

The 87th Session of the Texas legislature adjourned *Sine Die* today.

Leadership Priority Issues –Here is a run-down of the final status of the priority issues for Governor Greg Abbott, Lt. Governor Dan Patrick, and Speaker Dade Phelan taken up by the 87th Legislature:

Governor Greg Abbott’s Legislative Priorities:

Emergency Items:

- **Expanding Rural Broadband Access** – **HB 5** by Chris Paddie (R-Marshall) and Robert Nichols (R-Jacksonville) - *House and Senate adopted the conference committee report*
- **Preventing Local Defunding of Police** – **SB 23** by Joan Huffman (R-Houston) and Tom Oliverson (R-Cypress) – *Senate and House adopted conference committee report*
- **Bail Reform** – **HB 20** by Andrew Murr (R-Junction) and Joan Huffman (R-Houston); and **HJR 4** by Kyle Kacal (R-College Station) and Joan Huffman (R-Houston) – *HB 20 – Senate adopted the conference committee report but the House did not; HJR 4 – Senate adopted the conference committee report but the House did not* **DEAD**
- **Election Integrity** – **SB 7** by Bryan Hughes (R-Mineola) and Briscoe Cain (R-Deer Park) – *Senate adopted conference committee report; discussion on SB 7 in the House ended at 10:40 on May 30, 2021 with loss of a quorum* **DEAD**
- **Liability Protection from COVID-Related Lawsuits** – **SB 6** by Kelly Hancock (R-North Richland Hills) and Jeff Leach (R-Allen) – *Senate concurred in House amendments*

Lt. Governor Dan Patrick’s Legislative Priorities:

A Safe & Secure Texas Future:

- **SB 2** by Kelly Hancock (R-North Richland Hills) and Chris Paddie (R-Marshall) - **ERCOT Reform** – *Senate and House adopted conference committee report*
- **SB 3** by Charles Schwertner (R-Georgetown) and Chris Paddie (R-Marshall) - **Power Grid Stability** – *Senate and House adopted conference committee report*
- **SB 5** by Robert Nichols (R-Jacksonville) - **Statewide Broadband Access** - *Passed as HB 5 by Trent Ashby (R-Lufkin) and Robert Nichols (R-Jacksonville); House and Senate adopted conference committee report*
- **SB 7** by Bryan Hughes (R-Mineola) and Briscoe Cain (R-Deer Park) - **Election & Ballot Security** – *Senate adopted conference committee report; discussion on SB 7 in the House ended at 10:40 on May 30, 2021 with loss of a quorum* **DEAD**

- **SB 15** by Robert Nichols (R-Jacksonville) and Phil King (R-Weatherford) - **Ban Sale of Personal Data from Certain State Agencies** – *Senate and House adopted conference committee report*
- **SB 16** by Jane Nelson (R-Flower Mound) - **Protect State-held Personal Data** – *passed as SB 475 by Jane Nelson (R-Flower Mound) and Giovanni Capriglione (R-Keller); Senate concurred in House amendments*
- **SB 21** by Joan Huffman (R-Houston) - **Bail Reform** - *Passed as HB 20 by Andrew Murr (R-Junction) and Joan Huffman (R-Houston); Senate adopted the conference committee report but the House did not* **DEAD**
- **SB 22** by Drew Springr (R-Muenster) and Jared Patterson (R-Frisco) - **First Responders Pandemic Care Act** – *Senate and House adopted conference committee report*
- **SB 23** by Joan Huffman (R-Houston) and Tom Oliverson (R-Cypress) - **Stop Local Police Defunding** – *Senate and House adopted conference committee report*
- **SB 24** by Joan Huffman (R-Houston) and Greg Bonnen (R-Friendswood) - **Law Enforcement Transparency Act** – *Senate concurred in House amendments*
- **SB 27** by Larry Taylor (R-Friendswood) - **Expand Virtual Learning Options** – *a similar bill, HB 1468 by Keith Bell (R-Forney) and Larry Taylor (R-Friendswood) went to conference committee; Senate adopted the conference committee report but the House did not* **DEAD**
- **SB 28** by Paul Bettencourt (R-Houston) and Harold Dutton (D-Houston) - **Charter School Equity Act** - *Passed Senate; was heard and left pending in House Public Education Committee* **DEAD**

Life, Liberty and Conservative Texas Values:

- **SB 4** by Dawn Buckingham (R-Lakeway) and Dustin Burrows (R-Lubbock) - **Star Spangled Banner Protection Act** – *sent to the governor*
- **SB 8** by Bryan Hughes (R-Mineola) and Shelby Slawson (R-Stephenville) - **The Heartbeat Bill** – *signed by the governor and takes effect on September 1, 2021*
- **SB 9** by Angela Paxton (R-McKinney) - **Abortion Ban Trigger** - *Passed as HB 1280 by Giovanni Capriglione (R-Keller) and Angela Paxton (R-McKinney); sent to the governor*
- **SB 12** by Bryan Hughes (R-Mineola) and Scott Sanford (R-McKinney) - **Protect Free Speech on Social Media** - *Passed Senate; died on the House calendar on May 25, 2021* **DEAD**
- **SB 18** by Brandon Creighton (R-Conroe) - **Protect Second Amendment Businesses** - *Passed as HB 1500 by Cole Hefner (R-Mount Pleasant) and Brandon Creighton (R-Conroe); sent to the governor*
- **SB 19** by Charles Schwertner (R-Georgetown) and Giovanni Capriglione (R-Keller) - **Stop Corporate Gun Boycotts** – *Senate concurred in House amendments*

- **SB 20** by Donna Campbell (R-New Braunfels) and Cole Hefner (R-Mount Pleasant) - **Second Amendment Protections for Travelers** – *Senate concurred in House amendments*
- **SB 25** by Lois Kolkhorst (R-Brenham) and James Frank (R-Wichita Falls) - **Family Nursing Home Visitation Rights** – *Senate concurred in House amendments*
- **SB 26** by Angela Paxton (R-McKinney) - **Protect Our Freedom to Worship** – *Passed as HB 1239 by Scott Sanford (R-McKinney) and Angela Paxton (R-McKinney); House concurred in Senate amendments*
- **SB 29** by Charles Perry (R-Lubbock) and Harold Dutton (D-Houston) - **Fair Sports for Women & Girls** - *Passed Senate; died on the House Calendar on May 25, 2021* **DEAD**
- **SB 30** by Royce West (D-Dallas) and Jeff Leach (R-Allen) - **Removing Racist Restrictions from Real Estate Deeds** – *Senate concurred in House amendments*

