have a difficult time affording necessary medical costs, and many do not qualify for coverage on the private market. These families often accrue significant debt and may even be forced to take lower paying jobs in order to meet Medicaid eligibility requirements. Senate Bill 187 will enable these families to care for their children at home, without spending their entire savings or going into considerable debt.

SB 187 (Medicaid Buy-In for Children with Disabilities)

by Senator Deuell and Representative Lucio III

Senate Bill 198 will improve care provided to children with disabilities and reduce financial burdens on working families by:

- Creating a Medicaid buy-in program for children with disabilities, as authorized by the federal Deficit Reduction Act of 2005;
- Targeting families with incomes below 300 percent of the federal poverty level; and
- Establishing monthly premiums on a sliding scale based on income.

Healthy Texas Program-

Health insurance premiums in the small group market are generally much higher than those available to large employers. As a result, approximately 68 percent of small employers in Texas do not currently offer health insurance for their employees. Senate Bill 6 establishes the Healthy Texas Program, a public-private partnership designed to provide affordable health insurance products to small employers.

SB 6 (Healthy Texas Program)

by Senator Duncan and Representative Zerwas

Senate Bill 6 seeks to increase the number of small businesses offering health insurance benefits, without affecting those businesses that already provide coverage by:

- Targeting businesses that do not currently offer health insurance and that employ a significant number of low-wage workers;
- Requiring participating small businesses to offer coverage to all eligible employees and to cover at least half of the premium cost; and
- Establishing the Healthy Texas Small Employer Premium Stabilization Fund to make available insurance products more affordable.

State School Reform-

Recent findings by the United States Department of Justice (DOJ) indicate that the care provided to individuals with intellectual or developmental disabilities in our state school system is lacking. Senate Bill 643 takes several important steps toward reforming our state facilities. House action expands these reform efforts by enhancing protections provided to individuals with disabilities who receive services in community-based settings.

Additionally, the Legislature passed SCR 77, approving the settlement agreement reached with the DOJ, and authorized \$45 million in supplemental funding to address shortcomings in Texas' state school system.

SB 643 (State School Reform)

by Senator Nelson and Representative Rose

Senate Bill 643 takes numerous steps to enhance the safety and quality of care provided to residents in Texas' state supported living centers (formerly known as "state schools") by:

- Creating an independent ombudsman to monitor state schools and to act as an intermediary between the facility and residents/families;
- Enhancing the involvement of the Health and Human Services Commission (HHSC) Office of Inspector General (OIG) in investigation procedures for reports of abuse, neglect, and exploitation;
- Mandating the use of video surveillance in the centers; and
- Introducing more stringent criminal background checks, comprehensive training requirements, and random drug testing of center employees.

In addition to these and other protections for state supported living center residents, SB 643 broadens protections for individuals with intellectual and developmental disabilities residing in community-based settings by:

- Requiring annual surveys of community-based group homes;
- Improving the state's ability to identify trends in abuse and neglect investigations in community settings; and
- For the first time, requiring the Department of Family and Protective Services (DFPS) to investigate allegations of abuse and neglect in private facilities.

Mental Health Services-

In 2007, the 80th Legislature made mental health funding a priority, with the goal of shifting crisis services from emergency rooms and jails to community providers.

The 81st Legislature continued the Mental Health Community Crisis initiative begun last session by:

- Increasing funding for community mental health services throughout the state by \$84 million; and
- Expanding transitional and intensive ongoing community mental health services to serve 5,600 additional children and adults each year.

Higher Education:

Top Tier Universities-

House Bill 51 is a major step toward raising the excellence of public universities in Texas. It sets up a framework to increase the number of Tier One universities in the state.

Currently, Texas has three Tier One universities, two public and one private: The University of Texas at Austin, Texas A&M University, and Rice University. The need for more such institutions is evident considering that other peer states such as California, New York, and Massachusetts, have 12, 9, and 7, respectively.

HB 51 (Tier One)

by Representative Branch and Senator Zaffirini

House Bill 51 provides our seven emerging research institutions a pathway to attain Tier One status. Emerging Texas universities include UT-San Antonio, UT-Arlington, UT-Dallas, UT-El Paso, the University of Houston, Texas Tech University, and the University of North Texas.

