



TEXAS LEGISLATIVE STUDY GROUP

An Official Caucus of the Texas House of Representatives

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Legislative Study Group: 86th Legislature Session Wrap Up

RECOGNITION

The recent 2019 legislative session brought some important wins and some frustrating losses for members of the LSG. However, it is most important to recognize the dedication each member of the LSG showed through the ups and downs of the session, as we never wavered in our work to enact sound public policy for our constituents and the communities where we live. Your hard work and determination really does matter. Whether we were working across party lines to develop a consensus or standing in opposition to defend important policy priorities, we worked with purpose and respect. Please note that each member of the LSG is listed on LSG letterhead to honor the importance of working together to realize what can be achieved when we put aside our differences to do what is best for all Texans. **This session, the bills and amendments that you filed and supported, and your policy advocacy, made a very real difference.**

I also want to recognize the tireless work of the LSG staff, whose efforts made it possible to produce floor reports that analyzed every bill that went to the House floor.

Thank you,

Garnet F. Coleman
Chair, Legislative Study Group

OVERVIEW

Two years ago, the Legislature was mired in a contentious special session debating a “bathroom bill.” The House had worked hard to increase the state share of public education funding, an effort that was derailed by a Senate demand to use state education funds for private school vouchers. Absent additional state education funds, property tax relief was not possible.

By January 2019, things had changed. In 2018, voters said “enough” and made it clear they wanted the legislature to focus on the issues that directly impact their lives and livelihoods. From Day One, legislators from both parties made education funding and property tax relief the top priority, and significant progress was made. Unfortunately, efforts to expand health care coverage were not successful.

In the months leading up to the day the 87th Legislature convenes, the members of the LSG will continue working to develop proposals that build on our successes and address areas where the great state of Texas can do better for the people we are elected to serve.

A BIG WIN: HB 3, SCHOOL FINANCE AND PROPERTY TAX RELIEF

Students and educators benefit from a greater investment in our classrooms. **The passage of HB 3 marked a major victory for the LSG. In the 26 years since it was founded, the LSG has worked for many of the policy changes incorporated in HB 3.** The most visible benefits of HB 3 are now being seen in the budgets being passed this summer by local school districts. These budgets are directing money toward students who need it the most, as specified in the HB 3 funding formulas, including funds for pre-K expansion, bilingual education and more.

Most districts are approving salary increases for teachers and other district employees, as specified in the bill. For a complete and detailed description of the HB 3 provisions, [click here](#). In summary; HB 3 provides:

- \$11.6 billion state dollars, including \$6.5 billion for public education and \$5.1 billion for property tax relief;
- The increase in education funding includes \$2 billion designated to increase compensation for teachers, librarians, counselors, and nurses. Districts are required to use at least 30% of the additional funds to increase compensation for educators.
- Every district will receive additional funding through a statewide average increase of approximately \$1,020 per pupil increase in the basic allotment, from \$5,140 to \$6,160, although that amount does vary from district to district.

PRE-K EXPANSION HIGHLIGHTS POLICY IMPROVEMENTS

- After decades of working to enhance early childhood education, **HB 3 creates an Early Education Allotment that expands state funding for full-day Pre-K to all eligible students** (those that are economically disadvantaged or from families at 185% of poverty that qualify for free and reduced-price lunch programs). This is especially important because Pre-K is because is [key to closing the education achievement gap](#).
- **Compensatory Education Allotment.** HB 3 directs the TEA commissioner to create a five-tier index, based on census block data, consisting of weights of 0.225, 0.237, 0.25, 0.2625, and 0.275 for directing additional funding to economically disadvantaged students.
- **Educator Effectiveness Allotment:** HB 3 creates the Educator Effectiveness Allotment that lets school districts pay their teachers more if they teach in rural areas or those that serve low-income students.
- **Bilingual Allotment:** A new Bilingual Allotment is created for students who are not of limited English proficiency but are enrolled in a bilingual program through dual-language immersion, there is a weight of 0.05. For students who are of limited English proficiency but use a dual language program there is a weight of 0.15. For students who are of limited English proficiency but do not use a dual language program the weight is 0.1.
- **Dyslexia Allotment:** HB 3 creates a new allotment for students with dyslexia that has a weight of 0.1 multiplied by the number of students served. The weight for students who have been identified as having dyslexia or a related disorder will be calculated into the funding for their school district.