Protecting Taxpayers & the Texas Economy:

- **SB 1** by Jane Nelson (R-Flower Mound) and Greg Bonnen (R-Friendswood) - **State Budget** – *Senate and House adopted the conference committee report*
- **SB 6** by Kelly Hancock (R-North Richland Hills) and Jeff Leach (R-Allen) - **Pandemic Liability Protection Act** – *Senate concurred in House amendments*
- **SB 10** by Paul Bettencourt (R-Houston) and Chris Paddie (R-Marshall) - **Stop Taxpayer Funded Lobbying** - *Passed Senate; pronounced dead by procedural action in the House on May 25, 2021* **DEAD**
- **SB 13** by Brian Birdwell (R-Granbury) and Phil King (R-Weatherford) - **Oil and Gas Investment Protection** – *Senate and House adopted the conference committee report*
- **SB 14** by Brandon Creighton (R-Conroe) and Phil King (R-Weatherford) - **Business Freedom & Uniformity Act** – *Senate adopted conference committee report but the House did not* **DEAD**
- **SB 17** by Larry Taylor (R-Friendswood) - **Protect Texas Trucking** – *passed as HB 19 by Jeff Leach (R-Allen) and Larry Taylor (R-Friendswood); House concurred in Senate amendments*

House Speaker Dade Phalan's Legislative Priorities:

Strengthen the State's Electric Grid:

- **HB 10** by Chris Paddie (R-Marshall) and Charles Schwertner (R-Georgetown) - **Reforming ERCOT Leadership** – *Passed as SB 2 by Kelly Hancock (R-North Richland Hills) and Chris Paddie (R-Marshall)*
- **HB 11** by Chris Paddie (R-Marshall) and Charles Schwertner (R-Georgetown) - **Protecting Consumers and Hardening Facilities for Extreme Weather** - *Passed the House; heard and left pending in the Senate Jurisprudence Committee on May 3, 2021.* **DEAD**

- **HB 12** by Richard Raymond (D-Laredo) and Brandon Creighton (R-Conroe) - **Alerting Texans During Emergencies** - *Passed the House; heard and left pending in the Senate Jurisprudence Committee on May 3, 2021. DEAD*
- **HB 13** by Chris Paddie (R-Marshall) and Charles Schwertner (R-Georgetown) - **Improving Coordination During Disasters** - *Passed the House; heard and left pending in the Senate Jurisprudence Committee on May 3, 2021. DEAD*
- **HB 14** by Craig Goldman (R-Fort Worth) and Charles Schwertner (R-Georgetown) **Texas Electricity Supply Chain Mapping Committee**. *Passed the House; heard and left pending in Senate Jurisprudence Committee on May 13, 2021 DEAD*
- **HB 16** by Ana Hernandez (D-Houston) and Kelly Hancock (R-North Richland Hills) - **Defending Ratepayers** - *signed by the governor and takes effect September 1, 2021*
- **HB 17** by Joe Deshotel (D-Beaumont) and Brian Birdwell (R-Granbury) - **Protecting Homeowner Rights** – *signed by the governor on May 18, 2021 and took immediate effect*

**Healthy Families, Healthy Texas:
Increasing Access to Care:**

- **HB 4** by Four Price (R-Amarillo) and Dawn Buckingham (R-Lakeway) - **Increasing Access to Telehealth and Telemedicine** – *House concurred in Senate amendments*
- **HB 5** by Trent Ashby (R-Lufkin) and Robert Nichols (R-Jacksonville) - **Establishing Framework for Broadband Internet Expansion** – *House and Senate adopted conference committee report*
- **HB 290** by Philip Cortez (D-San Antonio) and Lois Kolkhorst (R-Brenham) - **Reducing Red Tape for Children's Healthcare** - *Passed House; died on the Senate Intent Calendar on May 25, 2021 DEAD*
- **HB 797** by Donna Howard (D-Austin) and Dawn Buckingham (R-Lakeway) - **Increasing Flexibility in Vaccine Delivery** – *signed by the governor on May 18, 2021 and took immediate effect*

Improving Health Outcomes:

- **HB 15** by Senfronia Thompson (D-Houston) and Lois Kolkhorst (R-Brenham) - **Establishing a Brain Institute of Texas** - *Passed House; died on the Senate Intent Calendar May 25, 2021 DEAD*
- **HB 18** by Tom Oliverson (R-Cypress) and Lois Kolkhorst (R-Brenham) - **Lowering Drug Costs for the Uninsured** – *House concurred in Senate amendments*
- **HB 133** by Toni Rose (D-Dallas) and Lois Kolkhorst (R-Brenham) - **Providing Greater Care for New Mothers** – *House concurred in Senate amendments*
- **HB 4139** by Garnet Coleman (D-Houston) - **Advancing Health Equity** - *Passed House; not referred to committee in the Senate DEAD*

Increasing Affordability of Health Care:

- **HB 2487** by Tom Oliverson (R-Cypress) - **Promoting Transparency in Hospital Pricing** – *passed as SB 1137 by Lois Kolkhorst (R-Brenham)*

and Tom Oliverson (R-Cypress); Senate concurred in House amendments

- **HB 3752** by James Frank (R-Wichita Falls) and Kelly Hancock (R-North Richland Hills) - **Increasing Health Coverage Options** – *House and Senate adopted conference committee report*
- **HB 3923** and **HB 3924** by Tom Oliverson (R-Cypress) - **Increasing Health Coverage Options** – *HB 3823 by Tom Oliverson (R-Cypress) and Kelly Hancock (R-North Richland Hills) died on the Senate Intent Calendar on May 26, 2021; DEAD HB 3924 by Tom Oliverson (R-Cypress) and Drew Springer (R-Muenster) House concurred in Senate amendments*

Smarter Justice, Safer Texas:

Keeping Texans Safe:

- **HB 20** by Andrew Murr (R-Junction) and Joan Huffman (R-Houston) - **Reforming Texas Bail System** – *Senate adopted the conference committee report but the House did not DEAD*
- **HJR 4** by Kyle Kacal (R-College Station) and Joan Huffman (R-Houston) - **Denying Bail for Violent Predators** – *Senate adopted the conference committee report but the House did not DEAD*