HB 51:

- Requires a long-term strategic plan for each research and emerging research university;
- Authorizes tuition revenue bonds for renovations related to Hurricane Ike at Texas A&M University at Galveston (\$5 million) and The University of Texas Medical Branch at Galveston (\$150 million);
- Establishes funding criteria as well as incentive grants for excellence programs at universities;
- Allocates the annual \$262.5 million Higher Education Fund to authorized institutions for FY 2011-2015 (funded through general revenue);
- Codifies provision of performance incentive funding to universities based on at-risk student enrollments and graduation rates of students in high-need fields;
- Changes constitutional Higher Education Fund to the National Research University Fund (NRUF) with approval from voters and specifies criteria for institutions to be eligible for proceeds from the fund to support research;
- Creates two other funds to support the development of national research universities in addition to NRUF:
 - Research University Development Fund (RUDF) based on research expenditures at eligible institutions.
 - Texas Research Incentive Program (TRIP) to match certain gifts and endowments at eligible institutions; and
- Creates a select interim committee to study the feasibility of collecting data and maintaining a searchable electronic database regarding technology research projects conducted at public universities.

SB 175 (Top 10 Percent Admissions Reform)

by Senator Shapiro and Representative Branch

Senate Bill 175 reforms the Top Ten Percent Admissions law will give officials at the University of Texas greater discretion and flexibility in admitting their incoming freshman class. Under the current law, a student's grade point average (GPA) is the single important indicator, and other talents, achievements, and work/life experience are excluded. This will benefit a wide range of students from across the state.

- Amends the Top Ten Percent law to allow UT Austin to cap the entering Top Ten Percent students to 75 percent of the freshman class. The remaining class would be admitted under a holistic review process;
- Codifies a Top Ten Percent scholarship program for Texas residents at public institutions;
- Limits students from other states and countries to no more than 10 percent of entering freshmen at UT-Austin;
- Takes effect in 2011, affecting students who are high school sophomores this year; and
- Gives the Legislature time to judge the impact of this policy by sunseting it in six years.

HB 58 (Advanced Research Program)

by Representative Branch and Senator Averitt

The Advanced Research Program (ARP) supports basic research in specified target areas and allows Texas faculty to create intellectual property.

- Allows private and independent institutions of higher education to participate in the ARP. The funding level is \$16.7 million for the biennium.

HB 101 (College Credit Earned in High School)

by Representative Brown and Senator Uresti

House Bill 101 cleans up some unintended consequences regarding formula funding calculations.

- Exempts semester credit hours that are earned before a student graduates from high school and that are used to satisfy high school graduation requirements would not be counted for purposes of determining whether the student has exceeded the limit of hours that can be counted for formula funding; and
- Recognizes that the limits were not intended to penalize students for excelling and taking dual credit, AP, or other advanced courses that earn college credit in high school.

HB 2425 (Summer Engineering Recruitment Programs)

by Representative Morrison and Senator Averitt

House Bill 2425 will encourage students to focus on fields of study where shortages exist, including science, technology, engineering, and mathematics (STEM).

- Includes private or independent institutions in the one-week summer engineering recruitment programs established by the Higher Education Coordinating Board; and
- Continues funding at \$1 million per year for 2010 and 2011.

HJR 14 (National Research University Fund)

by Representative Corte and Senator Duncan

House Joint Resolution 14 provides for a constitutional amendment.

- Establishes the National Research University Fund (NRUF) for the purpose of providing a dedicated, independent, and equitable source of funding to enable emerging research universities in Texas to achieve national prominence as major research universities; and
- If approved, this would repurpose the current funding in the Higher Education Fund (HEF).

SB 956 (UNT Law School)

by Senator West and Representative Branch

House Bill 956 authorizes the University of North Texas System board of regents to establish and operate a public school of law in the city of Dallas.

- Takes a significant step this session to enhance legal educational options for all students, especially historically underrepresented minority students; and
- Establishes a unique partnership between the University of North Texas, the State of Texas, and the City of Dallas.

