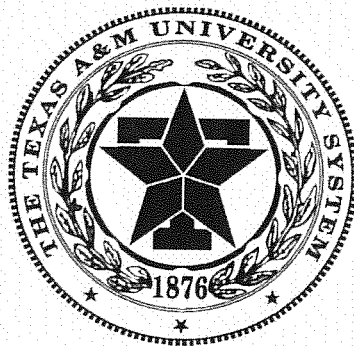


**The 83rd Legislature,
Regular, 1st and 2nd
Called Sessions**

Cumulative Report



The Texas A&M University System

August 2013

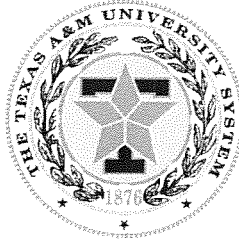


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Overview of the 83rd Legislative Regular Session

Members convened the 83rd Texas Legislature with a much improved budget outlook compared to that of the 82nd legislative session in 2011, and this prospect led to a significantly more amicable session, especially up until the last days before “sine die.” The \$28 billion budget shortfall of 2011 resulted in significant funding reductions in public and higher education and across state government. Last session, lawmakers also redrew legislative electoral maps, an inherently contentious process that strained relationships and triggered a number of court battles throughout the interim and right up to the November 2012 elections.

House Republicans held a two-thirds “supermajority” in the 82nd Legislature, after enjoying significant electoral gain in 2010. However, Democrats were able to regain a number of seats in the 2012 elections. The House was comprised of 95 Republicans and 55 Democrats for the 83rd Regular Session. The 2012 elections also brought a near-record 43 new members to the Texas House of Representatives. Combined with representatives first elected in 2010, the 83rd Texas House included nearly 45 percent first- and second-term members. Despite the unusual upsurge of new members, Representative Joe Straus (R – San Antonio) was reelected for his third term as Speaker of the House after two Republican challengers withdrew from the race.

While the Senate maintained its makeup of 19 Republicans and 12 Democrats for the 2013 session, six new members were elected in 2012. There was less concern about newly elected members finding their balance in the Senate, as four of the new Senators previously served in the Texas House. Senate districts are normally divided into staggered terms, but after new electoral maps are drawn each decennial, Senators draw lots to determine the lengths of their terms – either two- or four-year terms.

On the opening day of the 2013 session, the Senate unanimously voted to uphold its two-thirds rule, a tradition that prevents bills from being brought to the floor for debate unless two-thirds of Senators consent. Maintaining the two-thirds rule set a tone of compromise and collegiality in the Texas Senate, particularly since no exceptions to the rule were made (as had been done previously, leading to disharmony at the outset of those sessions). Before the 83rd Legislature began, Lieutenant Governor Dewhurst made several key changes to committee chairmanships, including the reassignment of long-time Senate Higher Education Chairman Judith Zaffirini (D – Laredo) to chair a different committee and naming Senator Kel Seliger (R – Amarillo) to chair the Higher Education Committee.

Though the fiscal conditions were much improved, legislators had to address some of the planned-but-postponed budget results of the austere budget passed in 2011. The State had only funded its Medicaid program through March 2013, and lawmakers were required to pass an emergency appropriations bill early in the 83rd Session to maintain services. Restoring some or all of the \$5.4 billion reduction to public education was a key priority for Democrats throughout the session. In addition, Governor Perry, Lieutenant Governor Dewhurst, and Speaker Straus all recognized the need for a serious investment in the State’s water, transportation, and other infrastructure needs. Though some of the more conservative members expressed reservations, legislative leadership, including the Governor, supported using some portion of Texas’s Rainy Day Fund to support these infrastructure projects.

Despite the concerns some expressed at the beginning of the session, legislators were able to largely avoid some of the bitter partisan battles that marred the 2011 session. Governor Perry opted not to set topics as “emergency items” as he had previously, and Republicans and Democrats worked together behind the scenes to broker compromises on key policy and budget issues.

Though the tone of the 83rd Legislature was generally congenial within each Chamber, tensions did arise between the House and Senate. Angered by the actions (and inaction) of certain Senators, some Representatives retaliated by killing a number of Senate bills in the closing days of the session. In addition, misgivings developed between the two chambers over negotiations regarding the 2014-2015 State budget. Senate Finance Chairman Tommy Williams (R – The Woodlands) and House Appropriations Vice Chairman Sylvester Turner (D – Houston) had a heated exchange during which Turner expressed concern the Senate might ultimately fail to agree to compromises on budget issues. The final budget agreement was predicated on several “must pass” bills that led to a showdown in each chamber. The Senate refused to pass HB 1025 (the supplemental appropriations bill) until the House passed SJR 1 (the water funding bill), and vice versa. Ultimately, both chambers passed their respective bills at roughly the same time, ending the standoff and completing most of their work for the 83rd Regular Legislative Session.