Restoring Public Trust:

- **HB 8** by Leo Pacheco (D-San Antonio) - **Requiring Electronic HR Records for Law Enforcement Agencies** - *Passed House; referred to the Senate Jurisprudence Committee DEAD*
- **HB 830** by Senfronia Thompson (D-Houston) - **Ending Arrests for Non-Violent Offenses** - *Passed House; referred to the Senate Jurisprudence Committee on May 14, 2021 DEAD*
- **HB 1938** by Jacey Jetton (R-Sugar Land) and Lois Kolkhorst (R-Brenham) - **Reducing Costs of Body Camera Data Storage** – *sent to the governor*
- **HB 3712** by Ed Thompson (R-Pearland) and Royce West (D-Dallas) - **Enhanced Training for Law Enforcement** – *House concurred in Senate amendments*

Defending Your Rights:

- **HB 1441** by Matt Schaefer (R-Tyler) - **Protecting Personal Property from Forfeiture** - *Passed House; referred to the Senate Jurisprudence Committee on May 14, 2021 DEAD*
- **HB 1002** by Eddie Lucio III (D-Brownsville) - **Stopping Hypnosis Use in Investigations** - *Passed as SB 281 by Juan “Chuy” Hinojosa (D-McAllen) and Eddie Lucio, III (D-Brownsville); Senate and House adopted conference committee report*

Getting Justice Right:

- **HB 1340** by Jeff Leach (R-Allen) - **Narrowing Use of Death Penalty** - *Passed House; referred to Senate Jurisprudence Committee on May 14, 2021 DEAD*
- **HB 252** by Joe Moody (D-El Paso) - **Establishing Jury Instructions for Capital Felony Cases** - *Passed House; referred to Senate Jurisprudence Committee on May 14, 2021 DEAD*

- **HB 1717** by Senfronia Thompson (D-Houston) - **Requiring Turnover of Exculpatory Evidence If Discovered Post-Conviction** - *Passed House; not referred to committee in the Senate* **DEAD**
- **HB 1293** by John Smithee (R-Amarillo) - **Creating Pathway to Seek New Trials** - *Passed House; not referred to committee in the Senate* **DEAD**

Smarter Second Chances:

- **HB 686** by Joe Moody (D-El Paso) and Eddie Lucio, Jr. (D-McAllen) - **Reforming Sentencing for Juveniles** – *House concurred in Senate amendments*
- **HB 385** by Leo Pacheco (D-San Antonio) and Bryan Hughes (R-Mineola) - **Removing Arbitrary Barriers to Probation** – *House concurred in Senate amendments*
- **HB 569** by Scott Sanford (R-McKinney) and Royce West (D-Dallas) - **Eliminating Financial Barriers to Re-Entry** – *sent to the governor*
- **HB 859** by Nicole Collier (D-Fort Worth) - **Expunging Decriminalized Offenses** - *Passed House; referred to the Senate Jurisprudence Committee on May 14, 2021* **DEAD**

GOVERNOR:

Governor's *Sine Die* Statement – On May 31st, Governor Greg Abbott issued a statement upon the conclusion of the 87th regular Legislative Session saying, “From Day One of this session, our priorities were centered around hardworking Texans and building a state that is safer, freer, healthier, and more prosperous. We added to that the imperative that we secure the Texas power system to ensure it never fails again. We kept those promises while also delivering one of the most conservative legislative sessions our state has ever seen. We passed legislation to secure our border, support our police, expand second amendment rights, defend religious liberty, and protect the sanctity of life in Texas. We also enacted several key emergency items like reforming the Electric Reliability Council of Texas, weatherizing and stabilizing our power grid, ensuring COVID-19 liability protections, and expanding access to broadband and telemedicine. However, there is more we can and must do to ensure a brighter future for Texas. At the beginning of the legislative session, I declared Election Integrity and Bail Reform to be must-pass emergency items. It is deeply disappointing and concerning for Texans that neither reached my desk. Ensuring the integrity of our elections and reforming a broken bail system remain emergencies in Texas, which is why these items, along with other priority items, will be added to the special session agenda. I expect legislators to have worked out their differences prior to arriving back at the Capitol so that they can hit the ground running to pass legislation related to these emergency items and other priority legislation. During the special session, we will continue to advance policies that put the people of Texas first.”

SENATE – The Senate adjourned *Sine Die* at 3:50 p.m. Prior to adjourning, the Senators elected Senator Donna Campbell (R-New Braunfels) as **President Pro Tempore** of the Texas Senate. She will serve as Governor of Texas at times when both the Governor and Lt. Governor are out of the state.

HOUSE – On Sunday, when the House was taking final action on conference committee reports, **SB 7**, the **election security** bill (which the Democrats refer to as a “voter suppression” bill), was brought up for discussion. With a little less than an hour and a half left for the House to take up conference committee reports, the Democrats planned to speak against the bill long enough to run out the clock. Republicans were planning a parliamentary motion to cut off debate and force a vote on the bill on which they would prevail. To avoid such a motion, a number of Democrats took the keys to their voting machines and left the capitol breaking a quorum. In the absence of a quorum, the House adjourned leaving several conference committee reports unadopted including:

- **HB 20/HJR 4** – bail reform
- **HB 1468** – virtual learning
- **SB 14** – prohibiting cities and counties from regulating employment practices
- **SB 2233** – ethics and sexual harassment training for lobbyists

House Democratic Caucus Chair Chris Turner said, “Today, Democrats used the Texas House Rules to deny quorum and stop passage of SB 7 - Texas Republicans’ restrictive, anti-voter legislation, that makes it harder for seniors, people who are disabled and people of color to vote. The parliamentary maneuver comes on the heels of five straight months of Democrats in both the House and the Senate fighting hard to kill or weaken the dozens of Republican bills that make it harder for Texans to vote. The 67 members of the House Democratic Caucus have been fighting SB 7 - the Republican anti-voter legislation - all year long. Tonight, we finished that fight. Ahead of a midnight deadline to pass legislation, dozens of Democratic members were prepared to give speeches against this measure, which is designed to disenfranchise and discriminate against Texans. We were determined to run out the clock. It became obvious Republicans were going to cut off debate to ram through their voter suppression legislation. At that point, we had no choice but to take extraordinary measures to protect our constituents and their right to vote. Republicans have only themselves to blame for the way this session is ending.”

