

SENATE:

The Senate was in session on Tuesday and Wednesday of this week conducting routine business.

Senate Committees – Lt. Governor Dan Patrick announced Senate committee assignments last Friday. Patrick said, “The appointments I am making today call on all senators, including freshmen in both political parties, to play a significant role in crafting the bold and visionary public policies that will help accomplish the goals I identified in my inaugural speech - and set the stage for an even greater Texas for future generations. These committee assignments reflect the proven leadership, commitment, solid work ethic and wide range of expertise of the 31 senators who have been elected by the people of Texas to represent them. I am confident they can make this the most productive and successful legislative session in Texas history.”

Senate Committees and Chairs:

Agriculture – Bob Hall (R-Edgewood)

Administration – Bryan Hughes (R-Mineola)

Business & Commerce – Kelly Hancock (R-North Richland Hills)

Criminal Justice – John Whitmire (D-Houston)

Education – Larry Taylor (R-Friendswood)

Finance – Jane Nelson (R-Flower Mound)

Health & Human Services – Lois Kolkhorst (R-Brenham)

Higher Education – Brandon Creighton (R-Conroe)

Intergovernmental Relations – Eddie Lucio, Jr. (D-Brownsville)

Natural Resources & Economic Development – Brian Birdwell (R-Granbury)

Nominations – Dawn Buckingham (R-Lakeway)

Property Tax – Paul Bettencourt (R-Houston)

State Affairs – Joan Huffman (R-Houston)

Transportation – Robert Nichols (R-Jacksonville)

Veteran Affairs & Border Security – Donna Campbell (R-San Antonio)

Water & Rural Affairs – Charles Perry (R-Lubbock)

Facts About Senate Committees:

Number of Committees – The number of Senate committees increased from 14 to 16.

Republican Committee Chairs – In 2017, Republicans chaired 12 of the Senate’s 14 committees. In 2019, Republicans chair 14 of the Senate’s 16 committees. *Note: 61 percent of the Senators are Republican; Republicans chair 87 percent of Senate committees.*

Democratic Committee Chairs – In 2017, Democrats chaired two of the Senate’s 14 committees – Eddie Lucio, Jr. (Intergovernmental Relations) and John Whitmire (Criminal Justice). Those chairs remain the same although the

number of Senate committees increased to 16. *Note: 39 percent of the Senators are Democrats; Democrats chair 13 percent of Senate committees.*

Next Week: The Senate will reconvene at 3:00 p.m. on Monday, January 28, 2019.

HOUSE:

The House was in session Tuesday and Wednesday of this week. House committee assignments were released on Wednesday. Speaker Dennis Bonnen said, "As Speaker, my goal is to preside over the Texas House in a way that allows members to drive its priorities – and a member-driven House calls for member-driven committee assignments. After thoughtful consideration, these committee assignments have been made to reflect the seniority and personal preferences of members and the diverse demographics of the Texas House. I believe these committee assignments will allow every member to represent his or her district and bring the member's individual strengths to the table, while also providing more opportunities for individual members to participate in policymaking decisions that affect all Texans." Speaker Bonnen pointed out some things he did to increase House member participation on the committees. He:

- Appointed at least 9 House members to serve on each substantive committee, allowing more members to be involved in various policymaking areas and creating a broader overlap of members serving on various committees;
- Increased efficiency by reducing the number of standing House Committees from 38 to 34;
- Elected not to form Select Committees, thereby giving deference to the committee structure approved by the House membership in the House Rules; and
- Chose not to appoint chairs of other committees to simultaneously serve on the House Calendars Committee.

House Committees and Chairs:

Dean of the Texas House – Tom Craddick (R-Midland)

Speaker Pro Tempore – Joe Moody (D-El Paso)

Agriculture & Livestock – Drew Springer (R-Muenster)

Appropriations – John Zerwas (R-Fulshear)

Business & Industry – Trey Martinez Fischer (D-San Antonio)

Calendars – Four Price (R-Amarillo)

Corrections – James White (R-Hillister)

County Affairs – Garnet Coleman (D-Houston)

Criminal Jurisprudence – Nicole Collier (D-Fort Worth)

Culture, Recreation & Tourism – John Cyrier (R-Lockhart)

Defense & Veterans' Affairs – Dan Flynn (R-Van)

Elections – Stephanie Click (R-Fort Worth)

Energy Resources – Chris Paddie (R-Marshall)