Democrats and Republicans alike praised the compromises forged on the 2014-2015 budget, which provided for an 8.3 percent increase over the 2012-2013 levels and included significant increases for public education over the previous session. The budget left more than \$500 million in the State Treasury and did not reach the constitutional spending limit, an issue that had been of significant concern to conservatives at the start of the session.

While lawmakers made significant accomplishments on key funding and policy priorities, there were a number of issues left unresolved at the close of the 83rd Session. Governor Perry called legislators back into a special session within hours of ‘sine die’ of the Regular Session.

Overview of Issues

Higher Education Issues

The following summarizes major higher education-related issues in the 83rd Regular Legislative Session, with particular emphasis placed on issues impacting the Texas A&M University System and its institutions and agencies. Many of these issues are covered in greater detail in the “Overview of Key Higher Education Legislation” section of this report.

Outcomes-Based Funding

In 2011, the Texas Legislature passed HB 9, by House Higher Education Chairman Dan Branch (R – Dallas), directing the Texas Higher Education Coordinating Board (THECB) to work with general academic institutions to develop an outcomes-based funding methodology limited to no more than 10% of formula funding. The THECB put forward its recommendations prior to the start of the 83rd Session for an outcomes-based funding plan based on weighted measures of student achievement of success that would allocate 10 percent of the General Academic Institutions’ (GAIs) base funding that otherwise has been distributed through the Instructions and Operations (I&O) Formula.

Supporters of outcomes-based funding for higher education attempted to address legislatively the issues both through policy changes and the appropriations process. Chairman Branch pre-filed HB 25 before the start of the 83rd Legislature to tie an amount up to 25 percent of state funding for general academic institutions to performance measures. A committee substitute passed from the House Higher Education Committee would have gradually increased over two biennia from 15 percent to 25 percent of the General Academic Institutions’ base funding from the I&O Formula to outcomes-based formula funding. HB 25 faltered in the House because of legislative calendar deadlines, and without a Senate companion, the issue died for the 83rd Regular Session.

Members of the House Appropriations and Senate Finance committees proved to be less enthusiastic about an outcomes-based funding plan, after reviewing a change in the funding distribution among the GAIs between the I&O and Outcomes formulas. Neither Chamber included performance funding measures in its version of the 2014-2015 state appropriations bill. However, support for outcomes-based funding did garner wide support in concept; the reservations stated by many Members related more to the change in distribution.

Fixed-rate Tuition

In his State of the State address at the beginning of the 83rd Legislature, Governor Rick Perry called on institutions of higher education to provide a four-year fixed-rate tuition plan for incoming students. The Governor had advocated such a plan since 2009 in an effort to give students and parents more certainty about the cost of a college education and to encourage timely graduation. Some in the higher education community noted that a *mandatory* fixed-rate tuition plan could reduce needed budgeting flexibility in the event of future times of budget shortfalls.

The University of Texas at Dallas and the University of Texas at El Paso each already offered its own fixed-rate tuition plans, and the Governor and other State leaders touted them as models. The boards of regents of all six public university systems responded to the Governor's fixed-rate tuition call, and each took steps toward implementing a plan in advance of a legislative mandate.

Chairman Branch pre-filed HB 29 to require institutions of higher education to implement a fixed-rate tuition plan based largely on the UT Dallas plan. Other legislators, including Carol Alvarado (D – Houston) and Abel Herrero (D – Robstown), filed similar measures. HB 29 passed the House unanimously in early May.

The Senate, recognizing the proactive steps taken by boards of regents, amended the bill to provide governing boards more flexibility in creating fixed-rate tuition plans. In addition, senators attached to HB 29 certain language from SB 15, Senator Seliger's bill to address legislative concerns regarding university boards of regents. Senators were concerned about a veto of SB 15 and wanted to tie those provisions to the Governor-supported fixed-rate tuition plan. However, the House refused to concur with Senate amendments, and the SB 15 language was stripped from the bill prior to its final passage. SB 15 is discussed further in the next section.

The final version of HB 29, signed by the Governor on June 14, 2013, requires institutions of higher education to offer a fixed-rate tuition plan to incoming undergraduate students, including transfer students, beginning in fall 2014. The plans are to be developed following the guidelines established in HB 29; however, the legislation allows boards of regents to adopt their own qualifications for a program.

Board Governance

During the 2011 Texas Legislative Session, House Speaker Joe Straus and Lieutenant Governor David Dewhurst appointed a Joint Oversight Committee to examine higher education excellence, governance, and transparency.