House Speaker Dade Phelan said, “Today, on the second to last day of session, a number of members have chosen to disrupt the legislative process by abandoning the legislative chamber before our work was done. In doing so, these members killed a number of strong, consequential bills with broad bipartisan support including legislation to ban no-knock warrants, reform our bail system, and invest in the mental health of Texans – items that their colleagues and countless advocates have worked hard to get to this point. Texans shouldn’t have to pay the consequences of these members’ actions - or in this case, inaction - especially at a time when a majority of Texans have exhibited clear and express support for making our elections stronger and more secure.”

Governor Greg Abbott issued a statement saying “Election integrity and bail reform were emergency items for this legislative session. They **STILL** must pass. They will be added to the special session agenda. Legislators will be expected to have worked out the details when they arrive at the capitol for the special session.”

Lt. Governor Dan Patrick commented saying, "The Texas Senate passed all these priority bills months ago and we will again. The Texas House failed the people of Texas tonight. No excuse. This is what happens when you take two days off and do nothing in the last five days. You put yourself in a box where you're up against a deadline, and I can't even blame it on the other party for walking out. They got an opportunity to walk out, because of the deadline."

The House adjourned *Sine Die* at 1:30 p.m. on Memorial Day.

BUDGET HIGHLIGHTS:

SB 1 by Jane Nelson (R-Flower Mound) and Greg Bonnen (R-Friendswood) is the **general appropriations** bill for the 2022-2023 biennium. Below are highlights of the bill from the Legislative Budget Board.

Appropriations Totals:

- **All Funds** - SB 1 appropriates \$248.55 billion in All Funds for the 2022-2023 biennium, down from \$262.1 billion (\$13,554 billion – 5.2 percent) from the 2020-2021 biennium primarily due to a \$15.5 billion reduction in federal funds.
- **General Revenue Funds** – SB 1 appropriates \$116.368 billion in General Revenue Funds for the 2022-2023 biennium, up from \$110.27 billion in the 2020-2021 biennium (a \$6.1 billion increase – 5.5 percent).
- **General Revenue-Dedicated Funds** – SB 1 appropriates \$6.315 billion in General Revenue-Dedicated Funds for the 2022-2023 biennium, down from \$6.563 billion (\$248 million – 3.8 percent) from the 2020-2021 biennium.
- **Federal Funds** – SB 1 appropriates \$84.767 billion in federal funds for the 2022-2023 biennium, down from \$100.281 billion in federal funds (\$15.514 billion – 15.5 percent) for the 2020-2021 biennium. There is a rider in SB 1 providing that any federal pandemic stimulus funds that come to the state during the biennium are not appropriated by SB 1 and must be appropriated by the legislature in a special session.

Constitutional Limitations – SB 1 is \$300 million short of the pay-as-you-go limit in Article III, Section 49(a) of the Texas Constitution; and is \$6.3 billion below the constitutional spending limit in Article VIII, Section 22 of the Texas Constitution. It is also below population growth plus inflation, which is currently not a limitation, but will be in the next biennium because of the passage of SB 1336 by Kelly Hancock (R-North Richland Hills) and Greg Bonnen (R-Friendswood).

Major Funding Items:

Public Education:

- Fully funds the state's commitment to the public education investments made by HB 3 86th Session, with funding for projected enrollment growth during the 2022-23 biennium.
- Provides \$60 million for supplemental special education services.
- Restores funding for summer programs at the School for the Blind and Visually Impaired and the School for the Deaf.
- Increases the state's contribution rates at the Teacher Retirement System (TRS) from 7.5 percent in 2020-21 to 7.75 percent in FY 2022 and 8.0 percent in FY 2023.

- Provides \$897.6 million, an increase of \$39.5 million, to maintain current health insurance premiums and benefits for our retired teachers through TRS-Care.
- Contingent on passage of HB1525, SB1 provides \$464 million for increases to FSP formula funding and various student allotments.
- Additionally, SB1 provides \$664 million for targeted programs to help students and schools affected by the pandemic

HB 2 by Greg Bonnen (R- Friendswood) and Jane Nelson (R-Flower Mound) is the **supplemental appropriations** bill. Below are some highlights from the Legislative Budget Board of HB 2.

Savings Related to HB 2 – For fiscal year 2021 HB 2 results in a net All Funds savings of \$3,384.3 million. Appropriations from the Economic Stabilization Fund (ESF) total \$531.1 million. Fiscal year 2021 certification savings in HB 2, combined with the related fiscal year 2020 lapses, result in a net 2020–21 biennial certification savings of \$2,729.7 million over estimates in the comptroller’s revised Biennial Revenue Estimate.

Foundation School Program Adjustment – HB 2 reduces General Revenue Funds appropriations from the Foundation School Program by \$5.2 billion resulting from updated projections since the appropriations were passed by the 86th Legislature in 2019. The comptroller included this savings in the revised Biennial Revenue Estimate; therefore, there will be no additional certification savings. The net savings results primarily from increased school district property value growth, lower-than-anticipated average daily attendance rates, increased non-General Revenue Funds revenues, and federal Coronavirus Aid, Relief, and Economic Security (CARES) Act funding.

5 Percent State Agency Budget Reductions – HB 2 provides savings of \$505.5 million in General Revenue Funds and \$71.5 million in General Revenue–Dedicated Funds during fiscal year 2021 resulting from agencies’ planned 5 percent budget reductions. The fiscal year 2020 portion of the planned reductions is not included in the bill but will provide a certification gain of \$205.0 million in General Revenue Funds and \$11.3 million in General Revenue–Dedicated Funds for a total certification savings of \$793.3 million.

Coronavirus Relief Fund Reimbursements For General Revenue Funds

Salaries of Public Health and Public Safety Employees – HB 2 provides savings of \$2,409.8 million in General Revenue Funds during fiscal year 2021 from reduced appropriations for salaries of public health and public safety employees that are eligible for reimbursement from the Coronavirus Relief Fund (CRF). The fiscal year 2020 portion of the General Revenue Funds–CRF swap is not included in the bill, but it will provide a certification savings of \$1,583.3 million. In total, the General Revenue Funds–CRF swap will result in a certification savings of \$3,993.2 million during the 2020–21 biennium.