Environmental Regulation – J. M. Lozano (R-Kingsville)
General Investigating – Morgan Meyer (R-Dallas)
Higher Education – Chris Turner (D-Grand Prairie)
Homeland Security & Public Safety – Poncho Nevarez (D-Eagle Pass)
House Administration – Charlie Geren (R-Fort Worth)
Human Services – James Frank (R-Wichita Falls)
Insurance – Eddie Lucio, III (D-San Benito)
International Relations & Economic Development – Rafael Anchia (D-Dallas)
Judiciary & Civil Jurisprudence – Jeff Leach (R-Plano)
Juvenile Justice & Family Issues – Harold Dutton, Jr. (D-Houston)
Land & Resource Management – Tom Craddick (R-Midland)
Licensing & Administrative Procedures – Tracy King (D-Batesville)
Local & Consent Calendars – Geanie Morrison (R-Victoria)
Natural Resources – Lyle Larson (R-San Antonio)
Pensions, Investments & Financial Services – Jim Murphy (R-Houston)
Public Education – Dan Huberty (R-Humble)
Public Health – Senfronia Thompson (D-Houston)
Redistricting – Phil King (R-Weatherford)
Resolutions Calendars – Ryan Guillen (D-Rio Grande City)
State Affairs – Dade Phelan (R-Nederland)
Transportation – Terry Canales (D-Edinburg)
Urban Affairs – Angie Chen Button (R-Garland)
Ways & Means – Dustin Burrows (R-Lubbock)

Facts About House Committees:

Number of Committees – The House has 34 standing and procedural committees. In 2017, there were 38.

Republican Committee Chairs – Republicans are chairing 22 of the House’s standing and procedural committees. In 2017, Republicans chaired 25 of the House’s standing and procedural committees. *Note: Republicans make up 56 percent of the House; Republicans chair 65 percent of House committees.*

Democratic Committee Chairs – Democrats are chairing 12 of the House’s standing and procedural committees. In 2017 Democrats chaired 13 of the House’s standing and procedural committees. *Note: Democrats make up 44 percent of the House; Democrats chair 35 percent of House Committees.*

Additional Statistics Provided by the Speaker – Speaker Bonnen released the following statistics about the House committee assignments:

- The current makeup of the Texas House is 82 Republicans and 64 Democrats (with 3 vacant seats).
- Including the Speaker Pro Tempore (a leadership position equivalent to a chair), 22 Republicans and 13 Democrats received chair positions.

Of the 34 standing committees:

- 19 chairs and 22 vice chairs are women, African-American, Hispanic or Asian-American;
- 15 chairs represent rural areas of the state, while 20 chairs represent urban areas; and

- 15 chairs will be serving in that committee leadership role for the first time.

Next Week: The House will reconvene at 4:00 p.m. on Monday, January 28, 2019.

BUDGET:

Senate Finance Committee – The Senate Finance Committee held an organizational meeting **on Tuesday**. Senator Jane Nelson (R-Flower Mound) Chair of the committee said, "I am ready to get to work on crafting a responsible budget that adds resources to education, gives teachers a raise, funds enrollment growth, enhances school safety and reduces our reliance on recapture under the so-called Robin Hood system. We will prioritize mental health, transportation, public safety and other important issues. I am personally committed to making sure this budget helps victims of sexual assault, domestic violence and human trafficking." Senator Nelson outlined the provisions of SB 1 and SB 500, the supplemental appropriations bill. Comptroller Glenn Hegar gave an overview of the state's fiscal outlook. The committee also received an overview of **SB 1** from John McGready and Leora Rodell of the Legislative Budget Board. Highlights of their presentation include:

Public Education:

- \$3.7 billion for a teacher salary increase, contingent on legislation
- \$2.3 billion for providing property tax relief and reducing reliance on recapture, also contingent Foundation School Program (FSP): Fully funded at current law; reflects a reduced GR need of \$1.6 billion
- TRS-Care: \$231 million in additional funding to maintain 2019 premiums/benefits

Medicaid:

- \$2.0 billion All Funds increase, supporting caseload growth and maintains 2019 average costs. More favorable FMAP (federal funds) results in net \$1.4 billion GR decrease.

