

A low-angle photograph of the Texas State Capitol dome against a clear blue sky. The dome is ornate with a statue on top. To the right, two flags are flying on a pole: the United States flag and the Texas state flag. The building's facade is visible at the bottom.

# RECAP OF 83<sup>RD</sup> LEGISLATURE\*

TASSCUBO  
July 22, 2013

**Steve Collins**  
Associate Vice Chancellor  
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The University of Texas System

\* So Far

# Who is the Legislature?

- **31 Senators**
  - 19 Republicans
  - 12 Democrats
  - Lt. Governor, elected statewide, presides
- **150 Representatives**
  - 95 Republicans
  - 55 Democrats
  - Speaker elected from House membership

# They Came, They Went, They're Back

- Regular Session began January 8 and ended May 27<sup>th</sup>
- 1<sup>st</sup> Special Session Began May 27<sup>th</sup> and ended June 25<sup>th</sup>
- 2<sup>nd</sup> Special Session began July 1 and ended July 30
- 3<sup>rd</sup> Special Session began July 30 and ended August 5.

\*Slide updated 8/22/2013

# Special Session

- Governor sets agenda
  - 1<sup>st</sup> Special Session Started with
    - Redistricting of Congressional, Senate, and House Members
    - Added
      - Transportation (failed)
      - Juvenile Justice (failed)
      - Abortion (failed in a spectacle)
  - 2<sup>nd</sup> Special Session started with the failed items only

# Regular Session Statistics

- 5,868 bills and joint resolutions (constitutional amendments) introduced
  - 1,437 passed (24.5%)
- UT System OGR tracked 2,302 measures (39.3%)
  - 472 passed (20.5%)

# The Budget

- SB 1, State Budget for the 2014-2015 Biennium, will spend \$197 Billion in All Funds
  - Up \$7.0 billion (3.7%) from 2012-2013, including supplemental appropriations bills, HB 1025 and HB 10
- Higher Education Funding Up
  - Increased \$604 million (4.8%) in General Revenue

# Other Pieces of the Budget Deal

- SJR 1 – If approved by voters, creates two new water infrastructure funds (\$2 billion)
- HB 500 – Franchise Tax Relief of \$600 million
- Budget – Restores \$4 billion in budget cuts made to public education in 2011.
- Constitutional amendment for transportation funding failed in 1<sup>st</sup> and 2<sup>nd</sup> special sessions, passed in 3<sup>rd</sup> (appx. \$1 billion to highway fund)

# Higher Ed Budget Items

- TEXAS Grants Program increase of \$135 million
- Texas Competitive Knowledge Fund--\$160 million
- Texas Research Incentive Program (TRIP)
  - \$36 million appropriated for 2014-2015 biennium
  - Additional \$34 million appropriated to address backlog of gifts to be matched by the state
- Graduate Medical Education (GME)
  - \$8.76 million added to GME Formula Funding
  - \$16.35 million in new funding for expansion of residency programs
- Hazlewood Act
  - Endowment established to help offset costs to universities
  - \$30 million appropriation to help with the legacy benefit provided to family members



# Major Issues Overall

- Public Education
  - Reduced number of standardized tests
  - Increased number of charter schools
- Transportation
  - \$400 million additional gas tax revenue for roads
  - \$450 million for roads in oil and gas production areas in south and west Texas
  - 3<sup>rd</sup> Special Session – Oil & gas revenue redirected from Rainy Day Fund to Highway fund in proposed constitutional amendment.
- Criminal Justice
  - Reduce bed capacity – Addresses 12,000 empty beds

# Sunset Bills

- RR Commission bill did not pass, reviewed again in 2017
- TEA bill did not pass, reviewed again in 2015
- HB 2472—DIR continued to 2021