HCR 288 (Tuition Relief for Texas College Students)

by Representative Branch

House Concurrent Resolution 288 sought to address the rising cost of college tuition. While the House of Representatives passed HCR 288, the measure ultimately failed when it was not voted on in the Senate. However, given the importance of this issue, most higher education systems have agreed to these tuition limitations.

- Restricts tuition growth to 3.95 percent for each of the academic years of 2010-2011, 2011-2012, and 2012-2013; and
- Establishes the academic year 2013-2014 increase as the greater of 3.95 percent or a the three year average of the Consumer Price Index (CPI) and the Higher Education Price Index (HEPI).

Human Rights/Equality:

HJR 39 (Ratification of 24th Amendment)

by Representative Allen and Senator Ellis

House Joint Resolution 39 provides for a constitutional amendment:

- Post-ratifying Amendment XXIV to the Constitution of the United States, which forbids conditioning the right to vote on payment of a poll tax, symbolically joining 41 other states in its adoption; and
- Requiring the Secretary of State to forward the official copies of HJR 39 to both Texas United States Senators and all Representatives from Texas, the Vice President of the United States, and the Speaker of the U.S. House and requests the resolution be printed in full in the Congressional Record.

HB 4114 (Tejano Monument)

by Representative Martinez Fischer and Senator Zaffirini

House Bill 4114 permits the development and placement of a bronze monument on the historic south Capitol grounds.

- Commemorating the 500-year contributions of Hispanics in Texas and the significant role they played in the creation of the state.

SB 482 (Holocaust and Genocide Commission)

by Senator Shapiro and Representative Chisum

Senate Bill 482 increases public awareness of the Holocaust and other instances of genocide by:

- Creating the Texas Holocaust and Genocide Commission to provide advice and assistance to public and private schools and institutions of higher education in implementing Holocaust and genocide-related courses and programs;
- Requiring the Commission to compile a list of volunteers—such as Holocaust or other genocide survivors, liberators of concentration camps, scholars, and members of the clergy—who have agreed to share their knowledge and experiences regarding the Holocaust or other genocide; and
- Coordinating Texas events memorializing the Holocaust and other genocides, such as International Holocaust Remembrance Day and the Days of Remembrance through this new commission.

Insurance:

Windstorm-

The Texas Windstorm Insurance Association (TWIA) was established by the 62nd Legislature to provide wind and hail coverage to applicants who otherwise might be unable to obtain insurance. TWIA took a financial pounding last year, depleting its financial reserves to pay out claims from Hurricanes Dolly and Ike. The current funding mechanism was developed in 1993, at a time when TWIA's exposure to loss was much lower. However, this funding mechanism has not kept pace with the level of damage recently sustained along the Gulf Coast. House Bill 4409 establishes a new funding mechanism for TWIA through a combination of bonds and assessments to insurers and policy holders. TWIA is authorized to write coverage in areas designated by the Commissioner of Insurance. Under HB 4409, the state is authorized to issue bonds of up to \$2.5 billion on behalf of TWIA after a storm. House Bill 4409 requires that the first \$1 billion in bonds be paid using TWIA premium revenue, and additional bonds are to be repaid by charges to coastal property and casualty policy holders and assessments to insurers.

HB 4409 (Windstorm Insurance)

by Representative Taylor and Senator Jackson

House Bill 4409 addresses the financial solvency of TWIA by:

- Authorizing the state to issue bonds on behalf of TWIA after a storm up to \$2.5 billion; and
- Requiring that the first \$1 billion in bonds be paid using TWIA premium revenue, with additional bonds to be repaid by charges to coastal property and casualty policy holders and assessments to insurers.

International Affairs:

Gang-related crime is becoming more prevalent in Texas as criminal street gangs from Mexico cross the border, recruit individuals, and commit criminal offenses. Gang-related crime is not restricted to the border region and continues to spread into large urban areas in Central Texas. Without in-depth reports from entities that deal with gang-related crime, efficiently addressing the problems associated with gang violence proves difficult. Senate Bill 379 requires the Texas Fusion Center to evaluate the threat posed by criminal street gangs.