Transportation:

- TxDOT funding includes \$31.3 billion in All Funds, including \$5.0 billion in sales tax deposits (Prop 7) and \$4.3 billion in oil/gas revenue transfers (Prop 1)

Higher Education:

- 2018-19 biennial formula rates are largely maintained;
- funding for Texas State Technical Colleges are increased by \$30 million to fund Returned Value formula at 36 percent
- Graduate Medical Education (GME) funding is increased by \$60 million to meet the 1.1-to-1.0 ratio
- \$100 million contingency to Coordinating Board for the Texas Mental Health Care Consortium

Human Trafficking:

- \$89 million (\$64 million increase) for prevention, investigation and prosecution of human trafficking-related activities

Sporting Goods Sales Tax:

- Parks and Wildlife Department and Historical Commission are funded at the maximum allocation of SGST, an increase of \$90 million

On Wednesday, the Senate Finance Committee received an overview of **SB 500**, the supplemental appropriations bill as introduced, from John McGready of the Legislative Budget Board. Highlights of the presentation include:

General Revenue - \$1.7 billion

- FY2019 Medicaid shortfall: \$2.1 billion GR, \$4.4 billion All Funds
- Foster care shortfall: \$84 million
- Correctional Managed Health Care shortfall: \$160 million
- Foundation School Program savings: projected \$643 million in reduced state cost

Economic Stabilization Fund - \$2.5 billion

- Hurricane Harvey funds: At least \$1.2 billion in funds addressing Harvey impact, including approx. \$900 million for public schools
- School safety and hardening: \$100 million
- Governor’s disaster grants: \$100 million
- Texas Guaranteed Tuition Plan: \$211 million
- State hospital construction: \$300 million
- State pension liabilities: \$300 million each for ERS and TRS

PUBLIC EDUCATION:

Comptroller Report on the Texas School Finance System – On Thursday, Comptroller Glenn Hegar released a report “*Texas School Finance – Doing the Math on the State’s Biggest Expenditure*,” which examines the history and intricacies of the Texas school finance system. Comptroller Hegar said, “In 2016, the Texas Supreme Court ruled that the school finance system ‘meets minimum constitutional requirements but needs transformational, top-to-bottom reforms.’ One issue that undoubtedly will dominate discussion and debate during the 2019 legislative session is a perennial one for Texas: public education and the way in which we pay for it. It’s my hope that this report will give lawmakers and all interested Texans a clearer view of what has proved to be one of the thorniest and most persistent public policy challenges facing our state.” The report noted:

- Texas public schools serve more than 5 million students.
- Property tax bills are rising sharply, placing a growing burden on Texas businesses and homeowners.
- Texas’ primary vehicle for ensuring equity, recapture, accounts for a growing portion of overall funding.
- Strong economic growth and current funding formulas will ensure that the local share of funding and recapture payments both continue to rise.
- Growing enrollment, especially among low-income and other disadvantaged students, will continue to exert upward pressure on funding needs.

- Any consideration of the sources of school funding should take into account their inherent volatility and their long-term ability to grow with funding needs.
- State policymakers should weigh the establishment of a standard for the relative state and local shares of public school funding.

Hegar noted that most of the problems surrounding school finance are built into the funding formulas of the current system. He concluded, "Right now, due to those formulas, rising property tax collections are actually reducing the state's share of the total bill, forcing schools to rely increasingly on their own taxes despite widespread taxpayer dissatisfaction. It's a situation that could have serious implications for our state's remarkable economic success."

Next Week: The **House Public Education Committee** will meet on Wednesday, January 30, 2019 at 8:00 a.m. in E2.036 of the capitol extension for an organizational meeting and to take invited testimony from Texas Education Agency on public education issues.

TAX:

Senate Committee on Property Tax – About his appointment as Chair of the newly formed Senate Committee on Property Tax, Senator Paul Bettencourt (R-Houston) said, "I want to commend Lt. Governor Patrick's leadership on this important issue, and I am honored to serve as the Chair of the Senate Property Tax Committee. Taxpayers in major metropolitan areas have been feeling the crushing effects of skyrocketing property tax bills for several years. For example, the average Houston homeowner has endured a 37 percent increase on their property tax bill in just four years from 2013 - 2017, while the annual property taxes on a Dallas home have climbed 33 percent to over \$5,000. Similar increases have Texans everywhere paying more on their property tax bills. Texans have made it clear that they will not stand for anything less than meaningful property tax reform and relief this legislative session. As appraised values go up property tax rates must come down. This is no longer just a Houston problem, a Dallas problem, or an Austin problem. . .this is an everywhere problem. I look forward to working with Lt. Governor Patrick, the Texas Senate, and our colleagues in the Texas House of Representatives to pass meaningful property tax reform for hard pressed taxpayers all across the State of Texas."

House Ways and Means Committee – About his appointment to chair the House Ways and Means Committee, Representative Dustin Burrows (R-Lubbock) said, "This is going to be a critical session to address tax reform. Taxpayers are looking for solutions this legislative session and I share Speaker Bonnen's optimism that we are going to be successful moving forward. I am looking forward to fighting for all Texans this legislative session. I believe this committee will give taxpayers a strong voice as we look to keep Texas the best state in the nation to raise a family."