Senate Finance Committee Chair Jane Nelson (R-Flower Mound) and sponsor of **SB 1** commented on the passage of SB 1 saying, "Never underestimate Texas! Despite the challenges of the last year, we are passing a budget that maintains our

commitment to education, keeps Texans healthy, strengthens public safety and invests in our future while adhering to the principles of fiscal restraint. That's a testament to the resilience of our people, our businesses and our economy. This budget is compassionate, responsible and meets the needs of our growing state. SB 1 appropriates \$248.5 billion in All Funds and \$116.4 billion in General Revenue for the FY 2022-23 biennium. This represents 5.5 percent growth in General Revenue and is well within population and inflation estimates.” Chair Nelson offered the following highlights of SB 1 including:

- Funding for the full Foundation School Program entitlement, reflecting changes made last session to the school finance formula, including:
 - \$3.1 billion to fund enrollment growth for public education; and
 - \$1.1 billion in additional state aid related to property tax compression in the 2022-23 biennium;
- Continued reforms to the Teacher Retirement System passed last session through SB 12;

Lt Governor Dan Patrick commented on the passage of **SB 1** and **HB 2** saying, “I congratulate Senator Jane Nelson and the Texas Senate for the unanimous final passage of the State Budget and HB 2, the Supplemental Budget. This budget is within all state spending limits and once again affirms that our conservative budgeting principles are sound and that Texas is coming back stronger than ever because our fiscal foundation is solid. When we began work on the budget last summer, we were facing the economic challenges brought about by the pandemic as well as the market problems that plagued our oil and gas industry. At that time, I affirmed my commitment to the property tax cuts and education funding laid out in 2019, and this budget does that. We also increased our support for retired teachers. Because of the border crisis precipitated by current federal policies, I made sure we maintained support for enhanced border security as well as providing \$120 million in pay increases for our brave Department of Public Safety troopers and other law enforcement. In addition to the skyrocketing border surge, our law enforcement officers are being called on to quell unrest on some city streets. Law enforcement puts their lives on the line for us every day to protect our communities and now, more than ever, they deserve our support. This budget reflects our increased investments in transportation and infrastructure, including highway planning and construction, higher education, bolstering our health care workforce, as well as our on-going commitment to health care, mental health, our rural hospitals and women’s health. Again, I commend Chairman Nelson and the Senate Finance Committee for their work on the Texas State Budget. I also congratulate them for earning the unanimous approval of the Texas Senate. Texas has the 9th largest economy in the world, and this budget ensures that it will continue to flourish.”

Final Status of other Major Budget Bills:

Appropriations:

- **HB 2896** (Bonnen/Nelson) dedicate and **rededicate revenue** for certifying the budget. *House concurred with Senate amendments.*

Administration of Federal Funds:

- **HB 2021** (Bonnen) establish the **Board on Administration of Federal Funds** to allocate federal funds in the interim. *Died on the House Calendar May 13, 2021.* **DEAD**

ECONOMIC DEVELOPMENT:

Final Status of Major Economic Development Bills:

Chapter 313 Extension:

- **HB 1556** (Murphy) extends and reforms the **Texas Economic Development Act** (Chapter 313 of the Tax Code). *Pronounced dead by procedural action May 10, 2021.* **DEAD**
- **HB 4242** (Meyer/Birdwell) extension of **Texas Economic Development Act**. *Passed the House; died on the Senate Intent Calendar on May 24, 2021.* **DEAD**
- **SB 1255** (Birdwell) extends and reforms the **Texas Economic Development Act**. *Heard and left pending in the Senate Natural Resources & Economic Development Committee on March 25, 2021.* **DEAD**

Other Economic Development Bills:

- **HB 2404** (Meyer/Zaffirini) **database** on local **economic development agreements**. *sent to the governor on May 20, 2021.*
- **HB 3271** (Ordaz Perez/Blanco) establishes the **Micro-Business Capital Access Program**. *House concurred in Senate amendments*
- **SB 678** (Alvarado/ Button) establishes the **Small Business Disaster Recovery Loan Program**. *sent to the governor on May 27, 2021*

TAM Commented on Failure of Chapter 313 Renewal Bills - Tony Bennett, president and CEO of the Texas Association of Manufacturers commented on the failure of the Texas Economic Development Act renewal bills saying, “The legislature failed to renew Chapter 313, our most important economic development tool, and our neighboring states are surely celebrating to see Texas throw in the towel. These states are hungrier than we are and don’t take for granted the economic engines of their states. As a result, other states will enjoy the massive rate of return of offering limited property tax discounts to attract multi-billion dollar projects and thousands of high-paying jobs. Meanwhile, Texas will be sidelined for major automotive, petrochemical, aerospace and high-tech manufacturing projects that cannot afford to locate in a state with the fourth highest property taxes in the nation, especially when nearly all other states offer property tax discounts. With the federal government directing funds to encourage construction of 7 to 10 semiconductor plants, no one should be surprised that Texas won’t be in the running because without Chapter 313, we can’t compete. I never thought I’d see the day when Texas took the same path California took decades ago when lawmakers took manufacturing jobs for granted and hurt their economy.”

PUBLIC EDUCATION:

Final Status of Major Public Education Bills:

- **HB 699** (Rosenthal/Zaffirini) provides excused **absence** for students with a **serious or life-threatening illness** or treatment. *sent to the to the governor on May 25, 2021*
- **HB 1525** (Huberty/Taylor) is the HB 3 (from 2019) **education reform** clean-up bill (additional details provided below). *Senate and House adopted conference committee report*
- **HB 1603** (Huberty/Seliger) extends **individual graduation committees**. *sent to the governor*
- **HB 1468** (K. Bell/Taylor) **virtual instruction** and remote learning. *Passed the House; passed the Senate; Senate adopted conference committee report but the House did not DEAD*
- **HB 3261** (Huberty/Taylor) makes several changes related to **electronic administration of assessment instruments**. *House concurred in Senate amendments*
- **HB 3610** (Gervin-Hawkins/Springer) clarifies the property tax exemption for **open-enrollment charter schools**. *sent to the governor on May 25, 2021*
- **HB 3643** (K. King/Taylor) establishes the **Texas Commission on Virtual Education**. *House concurred in Senate amendments*
- **HB 4545** (Dutton/Taylor) establishes an **accelerated learning committee** for students who do not perform satisfactorily. *House concurred in Senate amendments*
- **SB 481** (Kolkhorst/Schofield) allows a student in a virtual district to transfer to a district with **in-person classes**. *sent to the governor on May 24, 2021*
- **SB 797** (Hughes/Oliverson) **requires** public schools and institutions of higher education **display** national motto, **“In God We Trust”**. *sent to the governor on May 27, 2021*
- **SB 1232** (Taylor/Bonnen) establishes the **Permanent School Fund Investment Management Organization**. *Senate concurred in House amendments*
- **SB 1955** (Taylor/Burrows) is the **Learning Pod Protection Act**. *sent to the governor on May 26, 2021*
- **SB 2066** (Menendez/Dutton) changes the statutory references from “students of limited English proficiency” to **“emergent bilingual students.”** *passed the House without amendments; will be sent to the governor*