SB 379 (Border Street Gangs)

by Senator Carona and Representative Guillen

Senate Bill 379 addresses the issue of border street gangs by:

- Requiring the Texas Fusion Center to submit an annual report to the governor and the legislature evaluating the threat of criminal street gangs and gang-related crime and recommending actions to address the problems associated with criminal street gangs and gang-related crime; and
- Tracking the following areas: threats posed to the infrastructure of Texas; recommendations on actions that can be taken to prevent human trafficking by street gangs; ways to reduce gang violence; and ways to prevent the proliferation of street gangs.

Land Owner Rights:

HJR 14 (Eminent Domain)

by Representative Corte and Senator Duncan

House Joint Resolution 14 proposes a constitutional amendment whereby:

- No property shall be taken without consent unless the taking, damage, and destruction is for the ownership, use, or enjoyment of the property by the state, a political subdivision, the public, or an entity granted the power of eminent domain;
- The definition of "public use" would not include the taking of property by the state or a political subdivision for transfer to a private entity for the purpose of economic development or enhancement of tax revenues; and
- New entities created that will have the power of eminent domain must receive affirmative votes by 2/3 of the members of the legislature.

Open Government:

In a free and open society, there exists an ongoing struggle to find a balance in the rights of the people and the press to be aware and cognizant of the actions of their government and elected officials. Texas and several other states have confronted this important public policy issue in a variety of ways. The passage of HB 670, known as the Free Flow of Information Act, protects journalists from having to reveal certain confidential sources in court. The bill grants a qualified privilege to journalists, enabling them to protect their sources and in many cases not to have to testify or produce notes and tapes in court gathered while acting as a journalist. The adoption of the bill makes Texas the 37th state with some form of shield law protection for journalists.

HB 670 (Free Flow of Information Act)

by Representative Martinez Fischer and Senator Ellis

House Bill 670 protects journalists from having to reveal certain confidential sources in court by:

- Striking a balance between protecting the rights of the people and the press; and
- Encouraging whistleblowers to come forward to reveal government corruption, public safety hazards, and corporate malfeasance.

Protecting Victims of Crime:

Protection for Children on the Internet from Sex Offenders-

With the ever-increasing use and development of cyber technology, sexual predators who look for victims on the Internet or social networking sites have ever-growing ways of preying upon children in Texas. Because current law does not require convicted sex offenders to disclose electronic identification information, law enforcement authorities often have difficulty identifying individuals who are accessing the Internet or social networking sites in violation of their parole conditions. Senate Bill 689 requires sex offenders to include e-mail addresses, cell phone numbers, and online identifiers, such as usernames, to the state. The state will make this information available to social networking sites for use in finding convicted sex offenders.

SB 689 (Internet Protection)

by Senator Shapiro and Representative Pena

Senate Bill 689 seeks to give law enforcement authorities and social networking sites additional information that can be used to track sex offenders online by:

- Requiring the court to prohibit registered child sex offenders from using the Internet to access material that is obscene.
- Prohibiting a registered child sex offender from using a commercial social networking site to communicate with an individual who is younger than 17 years of age; and
- Requiring DPS to establish procedures by which a commercial social networking site may request information about the sex offender.

Protection for Children from Online Harassment-

The harassment of children on the Internet is a growing problem that is compounded by technological advances in the electronic communication medium. House Bill 2003 makes this type of online harassment a punishable offense. This bill makes it a third-degree felony to use the name or persona of another person to create a web page or post messages on a commercial social networking site without obtaining the other person's consent.

HB 2003 (Online Harassment)

by Representative McCall and Senator Watson

House Bill 2003 punishes individuals who harass others online by:

- Creating an offense punishable as a third-degree felony for harmfully using someone else's name on a social networking site without their permission; and
- Creating an offense punishable as a Class A misdemeanor for inappropriately sending an e-mail, instant message, text, or other electronic communication in another person's identity without permission.

Protection for Domestic Violence Victims-

In domestic violence cases where the victim has been physically abused by strangulation, the abuse is statistically more likely to continue with even more aggressive and harmful acts. In fact, a domestic violence victim who has been strangled is nine times more likely to be killed than one who has not. House Bill 2066 increases the penalty for strangulation to a third-degree felony and keeps offenders incarcerated for longer periods.