The joint committee was reauthorized at the beginning of 83rd Legislature; both the House and Senate expressed their commitment to enacting meaningful reforms to increase accountability and transparency for all higher education governing boards.

Though the Joint Oversight Committee held no substantive meetings during the 2013 Regular Session, the House Select Committee on Transparency in State Agency Operations, the Senate Nominations Committee, and both the House and Senate Higher Education Committees did hold hearings during which they raised questions regarding the level of detail being exercised by the UT System's Board of Regents in its oversight of UT System institutions, with particular interest focused on its oversight of UT-Austin. House Appropriations Chairman, Jim Pitts (R – Waxahachie) included some restrictions on the UT System Board through the 2014-2015 General Appropriations Act in an effort to address some of the Legislature's concerns.

Senate Higher Education Committee Chairman, Kel Seliger (R – Amarillo), filed SB 15 to address board governance issues. The bill had bipartisan support in both chambers, including 10 co-authors and 2 co-sponsors in the Senate. SB 15 made changes to the status and powers of university system boards of regents, including provisions on training requirements, the appointments process, and requirements of the board with regard to

relationships to individual campuses/presidents. The bill passed both chambers with overwhelming support; however, Governor Perry vetoed the measure. The Governor indicated he believed SB 15 limited oversight authority that could lead to reduced accountability and increased opportunity for malfeasance.

The Legislature did enact HB 31, by Chairman Branch, to require governing boards to post board agendas and related materials online, to broadcast their meetings over the internet, and to create an online archive of the meetings. (Note: The Texas A&M University System Board of Regents has already adopted these practices.)

Veterans-related Tuition Exemption Programs

The Hazlewood Act is a state program providing qualified Texas veterans, spouses, and dependent children with a tuition exemption at public institutions of higher education. The program was first enacted in the 1920s and has evolved and expanded in ensuing years. Texas lawmakers passed the Hazlewood Legacy Act in 2009 (SB 96 by Van de Putte/Castro), allowing veterans to transfer any unused portion of their exemption to their eligible children.

Lawmakers have not provided funding to institutions of higher education to cover the cost of the mandatory Hazlewood exemptions. The addition of the Hazlewood Legacy program caused institutional costs statewide to skyrocket from \$24 million in 2009 to \$110.8 million in 2012.

Early in the 83rd Legislative Session, lawmakers recognized the increased impact of this unfunded mandate on institutions of higher education and worked to find legislative policy and funding solutions. University chancellors and presidents testified before numerous committees regarding the cost of the exemptions to public institutions, its impact on other non-veteran students, and the importance of providing State funding for Hazlewood exemptions. In particular, Texas A&M University-Kingsville and Texas A&M University, among others, provided expert witness testimony regarding the support of their institutions for the Hazlewood exemptions, while at the same time explaining the impact of rapidly mounting costs borne by the institutions and other students from expansion of Hazlewood to Legacy beneficiaries.

Lawmakers created two important funding sources to help mitigate the costs of providing tuition and fee exemption to veterans and their eligible children and spouses. HB 1025, the FY 2012-2013 supplemental appropriations bill, appropriates \$30 million in one-time funds to the THECB for funding a portion of each institutions' proportionate share of the exempted tuition and fees owing to expansion of the Hazlewood exemption. SB 1158, by Leticia Van de Putte (D – San Antonio), creates a *Permanent Fund Supporting Military and Veterans Exemptions* to help to offset the cost to institutions of higher education for providing state-mandated veteran exemptions. The Texas Guaranteed Student Loan Corporation will provide the State with a one-time payment of \$248 million for the fund, and the interest earned from the fund will begin providing partial funding for the Hazlewood exemptions program in FY 2014.

SB 1158 also included important reforms to the Hazlewood program and eligibility requirements. The bill moves the administration of the Hazlewood program from THECB to the Texas Veterans Commission (TVC) and requires the TVC to play a more active role in the administration of the program. Hazlewood students will now have to claim their exemption by the end of the semester, Legacy students must maintain a satisfactory GPA, and the semester credit hour ceiling will be realigned to reflect the student's major.

Though none of these measures will completely fund the Hazlewood program, together they make important strides in both mitigating the growing costs of veteran exemptions to institutions of higher education and help to sustain the benefits of this program to veterans and their dependents.

Texas Higher Education Coordinating Board Reauthorization

Most state agencies, excluding institutions of higher education, must undergo a periodic "Sunset" review to assess the continuing need for the agency. The Sunset review process provides the Legislature an opportunity to make fundamental changes to an agency's mission or operations if needed.

The Texas Higher Education Coordinating Board (THECB) was scheduled for Sunset Review during the 83rd Session and underwent an in-depth review by Sunset Advisory Commission staff prior to the start of the session. The Sunset staff report recommended a number of important changes to the policies and procedures of the

THECB. here were specific concerns regarding the closure of low-producing programs, approval of facilities projects, and the issuance of “certificates of authority” to foreign, for-profit institutions offering professional degrees.