PROPERTY TAX RELIEF

HB 3 compresses school property tax rates by an average of 8-cents per \$100 valuation in 2020 and 13 cents per \$100 valuation in 2021. HB 3 also provides for an additional 2.5% tax compression in 2021. In 2020, this would amount to an annual tax cut of \$160 (about \$13 a month) for an owner of a \$200,000 home, and a tax cut of \$260 (\$21 a month) for that same home in 2021.

LOOKING FORWARD: POTENTIAL CHALLENGES TO THE PROGRESS OF HB 3

LSG members were proud to support HB 3 as advocates and co-sponsors. After years of cuts and a shrinking state share of education funding, HB 3 increased the state share of education funding from 38% to 45%, reversing a trend of declining state support for public education funding. However, like any legislation of this magnitude, there are areas that must be monitored should adjustments and improvements be warranted next session.

- HB 3 makes a long-overdue major state investment in public education by using available revenue, **but it does not provide a reliable state revenue source that will be necessary to realize a truly transformational, long term school finance solution** when times are tough. Future legislatures will face serious challenges if state revenue is not readily available to support public education and maintain the level of tax rate compression in HB 3.
- **In terms of equity**, additional state funding via the basic allotment prevents widening the “equity gap,” at this time, but the impact of additional tax rate compression could force future legislatures to address equity issues.
- HB 3 property tax relief provisions are driven by tax rate compression that primarily benefits the wealthiest corporate and individual property owners instead of the typical homeowner, who would benefit more from increasing the homestead exemption.

- There are no provisions in HB 3 that would make sure property tax relief would be passed through to rent reductions for millions of Texans who pay rent.
- Special education funding was delegated to the TEA Commissioner and is not resolved.

Finally, a recent [Texas Tribune report](#) indicated that some districts are not receiving as much funding as the initial runs may have indicated. This kind of thing does happen but let this serve as a reminder that it is important to stay in touch with your local school districts as this important legislation is implemented.

HJR 3 – SALES TAX INCREASE DEFEATED

Late in the session, state leaders proposed a one cent increase in the state sales tax to generate additional revenue to buy down property tax rates. Had the proposal passed, Texas would have tied California for the highest sales tax in the country. LSG members opposed this regressive revenue proposal as it floundered in the face of a Legislative Budget Board analysis that indicated Texans making less than \$100,000 a year would see their total tax burden increase, while wealthier Texans would benefit. When anti-tax conservatives joined the opposition to HJR3, the bill was dead. The demise of HJR3 provides an important lesson as we look forward to seeking a reliable revenue source for our schools and property tax relief.

SB 2 REVENUE CAPS COULD CREATE PROBLEMS, NOT A SOLUTION

The LSG made an “unfavorable” recommendation on the final version of SB 2, based on important public policy concerns. As passed, SB 2 set a revenue increase cap at 3.5% over the previous year, and any revenue increase above that limit would trigger a mandatory election for taxing units, with the exceptions of hospital districts, community college districts and units with less than 2.5% Maintenance and Operation (M&O) rate. School districts are limited to a 2.5 % revenue growth cap. Currently, exceeding the 8% cap rate would require voters to petition for a rollback election.

Although state leaders pitched SB 2 as property tax relief, Chairman Burrows, the bill’s House author, stated on the House floor that SB 2 would not cut property taxes while saying it could only slow the growth of property taxes. [A recent op-ed column](#) by former Harris County Judge Ed Emmett, a Republican, made the case that revenue caps would not benefit local taxpayers.