# Coordinating Board Sunset

## SB 215

- CB extended to 2025, but much changed
- Universities will now have more direct involvement in the rules and processes that govern financial aid and degree programs, including negotiated rulemaking on admission policies, allocation or distribution of funds, data requests, and compliance monitoring
- New power to conduct risk-based compliance monitoring regarding funds allocated by board (e.g., financial aid) and data reporting. Identified misuse or misallocation of funds reported to regents, legislature, governor, but no CB imposed sanctions
- CB may review, but construction projects and real estate acquisitions are no longer subject to prior approval of the CB
- Action on proposed degree programs must occur within one year; no summary disapproval of proposed programs without full review
- CB may not close low-producing programs
- CB must publish allocation methodologies for trustee funds allocations, including financial aid
- Express reservation to institutions of powers not granted to CB

# Veterans

- HB 194--Included disabled veterans in Historically Underutilized Business (HUB) program
  - Comptroller to adopt rules to set goals for increasing purchasing from disabled veteran HUBs.
- SB 1061—veterans with a disabled veteran license plate may park for an unlimited time in a handicapped parking place
  - Institution may require vehicle to display permit issued by institution, but permit must be free
  - Does not apply to spaces in controlled access parking if 50% of disabled parking spaces of the institution are outside controlled access
  - Does not apply to areas temporarily designated for special event parking or where parking temporarily prohibited for health or safety reasons.
- SB 1158—some revisions to Hazelwood legacy that will reduce costs to institutions
- Expanded employment preference (SB 10) failed

# Retirement

## SB 1458

- Employees who are vested (five or more years in TRS) as of Aug. 31, 2014, are eligible to retire and receive full retirement payments under the current rules in place for those employees.
- Employees who are not vested in TRS as of Aug. 31, 2014, must be 65 with 5 years' service or 62 with Rule of 80 to retire and receive full retirement payments. Those members who retire early will receive a 5 percent reduction in payments for each year.
- The state and employee contributions to TRS will increase as a result of SB 1458. The state contribution will increase from 6.4 percent to 6.8 %. The employee contribution will step up from the current 6.4% to 6.7 % in FY2015, ending at 7.7% in FY 2018.
- Beginning in 2017, if state contribution rate is reduced, the employee rate is reduced equally.

# Regents

- HB 31 – Requires meetings of Board of Regents to be webcast and archived on the internet
- HB 2414, SB 984—Electronic participation in board meetings  
Regents and employees may participate remotely in a meeting if video and audio is broadcast live
  - Regent remotely participating must be counted as present
  - Regents must make available space for the public a space with audio and video display in addition to camera and microphone for public participation; presiding officer must be present in that space; public present in that space must have same opportunity to participate as a person physically present in a meeting that is not conducted by video conference.
  - Regents may establish publicly viewable internet message board to exchange communications on subjects within the regent's jurisdiction without those communications constituting a meeting for purposes of the open meetings law.
- SB 16—realigning regent/chancellor/presidential duties vetoed by the governor

# CPRIT

- SB 149--CPRIT structure revised
- Pending grants released & reauthorized
- \$300 million bond proceeds per FY authorized

# Audit Plans and Information

## HB 16

- Applies to all state agencies, including higher ed
- Agency internal audit plan and annual audit report must be posted on the web
- Not required to post information excepted from disclosure under TPIA
- Must update in time and manner required by SAO to include summary of deficiencies and actions taken to address concerns



# Gifts For Salary Supplement

## HB 12

- Applies to all state agencies, including higher ed
- Amount of a gift designated to be used as a salary supplement for an agency must be posted on the web, but not donor name.
- Agency must adopt conflict of interest policies regarding acceptance of gift to be used as a salary supplement and post policy on the web.
- Supporting foundation making a gift for the purpose of a salary supplement must report to the agency names of donors to the foundation who give more than \$10,000, unless anonymity requested, and the amount of the gift, and agency must compile into annual report to SAO and legislature.
- Agency receiving a gift for a salary supplement for a named person, position, or endowment must report information concerning the nature of the donor, oversight procedures, and use of gift.
- SAO to adopt schedule and format for reporting.