HB 2066 (Domestic Violence Strangulation)

by Representative Gallego and Senator Nelson

House Bill 2066 addresses the seriousness of strangulation domestic violence cases by:

- Increasing the penalty for strangulation from a Class A misdemeanor to a third-degree felony;
- Increasing the penalty further if the strangulation or suffocation is against someone with whom the defendant had a personal relationship; and
- Giving prosecutors the discretion to try strangulation cases under the law that carries the most appropriate penalty.

Public Education:

Texas has long been a leader in public school accountability. Through the years, however, the current system has created only minimal progress. While students and schools have seen incremental improvements, assessment passing standards lack any link to success after graduation, whether for college or in the workforce. From the Texas high school graduating class of 2007, 10 percent of distinguished program graduates and 33 percent of recommended program graduates were not college ready in at least one subject area. Nationally, employers estimate that 45 percent of recent high school graduates are not adequately prepared with the skills and abilities they need to advance beyond entry-level jobs, and 85 percent of newly created U.S. jobs will require education beyond high school.

HB 3 (School District Accountability)

by Representative Eissler and Senator Shapiro

House Bill 3 sets the goal of college readiness for all Texas students and challenges the system to elevate Texas among the top 10 states in preparing students for college over the next 10 years. The bill also adds a distinction tier to the accountability system to recognize schools for success beyond just test performance.

Postsecondary Readiness

- For the first time in Texas, uses college readiness as an element of the accountability system by requiring districts and campuses to increase the number of students performing at the college readiness level; and
- Establishes a college readiness standard on the English III and Algebra II end-of-course exams and guarantees students who meet this standard are placed in credit-bearing courses in higher education for that subject.

Rigor and Relevance

- Establishes a strong academic core for students on the recommended plan with increased flexibility (six electives). On the recommended plan, students must earn four credits in each of the four core subject areas (4x4), two credits of the same foreign language, one physical education credit, one fine arts credit, and six electives selected by students and parents;
- Maintains high standards for students by requiring them to demonstrate knowledge on the end-of-course exams in each content area to graduate. Students must earn a cumulative score on assessments in each core subject;
- Requires third-grade students to be promoted based on a variety of factors, but maintains the current promotion requirements for grades 5 and 8. Allows the commissioner to intervene if schools inappropriately promote students; and
- Authorizes districts to provide math and science courses in an applied manner, while ensuring quality by requiring TEKS coverage and end-of-course exams.

Campus and District Recognition

- Provides for districts and campuses to earn recognized and exemplary designations for higher percentages of students meeting postsecondary readiness standards;

- Allows campuses to earn distinctions for outstanding academic achievement in the core subject areas, growth in student achievement, closing the gaps, fine arts, physical education, 21st Century Workforce Development, and second language learning; and
- Requires distinctions to be awarded using multiple measures of success.

Accountability Indicators

- Allows student growth to count toward meeting the passing and college readiness standards;
- Allows districts to meet the standard or use a three-year rolling average; and
- Provides districts a safety valve in meeting accountability indicators so long as the exceptions to meeting the standard are atypical and not persistent.

Interventions and Sanctions

- Grants campuses an additional year after reconstitution to meet accreditation standards;
- Provides the option of repurposing in lieu of closure;
- Allows the delay of alternative management, repurposing , and closure by one year if the commissioner determines that the campus is making significant progress toward accreditation; and
- Prohibits the commissioner from requiring the name of a campus to be changed.

Financial Accountability

- Charges the comptroller with identifying districts and campuses that use resource allocation practices contributing to high academic achievement and cost-effective operations; and
- Directs the agency to create a template utilizing district financial data and previous year, current year, and following two years categories to diagnose the financial health of the district.

HB 3646 (Public School Finance)

by Representative Hochberg and Senator Shapiro

Funding for public education in Texas comes primarily from local and state sources. Previously, school districts were frozen at a target revenue based on either their 2005-2006 or 2006-2007 total revenue. As anticipated, changes to the state's taxation structure in 2006 did not generate sufficient revenue to keep up with inflation and increased educational demands.