Senator Brian Birdwell (R – Granbury) and Representative Rafael Anchia (D – Dallas), both members of the Sunset Advisory Commission, carried the THECB Sunset legislation. Stakeholders from institutions of higher education began working with Senator Birdwell, Representative Anchia, and other key legislators early in the 83rd Legislative Session to enact meaningful and substantive changes.

Both the House and Senate chambers adopted significant amendments to SB 215, many of which were enrolled into the final version of the THECB Sunset bill. As enacted, SB 215 mandates negotiated rulemaking and compliance monitoring in certain instances, prohibits the mandatory closure of low-producing programs, eliminates THECB’s authority over approval of campus capital projects and property purchases, prohibits the THECB from issuing certificates of authority to foreign professional schools, makes changes to the TEXAS Grants and B-on-Time programs, and addresses a number of other issues.

The THECB was reauthorized until 2025, and institutions will work closely with the agency as it begins the negotiated rulemaking process and develops new policies and procedures to comply with this legislation.

Campus Carry

Lawmakers have worked for a number of years to adopt a measure allowing holders of concealed handgun licenses (CHL) to carry guns on college campuses. In 2011, the measure came close to passing by being tacked onto a bill as an amendment. The bill’s author, Senator Judith Zaffirini (D – Laredo), dropped her bill to prevent the “campus carry” measure from passing.

This session, more than 55 bills dealing with gun-related issues were filed, many in response to gun control measures being proposed by the U.S. Congress. Legislation addressing campus carry was no exception, and Senator Brian Birdwell (R – Granbury) and Representative Allen Fletcher (R – Tomball) were the sponsors of the issue’s main vehicles. Senator Birdwell’s SB 182 had 13 co-authors, and Representative Fletcher’s HB 972 had 63 co-authors.

The House Homeland Security and Public Safety Committee heard hours of testimony on the campus carry issues. However in the Senate, Criminal Justice Committee Chairman John Whitmire (D – Houston) indicated early in the session his committee would not hold a hearing on the measure.

After weeks of intense debate surrounding the issue, HB 972 was amended in the House committee to include an “opt out” provision so public universities could choose not to allow CHL holders to carry handguns on college campuses. The changes also allowed for an “opt in” for private institutions. The committee voted 7-1 on the bill as amended, with the committee chairman, Joe Pickett (D – El Paso), casting the lone dissenting vote. There was speculation the opt out provision would be stripped on the House floor, but ultimately it remained in place. As expected, the bill overwhelmingly passed the House.

It was thought by some that the Lieutenant Governor might refer HB 972 to the Senate Agriculture, Rural Affairs and Homeland Security Committee instead of the Criminal Justice Committee because of Chairman Whitmire’s objections to the legislation. However, Senator Whitmire agreed to give HB 972 a hearing, and the bill was referred to his committee. Senate Whitmire warned campus carry opponents that a more stringent version, without the opt out provisions, could be included in a special session if HB 972 failed. The bill passed the Senate Criminal Justice Committee on a 4-2 party-line vote. As time ran out on the 83rd Legislature, Senator Birdwell and other supporters were not able to secure the required two-thirds majority to bring HB 972 to the Senate floor, and the campus carry measure failed again.

In an effort to pass some type of concealed carry legislation, Senator Glenn Hegar (R – Katy) filed SB 1907 to allow concealed CHL holders to store their guns in their locked vehicles on college campuses. Previously, universities were able to maintain strict no-gun policies on campus. The Senate voted to suspend its rules to allow SB 1907 to be filed after the deadline had passed, and the measure passed easily through both chambers. Governor Perry signed SB 1907 into law on June 14, 2013, and the measure goes into effect on college campuses on September 1, 2013.

Tuition Revenue Bonds

The Texas Legislature invests in higher education capital planning and construction through the use of Tuition Revenue Bonds (TRBs). The bonds are secured by tuition revenues; however, in practice the debt service and principal have traditionally been paid by the State through the appropriation of general revenue. TRBs were first issued in 1971, and since 1991 a TRB bill had been traditionally passed each alternating legislative session. However, no statewide public higher education infrastructure package has been passed since 2006.

In the seven years since the last statewide TRB package, more than 86,000 additional students were enrolled in Texas public universities and health related institutions, and by fall 2012 public four-year and health-related institutions had a combined space deficit of over 18 million square feet.

Early in the session, legislative leadership, including Lieutenant Governor Dewhurst and Higher Education Chairs Seliger and Branch, publicly signaled their support for a TRB package in 2013. Institutions of higher education were hopeful the Legislature would authorize these critical construction projects during the 83rd Legislature.