Representative Diego Bernal (D-San Antonio) commented on the passage of his **HB 999** saying, “HB 999 temporarily expands the qualifications for Individual Graduation Committees (IGCs) - a review of a student's academic accomplishments - making them available to all seniors regardless of their performance on the State of Texas Assessments of Academic Readiness (STAAR), ultimately clearing the way for thousands of seniors to graduate. In July 2020, recognizing the past and anticipated impacts of COVID-19, the Texas Education Agency waived the Student Success Initiative requirements for Grades 5 and 8, allowing them to continue to the next grade without the STAAR testing requirements, but did not have the statutory authority to waive graduation requirements for high school students. That is what HB 999 aims to solve. COVID-19 has had a detrimental effect on all of our students, but

especially on our high school students. Due to school closures, some high school students have lost up to four STAAR testing opportunities in Algebra I, English I, and Biology. Furthermore, the social and emotional toll the past year and a half has had on students cannot be overstated. I introduced HB 999 in order to provide relief to high school seniors who have mastered all of the academic requirements, but might find themselves unable to graduate solely due to the STAAR test. Graduation should not depend on a standardized test, especially during a pandemic. Academically prepared seniors have endured enough and have earned the right to walk the stage. HB 999 clears that path for graduation.”

HB 1525 by Dan Huberty (R-Humble) and Larry Taylor (R-Friendswood) is the **HB 3 (from 2019) clean-up bill**. *Below is a summary provided by Texas Taxpayers and Research Association.*

Tax Rates:

- Makes conforming changes to the calculation of a school district’s “maximum compressed rate” (MCR) to reflect the methodology used by TEA to calculate those rates.
- Reduces the MCR by 0.30 percent for each year of the biennium (contingency rider SB 1).
- Directs the Texas Education Agency to develop a method to identify school districts that may have adopted a maintenance tax rate intended to create a surplus in maintenance tax revenue for the purpose of payment the district’s debt service. If TEA identifies a school district, the Commissioner must order the school district to correct the action not later than 3 years after the date of the order and assist the district in developing a corrective action plan that does not result in a net increase in the district’s total tax rate if feasible. If a school district does not comply, the Commissioner is authorized to reduce state aid or increase the amount recaptured from the school district. TEA is required to post a list of school districts that violate this provision on its website.
- Authorizes a school district to use a surplus in maintenance tax revenue to pay the district’s debt service if the district’s interest and sinking fund tax revenue is insufficient to pay the district’s debt service due to circumstances beyond the district’s control, and the use of the surplus maintenance tax revenue to pay the district’s debt service if necessary to prevent a default on the district’s debt.
- Directs the Commissioner of Education to reduce state aid or increase the amount recaptured from a school district that adopts a tax rate that violates state law.

Formula Changes:

- **Gifted and Talented Allotment** - Reinstates the Gifted and Talented allotment. The weight per student is 0.07, and limits the number of students eligible to draw down funding to 5 percent of the district’s students in average daily attendance.
- **Career and Technology Allotment** - Changes the career and technology allotment to provide that for each full-time equivalent student in average daily

attendance in an approved career and technology education program, a school district is entitled to the sum of the basic allotment and the small or mid-size district allotment for which the district qualifies x (1) 1.1 for a full-time equivalent student in career and technology education courses not in an approved program of study (2) 1.28 for a full-time equivalent student in levels one and two career and technology education courses in an approved program of study, as identified by TEA, and (3) 1.47 for a full-time equivalent student in levels three and four career and technology education courses in an approved program of study, as identified by TEA in addition to \$50 if the student is enrolled in two or more advanced CT classes. In addition, a school district is entitled to \$50 for each student enrolled at a P-Tech school or a campus that is a member of the New Tech Network. Directs TEA to publish each year a list of career and technology courses that qualify for an allotment and the weight for which the course qualifies. Requires the Texas Education Agency to publish a list of career and technology courses that qualify disaggregated by weight.

- **Fast Growth Allotment** - Changes the fast growth allotment to be equal to the basic allotment multiplied by the following weights for each enrolled student in the preceding school year that exceeds the enrollment in the district six years preceding the current school year by more than 250 students beginning in the 2022-2023 school year:
 - 0.48 for the top 40% of districts,
 - 0.33 for the middle 30% of districts,
 - 0.18 for the bottom 30% of districts.
- For the 2021-2022 school year:
 - 0.45 for top 40% of districts,
 - 0.30% for middle 30% of districts,
 - 0.15 for bottom 30% of districts.
- **Hold Harmless** - Districts are held harmless in the 2021-2022 school year for up to a total of \$40 million statewide. The total amount that may be used to provide allotments cannot exceed \$270 million for the 2021-2022 school year, \$310 million for the 2022-2023 school year, and \$315 million for the 2023-2024 school year, and \$320 million for the 2024-2025 and subsequent school years. If the total entitlement exceeds these amounts, the allotment for each district will be proportionately reduced.
- **Charters** - Directs the Commissioner of Education to adjust funding to charter schools to ensure compliance with federal requirements for maintenance of state financial support for special education funding.
- **College, Career, or Military Readiness** - Adds “earns an associate degree from a postsecondary educational institution approved by the Texas Higher Education Coordinating Board while attending high school or during a time period established by commissioner rule” to conditions under which a high school graduate demonstrates college readiness for purposes of the college, career, or military readiness outcomes bonus received by school districts.
- **Homeless Students** - Directs that a school district is entitled to the basic allotment x 1.275 (highest comp ed weight) for each student who is homeless.