The purpose of HB 3646 was to return, to the extent possible, to a formula-driven public school finance system that improves equity, reduces recapture, provides increases in educator salaries, and addresses unintended consequences of HB 1 passed during the 79th Legislature, 3rd Called Session, 2006. Below are the highlights of HB 3646:

- Directs \$1.9 billion of new money into public schools;
- Increases aid to districts with low revenue targets;
- Improves equity by increasing the basic allotment, guaranteed yield, and equalized wealth level, putting districts with low-revenue targets back on to formula funding;
- Reduces recapture payments and eliminates recapture for 26 districts;

- Removes the mid-size adjustment exception for Chapter 41 districts;
- Provides every district a minimum \$120 per Weighted Average Daily Attendance (WADA) increase;
- Provides an across-the-board educator pay raise of the greater of \$800/year or each educator's share of \$60/WADA for the district;
- Includes speech pathologists in the educator pay raise, as well as all educators at charter schools and at Windham schools (within Texas Department of Criminal Justice);
- Allows districts to include Teacher Retirement System of Texas and Social Security payments in funds allocated for pay increases;
- Deletes the "TEEG" state-developed teacher incentive program and modifies the "DATE" locally developed incentive program grants to add emphasis on incentives for successful principals and teachers to move to challenging camp uses;
- Phases in the gain at \$350/year for districts gaining more than \$350/WADA from formula changes;
- Repeals set-asides from the Compensatory Education allotment;
- Establishes a permanent "roll-forward" for the Existing Debt Allotment (EDA) program;
- Establishes a new program to guarantee bonds for new school construction;
- Provides an additional \$50 career/tech allotment for students in sequences leading to certification and funding of certification exam fees;
- Provides a special allotment for Base Realignment and Closure students if funds are available;
- Provides funding for credit recovery classes for students;
- Enhances the operation and functions of the Virtual School Network;
- Establishes financial literacy as part of training in service centers and extends the financial literacy pilot program;
- Exempts districts from paying tuition for dual credit for two years and requires comprehensive review over the interim; and
- Modifies the school bus seat belt law to require districts to ensure new buses are equipped with seat belts only if the state provides a grant to that district.

HB 4294 (Electronic Instruction Material)

by Representative Branch and Senator Shapiro

House Bill 4294 allows school districts greater latitude in delivering instructional content in innovative ways. Nine years into the 21st century, we are still confining students' learning to 19th and 20th century content delivery systems. The world outside the classroom, however, has become increasingly digital, and we owe it to our students to give districts more flexibility to provide engaging, interactive instructional materials.

- Allows districts to select instructional materials and electronic textbooks from a list adopted by the commissioner in addition to traditional textbooks for foundation or enrichment courses;
- Entitles school districts that select electronic textbooks from the approved list to funding equal to the cost of the electronic textbook for the relevant course, plus any textbook

credits that would have accrued based on the selection of the textbook, multiplied by the number of electronic textbooks required;

- Allows funds to be used for the purchase of textbooks, electronic textbooks, or to supplement the district's technology allotment in order to purchase technological equipment to be used to provide access to approved instructional materials and electronic textbooks; and
- Increases instructional safeguards by requiring a classroom set of State Board of Education-approved textbooks for each subject in each grade level each year as well as verification that digital materials cover the state standards, (TEKS).

HB 2488 (A New Look At Textbooks)

by Representative Hochberg and Senator Ogden

House Bill 2488 addresses how the rapid growth of the Internet over the past decade has revolutionized the publishing industry by providing a fast, low-cost platform for the publication and sharing of printed materials online. Open-source publishing is one example of a new, cost-effective, internet-based mode for publishing curricular materials. These materials have copyright restrictions that allow them to be published and shared free online, either to everyone or to specific groups of students. An example of a specific group would be all students attending a specific university, or all third-grade students in a particular state.

- Statutorily recognizes open-source technology and provides a method to include open-source materials in the textbook adoption process, while removing requirements (such as use of depositories and providing samples) that do not make sense for open-source materials;
- Allows for a cost-effective way to get up-to-date information into the hands of students, while maintaining the formal review and adoption process through the State Board of Education; and
- Allows top-tier Texas universities and technical colleges to submit faculty-edited, secondary level, open-source textbooks for placement on conforming and nonconforming lists if the university certifies that high school students who successfully complete courses based on the texts will be adequately prepared for college-level course work at their institutions without remediation.