Senator Judith Zaffirini (D – Laredo) filed SB 16, an omnibus TRB bill with projects for every campus, during the pre-filing period before the session began. Senate Finance Committee Chairman, Tommy Williams (R – The Woodlands), created a subcommittee to address capital funding projects, including TRBs. The three members of the committee, Senators Seliger, Zaffirini, and Kevin Eltife (R – Tyler), developed a proposal funding \$2.4 billion in campus construction projects. Their initial version of SB 16 required institutions eligible to receive funding from the Permanent University Fund (PUF) to use those funds for 50 percent of each project. The bill was later amended in committee to provide for the Texas A&M System PUF-eligible institutions to match 1/3 of their institutions' projects with PUF funds and to allow those institutions to use other funds in addition to or in lieu of PUF funds. SB 16 passed the Senate on a near-unanimous vote, and moved to the House.

After stalling in the House for a few weeks, SB 16 was referred to the House Appropriations Committee. The House version of the bill required most institutions to contribute at least 20% to the project and increased the authorization of the total package to \$2.7 billion. The bill easily passed the full House, but the Senate refused to concur with the House changes. Instead, the Senate requested the appointment of a Conference Committee to work out differences between the bills, however the House declined to appoint a Conference Committee. While leadership from both chambers worked literally until the last minute to find a way to pass a TRB bill, in the end Senator Zaffarini and the Senate could not get the super-majority votes required to pass the TRB bill on the last day before "sine die."

Selected Major Statewide Issues

The following summarizes major issues impacting the 83rd Regular Session. Most of these topics have statewide implications, and debate over each contributed to setting the tone of the session.

Water Funding

The historic drought of 2011 spurred Governor Perry, Lieutenant Governor Dewhurst, Speaker Straus, and legislative leadership to make funding for critical water projects throughout the State a top priority for the 83rd Legislature. The State's demand for water is projected to increase 22 percent over the next 50 years, while water supplies are projected to decrease by 10 percent.

The House and Senate each proposed tapping the State's Economic Stabilization Fund, commonly referred to as the Rainy Day Fund, to provide local communities with funding for long-needed water supply projects.

Representative Allan Ritter (R – Nederland) and Senator Tommy Williams (R – The Woodlands) each filed bills to address these issues.

In the Senate, SJR 1 by Senator Williams tackled water funding together with funding for transportation projects and public education. In a deal brokered between Democrats and Republicans, the Senate passed the joint resolution to ask Texas voters to approve using \$5.7 billion from the Rainy Day Fund for the 3 major projects, with \$2 billion designated for water infrastructure funding. The fate of SJR 1 was uncertain, as some of the more conservative members in the House indicated they did not support using the Rainy Day Fund.

HB 11 by Representative Ritter would have used \$2 billion from the Rainy Day Fund for funding long-term water projects over 50 years. The bill was subject to opposition from both Democrats and some Republicans. Democrats demanded more funding for public education, and argued if the Rainy Day Fund was being used for water projects then it should be used to fund education as well. Hard-line conservatives were opposed to using the Rainy Day Fund for any purpose and raised concerns about jeopardizing the State's bond rating. After hours of contentious debate, HB 11 was killed on a procedural point of order brought by Representative Sylvester Turner (D – Houston).

After HB 11's defeat, Governor Perry indicated he would call lawmakers into a special session if water funding was not addressed. House and Senate leadership began working to develop compromise legislation that could pass both chambers. With little time left in the session, an agreement was reached to move SJR 1, while adding key provisions to HB 1025, the supplemental appropriations bill. However, the tense relationship between the House and Senate that developed at the end of the session threatened to derail the compromise on multiple occasions.

In the end, the funding mechanism for the State was passed with overwhelming majorities. SJR 1 requires Texas voters to approve the creation of a new State water plan to help fund local and regional water projects. HB 1025 includes a \$2 billion draw down from the Economic Stabilization Fund, contingent upon voter approval of SJR 1, in November.

Medicaid

Debate over funding, expansion, and programmatic changes to the State's Medicaid program was some of the most persistent and contentious of the 83rd Legislature. Coming into the session, the State faced significant funding shortfalls for its Medicaid program because of accounting measures and postponed funding decisions made to balance the 2012-2013 budget in the 82nd session. HB 10, an "emergency" appropriations bill by Jim Pitts (R – Waxahachie) and Tommy Williams (R – The Woodlands), provided \$4.5 billion in Medicaid funding required for fiscal year 2013. Without the approval of HB 10, Medicaid managed care providers would have stopped receiving payments in mid-March, with more than 5 months remaining in the fiscal year. The bill was finally passed only two days before the funding was scheduled to run out.