In Texas, local government services are essential to support rapid economic and population growth and the quality of life that major businesses expect for their employees. Local government leaders, without regard to their political affiliation, expressed serious concerns regarding the potential reduction in essential local services that could result from a 3.5% revenue cap, warning that a 3.5% cap is not sufficient to cover fixed costs of their existing needs like public safety, road maintenance and improvements, parks, libraries, and other basic services.

Consider that fact that in many localities a majority of city revenue goes to support public safety. Instead of exempting public safety from the revenue cap, the final version of SB 2 included a provision that prohibits pay cuts for first responders in response to the budget limitations resulting from the revenue cap, a provision that could force cuts in other essential services.

HEALTH CARE: THE NEGLECTED PRIORITY

Texas has the most people and the highest percentage of our population without health care coverage. Although there were some good bills passed, the legislature did nothing to expand coverage at a time when the state Attorney General is in federal court trying to eliminate the Affordable Care Act. According to the Center for Public Policy Priorities, if he is successful and the ACA is struck down, **another 1.7 million Texas will be uninsured (a 37% increase in the rate of uninsured Texans) and 11.6 million Texans could be at risk of losing coverage for preexisting conditions.**

Several LSG members filed legislation or offered amendments to expand Medicaid coverage to Texans in need of health care coverage but these efforts were given little or no consideration by state leaders, even though only 13 states have not yet expanded Medicaid. In fact, a majority of both Republican-controlled and Democratic-controlled states have expanded Medicaid because it’s a matter of dollars and sense. Meanwhile, Texas taxpayers have watched as hundreds of millions of our federal tax dollars go to other states because they recognize Medicaid expansion is good for their economy, their taxpayers and their health.

HEALTH CARE HIGHLIGHTS

- **LSG members worked to increase state budget funding (all funds) for women's health services by \$62 million in the coming biennium.**
- HB 2536 improves transparency of prescription drug price hikes and HB 1941 and HB 2041 address unscrupulous marketing and billing practices by some freestanding ER facilities.
- SB 1264 will prevent "surprise" medical bills for patients with health insurance overseen by Texas state agencies and SB 1037 will prevent surprise medical bills from harming Texan's credit histories – providing meaningful consumer protections.
- Several reforms to Medicaid Managed Care were passed but stricter accountability measures for insurers were not enacted.
- HB 1518(SB 349) prohibited minors from purchasing over-the-counter cough syrups that contain the drug dextromethorphan, a drug found in over-the-counter cough syrup that is mixed with alcohol to create a deadly high, as described in this [Texas Tribune story](#).
- HB 4289(SB 2256), created a safety net for Local Provider Participation Funds (LPPFs) that allow local public and non-profit hospitals to pool their money and receive matching funds from the federal government to help provide care and pay for medical costs. It was important to pass this bill before the 1115 Transformation Waiver, and the funds it provides, expired.

HEALTH CARE LOWLIGHTS

- Several LSG members filed bills or offered amendments to expand Medicaid, but with state leaders actively trying to dismantle the ACA in court, the Medicaid expansion proposals to cover working-poor adults were never seriously considered (HB 565, HB 590/HJR 40, HB 816, HB 840/HJR 46, HB 1210, HB 1913, HB 2308, HB 4204, HJR 92, SJR 34, SB 327; SB 524, SB 1321). Only HB 565 by Chairman Garnet Coleman received a hearing.
- Bills to extend the length of Medicaid maternity coverage to a year after birth (HB 744/SB 147, HB 241, HB 411, HB 610) were not passed in the Senate despite the fact recommendations from the Maternal Mortality and Morbidity Task Force, and passage by the House.
- Children's health coverage (HB 342/SB 637, HB 829) was delayed in the House and then denied in the Senate, so thousands of eligible kids will continue to be denied CHIP coverage each month.