# Reporting

## SB 59

- Preserves from repeal various reports on which there was general agreement.
- Single source reduction and hazardous waste minimization plan to TCEQ covering all campus facilities
- Repeals reporting of conditional gifts from foreign persons
- Repeals annual report to governor on grant writing for discretionary federal funds
- Permits disclosure of medical committee records to extent necessary to not jeopardize federal funding
- Requires review with ITCHE of all DIR reports and sunsets those not re-adopted

# Information Technology

- HB 2539 – Requires computer technicians to report any images of child pornography
- HB 3093 – DIR, with ITCHE, to review existing statutes, procedures, data, and organizational structures; LBB, with ITCHE, to establish criteria to evaluate biennial operating plans
- SB 279 – Institutions that post high-value data sets on their websites shall provide a link to DIR
- SB 1597 – Requires institutions to develop and periodically update information security plans
- SB 1610 – Notification to nonresidents following a breach of security may follow the other state's law

# Sovereign Immunity

## HB 586

- Applies to all state agencies, including higher education
- Applies only to claims for breach of a contract for engineering, architectural, or construction services in which the amount in controversy is \$250,000 or more.
- Sovereign immunity from liability is waived for breach of an express contract provision.
- Liable for amount due, attorney fees, interest.
- No consequential or exemplary damages.
- Contractual alternative dispute procedures superseded.
- Payment of judgment only from funds specifically appropriated for that purpose

# Guns on Campus

- SB 1907 – Prohibits institutions of higher education from adopting rules that prohibit CHL holder from storing a firearm or ammunition in a locked vehicle
- Campus carry failed to pass

# Campus Security

- HB 1284
- Each institution must notify all incoming students of the penalty for false alarms or reports
- By 1 Oct 2013, each institution must similarly notify all enrolled students
- Sec. 42.06(b), Penal Code—Class A Misdemeanor (fine not to exceed \$4,000, one year in jail, or both)

# Sick Leave

## Use of Sick Leave for School Activities

- HB 480—Allows an employee to use 8 hours of sick leave a year to attend educational activities of the employee's children, including a parent-teacher conference, tutoring, a volunteer program, a field trip, a classroom program, a school committee meeting, an academic competition, and an athletic, music, or theater program
- Immediate effect

# Employee Services and Benefits

- HB 489 : Use of assistance animals—food services, dormitories, etc. may not deny admission
- HB 2020: Increases agency flexibility on wellness program model; expressly allows financial incentives for participation
- SB 1286: Revises the staff leasing law
- SB 443: Provides 5 days/year leave to reserve law enforcement officers for required training
- SB 1537: Eliminates credits to reimbursing employers under the Texas Unemployment Compensation Act if employer fails to provide timely information to TWC



# Employee Services and Benefits

- HB 1869: Limits the amount insurers can recover via subrogation rights where covered individual receives payments through litigation
- HB 2929: Restricts annual limitations on health benefit plan coverage for brain injury
- SB 632: A vision plan may not limit optometrist fees for services not covered; effect may reduce discounts but increase access to providers
- SB 644: Requires TDI to create a standard request form for prior authorization of prescription drug benefits
- SB 1216: Requires TDI to create a standard request form for prior authorization of workers' compensation health care services

# What Failed

- Campus Carry
- Tuition Revenue Bonds
- Drug Testing for Welfare
- Medicaid Expansion under ACA
- Creation of Innocence Commission
- “Dark Money” Bill vetoed by Governor
- Lilly Ledbetter Act (discrimination in compensation) vetoed by Governor

# They're Comin' Back

- Additional special session(s)?—windstorm insurance, school finance, etc.
- Filing for 2014 Election Begins December 2013
- Primary Election on March 4, 2014
- General Election on November 4, 2014
- 84<sup>th</sup> Legislature Convenes on January 13, 2015

# Between the Election and the Session

## Christmas! (and Hanukkah)

HB 308 protects the right of public school students, faculty, and staff to wish each other a “Merry Christmas” or “Happy Hanukkah.”

Questions?