Under the federal Affordable Care Act, states are required to expand Medicaid program eligibility for low-income residents in order to take advantage of significant federal matching funds. Governor Perry was staunchly opposed to an expansion, believing expanding what he called a "broken" system would be detrimental to Texas and its economy. Democrats and some Republicans wanted to find an option to draw down an estimated \$100 billion over 10 years, and began looking for ways to craft a solution acceptable to Governor Perry.

Senate Finance Chairman Tommy Williams included a provision in the Senate version of the 2014-2015 budget instructing the Texas Health and Human Services Commission to negotiate with the Obama administration on Medicaid expansion. As the House debated its version of the State budget, Representative Lon Burnam (D – Fort Worth), offered a similar amendment. With the support of Representative John Zerwas (R – Simonton), a Republican leader on the issue, the House adopted the amendment. However, hours after its approval, the House moved to reconsider the vote. Rather than have the House vote on the amendment a second time, and likely defeat it, Representative Burnam withdrew the measure. During the conference committee negotiations on the 2014-2015 State budget, the Senate language was removed, and the budget ultimately passed without any Medicaid expansion provisions.

Representative Zerwas also crafted legislation outside the appropriations process to explore an alternative pathway for healthcare expansion. HB 3791 would have requested a block grant for Texas to reform its current Medicaid program and then negotiate a method for drawing down federal matching funds. The bill was voted favorably from committee, but never made it to the House floor because of legislative calendar deadlines.

As part of the session-long debate over the State's healthcare programs, Senate Health and Human Services Committee Chairman Jane Nelson (R – Flower Mound) authored several bills to overhaul the Texas Medicaid program. The bills, SB 7, SB 8, and SB 58, are estimated to save the State \$51 million over the next two years by curbing Medicaid fraud, transitioning certain services to Medicaid managed care, and expanding behavioral health services. SB 7 was also amended in the final days of the legislative session to include language rejecting Medicaid expansion under the Affordable Care Act. Opponents of the prohibition argued it could hamstring the State's ability to receive federal matching funds, but the amendment prevailed.

Public Education

At the beginning of the 83rd Legislature, a bipartisan group of lawmakers proposed sweeping changes to the State's high school testing and graduation requirements. In addition, there was a push to expand the State's charter school system. Though public education funding was an important issue, these two efforts comprised the majority of the policy-based debate over public education.

HB 5, by Representative Jimmie Don Aycock (R – Killeen) and Senator Dan Patrick (R – Houston), was filed in response to calls from parents, educators, and employers for greater flexibility in high school graduation requirements and reduced end-of-course testing. There was a general consensus some relief from end-of-course exams was needed, but the debate over changes to the high school graduation plan was more contentious.

Texas currently operates under a "4x4" graduation plan that requires four years each of courses in math, science, social studies, and English. The changes under HB 5 eliminate the 4x4 program and replace it with a "foundation" curriculum upon which students could add "endorsements" in specialized areas. Supporters of the legislation said students should be offered the opportunity to take career-training courses and that the changes could help reduce the high school dropout rate. Opponents worried the changes could negatively impact academic achievement, rigor, and college readiness, particularly for low-income and minority students.

After hours of contentious debate, much of which centered on the balance between flexibility and rigor, with a focus on the need for Algebra II courses, the House passed its version of HB 5. The bill stalled in the Senate, as Senator Patrick worked to reach an agreement with his colleagues. During a committee hearing on the bill, Senator Patrick fiercely countered complaints the bill would weaken academic standards. HB 5 passed favorably from committee and went on to pass the full Senate unanimously. The final version of the bill agreed upon by both chambers reduces the number of standardized tests from 15 to five and requires high school students to take a "foundation" curriculum upon which they can add "endorsements" in areas such as science and technology, business and industry, or humanities. All high school graduates are eligible to apply to public institutions of higher education and to receive state financial aid. However, only students completing the foundation curriculum and adding an endorsement with a "distinguished" level of performance are eligible for Top 10% automatic admissions to most public universities.

After the conclusion of the 83rd Legislature, there was speculation Governor Perry might veto the bill because of concerns it could weaken high school graduation standards. In the end, the Governor signed HB 5 calling it an appropriate balance between a need for rigorous academics and flexibility.

Legislators also passed SB 2, by Senator Patrick and Representative Aycock, to expand the State's charter school system. As originally filed, the bill intended to remove the cap from charter school contracts. However, in an effort to build consensus in the Senate, SB 2 was amended to leave a cap in place with a gradual increase in the number of charter schools. The final version of SB 2 increases the State's charter school contracts by approximately 15 per year to allow a total of up to 305 by 2019. The bill also allows school boards to vote to convert low-performing campuses within their districts into charter schools without counting toward the cap, and directs the Texas Education Agency to oversee charter schools rather than the State Board of Education. SB 2

passed both the House and Senate with overwhelming majorities, and was signed by the Governor on June 14, 2013.