WOMEN'S HEALTH AND REPRODUCTIVE FREEDOM

Fortunately, LSG members successfully worked to increase **state funding for women's health services by \$62 million in the coming biennium**. We also worked to defeat most of the more extreme anti-choice proposals, such as CSHB 2359, which would have extended the death penalty to abortion and others that would have stigmatized women and required doctors to provide inaccurate information to their patients ultimately failed, but two harmful bills did pass.

- SB 22 prohibits government entities from providing anything of value to an abortion clinic or an affiliate, even if the money isn't explicitly for abortions or the clinic doesn't perform the procedure. The bill prohibits any "taxpayer resource transactions," a term with such a broad definition that providers like Planned Parenthood could be prohibited from providing cancer screenings, HIV tests and a wide range of women's health services that would otherwise be unavailable or unaffordable in communities all over the state. The bill's author says the state's Healthy Texas Women program will fill any gaps left by abortion providers or affiliates after they lose local government assistance or partnership, but that program has failed to expand women's health services in any meaningful way since it was launched in 2011.
- HB 16 would criminalize physicians who don't care for babies born after an unsuccessful abortion, although that has never occurred in Texas, according to official state health data.

DISASTER RECOVER AND MITIGATION

In the wake of Hurricane Harvey, several bills were filed and passed to improve the ability of state and local government to respond to and mitigate the future impact of natural disasters.

- HB 4279 and HJR 114 would have provided \$10 Billion in general obligation bonds for grant funding for disaster response, recovery, mitigation, and general infrastructure.
- HJR 145 would have provided additional funding, but the bill died in the Senate.

Although these bills did not pass, they influenced the policies that made more grants available and authorized the use of general obligation bonds to make larger investments.

- **Those policies were included in HJR 4**, which, if approved by the voters this November, will authorize the sale of general obligation bonds to fund flood infrastructure and assist in the financing of drainage, flood mitigation, and flood control projects. Additionally, the Legislature provided for \$1.7 billion out of the Economic Stabilization Fund for disaster mitigation and recovery projects.
- **Additional disaster funding** included more than \$2 billion from the Economic Stabilization Fund (ESF) to the Governor's office for disaster grants, \$638 million for local matching funds for FEMA Hazard Mitigation and Public Assistance grants related to Hurricane Harvey damage, and \$47 million for state flood risk mapping at the Water Development Board.
- SB 812/HB 1842 ensures that any homeowner who receives federal disaster funds to help rebuild their home is not unfairly subject to having their repairs deemed "new improvements" under their property tax appraisal.

SCHOOL SAFETY

Several bills were passed this session to improve school safety. SB 11 requires schools to adopt a Multi-Hazard Emergency Operations Plan (MHEOP) and to form a school safety committee and assigns the Texas School Safety Center to verify the plans. School districts would be held responsible if they fail to adopt a plan and appoint the committee. Among the many provisions adopted by the bill are policies for behavioral health training accountability, trauma training for teachers, and the creation of the Texas Mental Health Care Consortium to bring together psychiatric professionals from higher education institutions and mental healthcare providers to improve access to child mental health services. SB 11 also:

- requires the TEA Commissioner to adopt rules to ensure that building standards provide a safe and secure environment;
- requires teachers, including substitute teachers, to receive safety training and also requires them to have access to a phone or electronic device to connect with first responders in the event of an emergency;
- requires a mental health authority to employ a non-physician mental health professional to provide training and serve as a resource for school districts via their regional education service center. The non-physician mental health professional will act as a resource and provide training to school district personnel, but this person may not treat or provide counseling to a student or provide specific advice to school district personnel regarding a student;
- requires districts to notify parents when a threat is received;
- limits mandatory school drills to eight, including evacuation fire drills and lock down, lockout, shelter-in-place drills;
- requires schools to establish threat assessment teams and a Safe and Supportive School Program and Team;
- expands the behaviors that could result in the student receiving threat assessment to include threats of sexual harassment, dating violence, stalking, self-harm, bullying, cyberbullying, fighting or possession of a weapon or assault;
- adds language to allow for the anonymous reporting of dangerous, violent or unlawful activity which occurs or is threatened on school property or which relates to enrolled student or school personnel;
- trains educators in trauma-informed care. Provides for locally adopted optional training in healthy interpersonal relationships;
- allows schools to use bond money to retrofit vehicles for school safety purposes;
- provides funding through a school safety allotment for security and mental health measures;
- requires Community College Presidents to sign off on the MHEOP; and
- requires school districts to incorporate instruction in digital citizenship and include information on the potential consequences of cyberbullying.