HB 171 (Consider Circumstances Before Disciplining Students)

by Representative Olivo and Senator Gallegos

House Bill 171 requires the consideration of mitigating factors before discipline. Many students are unreasonably disciplined because of a school district's choice not to consider mitigating factors when evaluating a student's action in a decision regarding suspension, removal, expulsion, or placement in a juvenile justice alternative education program. Previously, the law authorized, but did not require, school districts to consider mitigating factors. Such factors are clearly relevant and necessary in making a fair and impartial decision as to the manner in which a student is disciplined. House Bill 171 requires a school to consider mitigating factors such as:

- Self-defense;
- Intent or lack of intent at the time the student engaged in certain conduct;
- The student's disciplinary history; and
- A disability that substantially impairs the student's capacity to appreciate the wrongfulness of the conduct.

HB 4152 (Temporary Certifications)

by Representative Rose and Senator Van de Putte

House Bill 4152 addresses Texas' current shortage of teachers in areas such as special education, mathematics, science, and bilingual education. As a result of that shortage, many students are taught by out-of-field teachers, leading to lower student achievement in these areas. In addition, the rigid timetable for submitting paperwork and passing the Texas certification test is preventing some out-of-state teachers, who have recently moved to Texas, from being able to teach in a Texas classroom immediately.

- Helps to alleviate the teacher shortage by providing certified teachers from other states certification reciprocity to teach in Texas with a two-year temporary certification.

SB 1290 (Mentoring for New Teachers)

by Senator Van de Putte and Representative Farias

Senate Bill 1290 establishes a mentor program for new teachers. Texas' attrition rate is even higher than the national average. More than half of teachers leave the profession within the first five years of teaching. In an effort to increase retention rates, the State Board for Educator Certification required beginning teachers in Texas to be assigned a mentor and implemented a pilot mentoring program, the Texas Beginning Educator Support System (TxBESS). Evaluations of TxBESS and a number of other studies have shown a significant increase in the retention rates of teachers participating in a mentoring program. Demand is increasing for teachers to move into new fields, with or without full certification, and the state must find cost-effective ways to provide those teachers with the necessary support to help them and their students succeed.

- Authorizes school districts to assign a mentor to a teacher who has less than two years of teaching experience in a subject or grade level; and
- Gives schools districts the flexibility to assign mentors to teachers who are not necessarily new to the profession, but who have changed subject or grade level and need the help of a mentor in adjusting to their new responsibilities.

Transportation:

In 2007, the 80th Legislature passed a constitutional amendment (SJR 64) asking voters to approve the issuance of up to \$5 billion worth in bonds by the Texas Department of Transportation (TxDOT) for highway improvement. Proposition 12 was approved by 63 percent of Texas voters. During the 81st Regular Session, the debt service of \$100 million in General Revenue to support the issuance of \$2 billion in Prop 12 bonds was included in the 2010-2011 General Appropriations Act, SB 1 (81st Leg., Regular Session). SB 1 appropriated the \$2 billion of Prop 12 bond proceeds in the following manner: \$1 billion for new construction and right-of-way acquisition; and \$1 billion to fund the Texas Transportation Revolving Fund. The requisite enabling legislation was not enacted until the 1st Called Session beginning on July 1, 2009.

HB 1, 1st Called Session

by Representative Pitts and Senator Ogden

House Bill 1 authorizes the issuance of the Proposition 12 bonds by:

- Clarifying the contingency appropriation of Proposition 12 bonds and directing the deposit of \$1 billion in Proposition 12 bonds into the State Infrastructure Bank; and
- Allowing the bonds be issued over a 40-year period, instead of 30 years.

The \$2 billion in Prop 12 bonds will be distributed as follows:

- \$60 million for contracted planning and design in 2010;
- \$90 million for right-of-way acquisition in 2010;
- \$250 million for new construction contracts in 2010;
- \$600 million for new construction contracts in 2011; and
- \$1 billion for the state infrastructure bank in 2011.

HB1 also specifies that any money deposited into the State Infrastructure Bank may not be used for the purpose of converting a non-tolled road or highway to a tolled road or highway.