Cancer Prevention and Research Institute of Texas

In late 2012, investigations were launched regarding the practices of the Cancer Prevention and Research Institute of Texas (CPRIT). Texas voters approved the creation of CPRIT in 2007, granting lawmakers the authority to sell \$3 billion in bonds over 10 years to provide grants for cancer research and prevention programs. Since 2010, CPRIT has awarded nearly 500 grants totaling \$836 million, the majority of which went to institutions of higher education.

It was discovered that CPRIT had improperly awarded an \$11 million grant, triggering criminal and civil investigations by the Texas Attorney General, the Travis County District Attorney, and the State Auditor's Office. The state audit revealed inappropriate relationships between CPRIT review councils and donors, in addition to three additional grants that were awarded without proper review totaling more than \$56 million.

State leaders and legislators expressed concern about the troubled Institute, and in December 2012, Governor Perry, Lieutenant Governor Dewhurst, and Speaker Straus called for an immediate moratorium on new CPRIT grant awards. When the 2014-2015 State budgets were introduced at the start of the 83rd Legislature, both the House and Senate versions eliminated all funding for CPRIT. The Institute was the subject of hours-long hearings in multiple House and Senate committees. In addition, Senator Jane Nelson (R – Flower Mound) and Representative Jim Keffer (R – Eastland), the sponsors of the legislation creating CPRIT in 2007, filed major reform legislation to restructure CPRIT's leadership, establish a compliance program, and require thorough review of all grant awards.

After a number of key resignations and upon receiving assurances the Institute was implementing key reforms, State leaders gave CPRIT permission to continue processing contracts on previously approved grants. The Legislature also passed SB 149 by Senator Nelson and Representative Keffer to codify the reforms lawmakers believed were necessary to reestablish the Institute's credibility. SB 149 restructures the CPRIT leadership and imposes strict conflict of interest prohibitions. The bill prohibits CPRIT officials from having business relationships with those receiving grants and prohibits donors to CPRIT or its foundation from receiving grants. The Legislature also agreed to restore the institute's 2014-2015 funding if lawmakers passed SB 149.

Guns

In the 83rd Legislature, more than 55 bills dealing with gun-related issues were filed, the majority of which aimed to expand gun rights for Texas residents. Many measures were authored in response to the gun control debate occurring in Congress in the wake of the Newtown, Connecticut school shooting.

The Texas House dedicated a full legislative day to debating gun-related bills, including "campus carry" legislation impacting institutions of higher education, legislation to nullify any new federal gun control laws, multiple bills to expand access to carry guns, and a bill to create an armed marshal in public schools. Most bills heard easily passed the Republican-controlled House, but a number of measures stalled in the Senate.

While HB 972, the campus carry bill by Representative Allen Fletcher (R — Cypress) and Senator Brian Birdwell (R — Granbury), did not pass, the Texas Legislature did approve 15 gun-related measures by the close of the session. One of the most high-profile bills to pass was known as the "Protection of Children Act." HB 1009 by Representative Jason Villalba (R – Dallas) creates a school marshal program and allows public school districts to opt in to the program. Participants would undergo extensive training and would have access to a locked weapon to respond to emergencies threatening the lives of students. A school marshal's identity would only be known to certain school officials, local law enforcement, and the Texas Department of Public Safety. Governor Perry called HB 1009 a "measured approach" to school safety.

Other successful gun-related legislation makes it easier to obtain and maintain a concealed handgun license (CHL). SB 864 by Senator Donna Campbell (R – New Braunfels) reduces the CHL training requirements from 10 hours to four; HB 48 by Representative Dan Flynn (R – Van) streamlines the CHL renewal process; and HB 485 by Representative Sarah Davis (R – Houston) reduces CHL fees for certain veterans and law enforcement officials.

HB 508 by Representative Ryan Guillen (D – Rio Grande City) would have allowed certain officeholders to carry a concealed handgun in areas where it is otherwise prohibited. As initially filed, the bill had bipartisan support and was expected to easily pass. However, HB 508 was amended in the Senate to also provide the exception for legislators, a provision strongly opposed by many in the House. Opponents of the amendment argued legislators should not grant themselves this access unless they could do the same for their constituents. After a heated debate, many believed they had reached an agreement with Representative Guillen that the measure would be removed during conference committee negotiations. Instead of removing the provision, members of Congress were also added, a move that drew intense criticism from both Republicans and Democrats. The bill was ultimately defeated handily.