CRIMINAL JUSTICE REFORM

LSG members supported a very important criminal justice reform proposal that was informed by last session's Sandra Bland Act. The common sense proposal would have limited arrests for fine-only offenses for which jail time is not a penalty. Two bills, HB 4571 and HB2754, appeared to have bipartisan support at one point, as did an amendment to

SB 815, but all failed in the face of sudden, late opposition that mischaracterized this solid policy proposal. Although that proposal did not pass, **HB 4468, which also built upon the Sandra Bland Act, did pass**, and enacts several important policy improvements, including:

- Improved mental health transportation policy;
- strengthens the Texas Commission on Jail Standards oversight of privately-operated jails;
- expanding the prisoner safety fund to jails with 288 beds or fewer from 96 beds or fewer;
- allows for in-kind contributions for healthy community collaboratives and lowers the match rate amount for rural counties;
- requires jailers to be enrolled in basic training within 90 days of receiving their temporary license; and
- prevents a temporary jailer from becoming a supervisor.

SEXUAL ASSAULT AND HUMAN TRAFFICKING

The longtime work of LSG members on the state's policy towards sexual assault and human trafficking lead to several bills passing with bipartisan support this session. Additional state funding was also included in the budget to support this legislation

- **HB 8, also known as the Lavinia Masters Act**, will tackle the state backlog of untested rape kits. HB 8 requires the state to audit the number, location and status of all filed rape kits, which could number in the thousands. The bill establishes a 90-day timeline for labs to test rape kits after receiving the evidence and removes the statute of limitations for sexual assault for cases where the evidence hasn't been subject to forensic testing.
- **SB 71** creates a "statewide telehealth center" to connect medical providers performing sexual assault exams with nurses trained in those exams
- **HB 1590** creates the Sexual Assault Survivors' Task Force to advise the Attorney General's office on rules regarding evidence in sexual assault cases and improve training for officers handling those cases.
- **HB 2613** makes it a crime to operate a stash house used to facilitate crimes such as prostitution or human trafficking.
- **SB 20** enacts protections for human trafficking survivors and increases penalties for individuals involved in online human trafficking.

VOTING RIGHTS AND STOPPING VOTER SUPPRESSION

When the Senate-passed SB 9 came to the House, LSG members joined voting rights activists in a successful effort to prevent the passage of onerous provisions that would have restricted voter registration efforts, allowed poll watchers to interfere with voters and election officials in the polling place, and allowed the Attorney General to gather and manage of the same type of flawed data that was used in the Secretary of State's attempted purge of thousands of citizens who were legitimately registered to vote.

PROTECTING LOCAL CONTROL AND WORKER'S RIGHTS

A series of bills (SB's 2485, 2486, 2487, 2488) that would have prevented local government from adopting any policies on employee benefits, including health care coverage and paid sick leave, was ultimately defeated. These bills would have resulted in a state takeover of local employment and worker's rights policy.

DISCRIMINATION IN THE NAME OF RELIGION CODIFIED: SB 1978

Despite firm opposition from LSG members, SB 1978 passed and was signed into law. The bill prohibits a governmental entity (city, county, etc.) from taking any "adverse action" against any person based wholly or partly on the person's membership in, affiliation with, or contribution, donation, or other support provided to a religious organization. The sole purpose of this bill was to allow businesses and individuals to discriminate against members of the LGTBQ community under the subterfuge of religious beliefs. In a session where numerous discriminatory bills were filed, this is the one that ultimately passed over the opposition of LSG members.