- **Formula Transition Grants** - Caps formula transition grants (hold harmless for changes in HB 3, 86th Legislature) received by school districts at \$400 million per year. If calculated grants exceed \$400 million per year, the Commissioner will reduce the allotment for each school district or charter school.
- **Dropout Reduction** - Authorizes the use of the compensatory education allotment to pay costs for services provided by an instructional coach and expenses related to reducing the dropout rate and increasing the rate of high school completion.
- **Distance Learning Costs** - Authorizes the use of funds from the instructional materials and technology allotment for costs associated with distance learning, including Wi-Fi, Internet access hotspots, wireless network service, broadband service, and other services and technological equipment necessary to facilitate Internet access.
- **School Safety Allotment** - Authorizes school districts to use the school safety allotment to develop and implement programs focused on restorative justice practices, culturally relevant instruction, and providing mental health support. They can provide licensed counselors, social workers, and individuals trained in restorative discipline and restorative justice practices.
- **Resource Campuses** - Authorizes a school district campus that received an overall performance rating of F for four years over a 10-year period of time to apply to the Commissioner of Education to be designated as a resource campus and receive additional funding to provide quality education and enrichment for campus students. The campus must implement an improvement plan and adopt an accelerated campus excellence turnaround plan, as well as satisfy certain staff criteria.
- **ADA During a Disaster** - Authorizes the Commissioner of Education to adjust the average daily attendance of a school district if a disaster or calamity affects the district's attendance. The adjustment can be for the semester in which the calamity first occurred and an additional school year.
- **Maintenance of Effort** - Requires the Commissioner of Education to increase a school district's or charter school's entitlement to ensure compliance with federal maintenance of effort requirements. He must notify the Legislative Budget Board and the governor before making the increase, and if he doesn't receive written disapproval within 30 days, he can increase the entitlement.

Recapture - If the Commissioner of Education determines that a school district is subject to recapture after the date of initial notification for the school year, the Commissioner will include the amount of the recapture in the annual review for the following school year.

Federal Funds:

- Directs the Texas Education Agency to provide the following allotment to school districts and charter schools from discretionary federal funds for intensive educational supports for students not performing satisfactorily for the 2021-2022 and 2022-2023 school years:
 - \$208.35 for each student enrolled in the district, and

- \$1,290 for each enrolled student that did not perform satisfactorily on a STAAR test during the 2020-2021 school year.
- Directs the Texas Education Agency to establish programs using discretionary federal funds that assist school districts and open-enrollment charter schools in implementing intensive supports to ensure students perform at grade level and graduate demonstrating college, career, or military readiness. Programs must include options for Pathways in Technology Early College High School (P-Tech), the Texas Regional Pathways Network, and the Jobs and Education for Texans (JET) Grant Program. Supplemental instructional supports such as tutoring and COVID-19 learning acceleration supports must also be included.
- Requires the Texas Education Agency to use discretionary federal funds to provide reimbursement for technology acquisitions made by school districts and charter schools before February 28, 2021.

School Employees/Teacher Salaries:

- Requires that a school district employee who received a salary increase in the 2019-2020 school year due to HB 3, receive a salary that is at least equal to that salary in the 2020-2021 school year as long as the district is receiving at least the same amount of funding, and the district has not declared a financial exigency.
- Authorizes teachers at the School for the Deaf and School for the Visually Impaired to qualify for the Teacher Incentive Allotment. School districts can include non-certified teachers in their local Teacher Incentive Allotment plan. Includes compensation paid to a teacher due to the teacher incentive allotment in the calculation of the teacher's retirement benefit. Funds received by a school district for the Teacher Incentive Allotment cannot be recaptured.
- Provides state aid for staff salaries of Regional Education Service Centers of \$500 for each full-time employee and \$250 for each part-time employee, excluding administrators, classroom teachers, librarians, school counselors, and school nurses.
- Extends the deadline for teachers who teach grades K-3 and principals of schools with grades K-3 to attend a teacher literacy achievement academy to the 2022-2023 school year.
- Establishes a tutoring program that active or retired teachers can participate in for compensation or on a volunteer basis. A school district or open-enrollment charter school can use any available local, state, or federal funds to provide compensation to a person participating in the program as a tutor.

Miscellaneous Provisions:

- Authorizes the Commissioner of Education to allow a student to take at state cost a test such as the SAT or ACT used by colleges and universities as part of their undergraduate admissions processes or the assessment instrument designated by the Texas Higher Education Coordinating Board to assess students if circumstances existed that prevented the student from taking the assessment instrument before the student graduated from high school.
- Requires each school district and open-enrollment charter school to report, disaggregated by campus and grade:

- the number of children who are required to attend school and fail to attend school without an excuse for 10 or more days or parts of days within a six-month period in the same school year,
- number of students for whom the district initiates a truancy prevention measure, and
- the number of parents of students against whom an attendance officer or other appropriate school official has filed a truancy complaint.
- Requires that a student enrolled in a high school equivalency program, a dropout recovery school, or an adult education program provided under a high school diploma and industry certification charter school program be reported as having previously dropped out of school.
- Requires school districts to accept and spend donations from a parent-teacher organization or an association recognized by the district designated to fund supplemental educational staff positions.
- Establishes regulations for meetings of a school health advisory council (SHAC).
- Requires school boards to adopt a policy for the adoption of curriculum materials for human sexuality instruction. Parents must be provided a detailed description of the content of the instruction and must give consent before a student can take the course.
- Authorizes regional education service centers to administer grants for programs providing services to students with autism.
- Directs the Commissioner of Education to establish a program to award grants to school districts and open-enrollment charter schools that provide high quality training to classroom teachers and administrators in meeting the needs of students with dyslexia, or training to intervention staff resulting in appropriate credentialing related to dyslexia. Authorizes regional education service centers to administer the grants.
- Strengthens security requirements for operators of school district websites and operators of websites contracting with TEA.
- Creates the Texas Commission on Special Education Funding. The commission is composed of 7 members: 1 appointed by the Governor, 3 appointed by the Lt. Governor, 3 appointed by the Speaker.

Effective Date - September 1, 2021.

Department of Education Cautions Lawmakers Not to Use Federal Education Funding to Supplant State Funds for Schools – On May 26th, Ian Rosenblum, Deputy Assistant Secretary for Policy and Programs in the Office of Elementary and Secondary Education, U.S. Department of Education sent a letter to Commissioner Mike Morath saying, “It has come to our attention that Texas is considering a legislative proposal that would essentially require local education agencies (LEA’s) to supplant state and local funds with funds awarded under the Elementary and Secondary School Emergency Relief (ESSER) Fund, as authorized under the American Rescue Plan (ARP) Act of 2021. Such actions would be inconsistent with the purpose of the ARP ESSER program – which is to expand resources for K-12 and postsecondary schools and students, not to replace existing state education

commitments – and may impact the state’s and LEA’s ability to comply with federal fiscal requirements. . . Additionally, the required reservation of state and local funds for future school years may impact each LEA’s ability to meet local maintenance of effort requirements under various federal education programs. . . Furthermore, to the extent that Texas requests a waiver of the ESSER and GEER maintenance of effort requirements for either elementary and secondary education or higher education, such legislative action would be a significant factor in the determination of whether to grant the waiver. . . The department will continue to closely review and monitor whether Texas is meeting all of its federal fiscal requirements. We look forward to working together to ensure that these critical resources are effectively deployed to meet the needs of Texas students.”

Note: *Provisions in HB 1525 requiring school districts to reserve a portion of their federal funds were removed from the final version of HB 1525.*

Teacher Incentive Allotment – On May 27th, the Texas Education Agency (TEA) announced four additional public school systems have been approved for a Local Designation System as part of the Teacher Incentive Allotment (TIA). This announcement paves the way for 4,616 highly effective Texas educators to be recognized and additionally compensated for their excellent work in the classroom. Approximately \$43 million will be generated and paid out to more than 4,600 deserving designated teachers. This year, Texas also has 108 National Board teachers that earned this special designation; these teachers hold a nationwide certification that focuses on professional development. Donna ISD, San Antonio ISD, School of Science and Technology (San Antonio), and School of Science and Technology Discovery (Leon Valley) join 26 school systems that were approved to become Local Designation Systems last year. To gain approval, these four new school systems developed a robust plan for evaluating its teachers. San Antonio ISD Superintendent Pedro Martinez said, “We stand by our teachers whose talents have diversified and grown during the pandemic, and whose classroom leadership will help students recover from any learning loss they encounter. This is a pivotal time to make sweeping change to the teaching profession, and we are so appreciative that the State of Texas is allowing us to be part of this moment.” Donna ISD Superintendent Dr. Hafeedh Azaiez added, “I am also thrilled that my district of 13,800 students has been selected for this revolutionary program. As a small, high-poverty district, this is exciting news because TIA will enable us to reward, retain, and recruit highly effective teachers to our district.”

REDISTRICTING – The Census Bureau is not expected to provide information necessary for redistricting bills until September or October; therefore, the redistricting bills for Texas Senate, House, Congressional and State Board of Education districts did not pass during the regular session. A special session on redistricting is expected in the fall.

STATEWIDE:

Active Shooter Alert System – On May 24th, Governor Greg Abbott signed **HB 103** by Brooks Landgraf (R-Odessa) and Judith Zaffirini (D-Laredo) to create the Texas

Active Shooter Alert System. Representative Landgraf said, “HB 103, also referred to as the Leilah Hernandez Act, received unanimous support at every stage of the legislative process. The passage of this bill means that Texans will be able to receive timely alerts, similar to Amber alert messages we currently receive, if there is an active shooting taking place in their area. This alert system could have saved the lives of some of my constituents back in 2019, like high school student Leilah Hernandez. The goal of this legislation is to save lives and prevent mass violence while protecting the constitutional rights of law-abiding Texans. I crafted HB 103 after working with constituents and families of victims from the August 31, 2019 mass shooting in Odessa and Midland. Leilah Hernandez, a 15-year-old Odessa High School student, was the youngest victim killed that tragic day. Leilah’s mother, Joanna Leyva, provided powerful testimony in support of the bill at the Texas Capitol, explaining how an active shooter alert system could have saved Leilah’s life.” Governor Abbott added, “I am proud to sign the Leilah Hernandez Act into law, and I thank Representative Landgraf for championing this legislation. With the Leilah Hernandez Act, the Lone Star State will now have an Active Shooter Alert System that will notify Texans of violent threats in their communities and help save lives. We will never forget the lives tragically cut short in the Midland-Odessa shooting, including 15-year-old Leilah Hernandez. And we will never stop working towards a safer future for our state.” HB 103 will require the Texas Department of Public Safety (DPS) to develop and implement the Active Shooter Alert System. The alerts are intended to be issued quickly via SMS text and other available communications to the public in proximity to an active shooter situation.

STATEWIDE – COVID-19 RESPONSE:

Mobile Vaccine Program – On May 25th, Governor Greg Abbott, the Texas Division of Emergency Management (TDEM), and the Texas Military Department (TMD) announced the expansion of the State Mobile Vaccine Program to include groups of five or more Texans who voluntarily choose to be vaccinated against COVID-19. Texans can call 844-90-TEXAS and select Option 3 to schedule a mobile vaccine clinic to vaccinate groups of friends, families, employees, volunteers, and more. Governor Abbott said, "The eligibility expansion for the State Mobile Vaccine Program will allow more Texans to get vaccinated against COVID-19. Vaccines are the most effective defense against this virus, and I urge groups of Texans who wish to get vaccinated as a business, family unit, friend group, or more to call 844-90-TEXAS to schedule a mobile vaccine clinic. By working together to get more shots in arms, we will continue to mitigate the spread of COVID-19 in communities across the state." Previously, businesses or civic organizations were required to have 10 or more employees, visitors, or members who voluntarily choose to be vaccinated. Homebound Texans are still encouraged to call the hotline and select Option 1 to request a state mobile vaccination team to visit their home. The call center is open Monday-Saturday from 8:00 a.m. to 5:00 pm. Governor Abbott and TDEM originally launched the State Mobile Vaccine Pilot Program in January 2021 to ramp up COVID-19 vaccination efforts in underserved areas of Texas. Since the program's initial launch, the responsibilities of State Mobile Vaccine Teams have been expanded to meet various COVID-19 vaccination needs of communities across

the state. These teams are made up of members of the Texas National Guard and coordinated by TDEM.