Appropriations

In January 2013, the Comptroller issued her constitutionally mandated (Art. III, Section 49a of the Texas Constitution) Biennial Revenue Estimate (BRE). Her estimate stated that there would be a \$101.4 billion in funds available for general-purpose spending, a 12.4 percent increase from 2012-13. This increase includes \$96.2 billion in tax revenue, a transfer of \$3.6 billion to the Economic Stabilization and a projected \$8.8 billion GR ending balance from the 2012-13 biennium due to better-than-expected revenue collections from a robust oil and natural gas sector.

During the Regular Session, the Legislature passed three key pieces of appropriation legislation: Senate Bill 1, the General Appropriations Act (GAA); House Bill 10, the emergency supplemental appropriations bill; and House Bill 1025, the "other" supplemental appropriations bill. The key elements of each are summarized below. Other legislation was passed in order to implement various policies necessary to make the budget balance within available revenues, including HB6 and HB7.

SENATE BILL 1

Senate Bill 1 by Williams/Pitts appropriated \$94.6 billion in General Revenue Funds (GR) for 2014-15, \$7.2 billion more than the 2012-13 biennium or an increase of 8.3 percent. The All Funds budget totaled \$197 billion, an increase of \$7.1 billion or 3.7 percent.

OVERVIEW OF THE STATE BUDGET

General Revenue, in millions
2014-15 Compared to 2012-13 Expended/Budgeted Level

GENERAL REVENUE FUNDS	2012-13	2014-15	Change	Percent Change
Art. I General Government	2,195.1	2,487.7	292.5	13.3%
Art. II Health and Human Services	27,621.8	29,922.6	2,300.7	8.3%
Art. III Education	47,188.4	50,566.5	3,368.1	7.1%
<i>Public Education</i>	34,728.5	37,492.5	2,764.0	8.0%
<i>Higher Education</i>	12,459.9	13,064.0	604.1	4.8%
Art. IV The Judiciary	378.1	444.1	66.0	17.5%
Art. V Public Safety and Corrections	8,273.4	8,826.0	552.6	6.7%
Art. VI Natural Resources	610.6	722.5	111.9	18.3%
Art. VII Business and Economic Development	517.0	738.5	221.6	42.9%
Art. VIII Regulatory	261.7	277.8	15.9	6.1%
Art. IX General Provisions	-	275.4	275.4	NA
Art. X The Legislature	<u>348.5</u>	<u>358.1</u>	<u>9.6</u>	2.8%
Grand Total	<u>87,394.7</u>	<u>94,609.0</u>	<u>7,214.3</u>	8.3%

Source: Legislative Budget Board, May 2013.

Notes: 2012-13 includes certain anticipated supplemental spending adjustments. Biennial change and percentage change are calculated on actual amounts before rounding. Therefore, table and figure totals may not sum due to rounding.

Constitutional Spending Limits

Texas has four constitutional limits on spending. The 2014-15 biennial appropriations are within these spending limits.

1. Article III, Section 49a, "Pay-as-you-go" Limit. It requires that bills making appropriations be sent to the Comptroller for certification that the appropriations are within available general revenue. Appropriations from the General Revenue Fund for the 2014-15 biennium total \$94.6 billion, which is within the "pay-as-you-go" limit.
2. Article VIII, §22, Limit on the Growth of Certain Appropriations. This provision limits the rate of growth of appropriations from state tax revenue not dedicated by this Constitution to not exceed the estimated rate of growth of the state's economy. The Legislative Budget Board (LBB) met on November 15, 2012, and adopted the constitutional spending limit. The 2014-15 level of appropriations is within the Article VIII limit set by the LBB.
3. Article III, §51-a, Welfare Spending Limit. This provision limits the amount that may be paid out of state funds for assistance grants to or on behalf of needy dependent children and their caretakers to no more than one percent of the state budget in any biennium. The biennial amount included in SB 1 that is subject to the limit on state dollars is over \$1.8 billion less than the one percent limit.
4. Article III, §49 (j), Debt Limit. The Legislature may not authorize additional state debt if, in any FY, the resulting maximum annual debt service payable from the General Revenue Fund, excluding revenues constitutionally dedicated for purposes other than payment of state debt, exceeds five percent of the average annual unrestricted general revenue for the previous three years. The Bond Review Board calculates this as two limits. The first limit applies to outstanding or issued debt, and for the end of FY2012, the issued debt calculation is 1.34 percent. The second limit calculation includes both issued and authorized but unissued bonds. The Bond Review Board has determined that the state is currently at 3.48 percent of unrestricted general revenue for the end of FY2012 based on the second calculation. Actions of the 83rd Legislature would increase the constitutional debt limit ratio from 3.48 percent to 3.55 percent of the three-year average of unrestricted general revenue. Debt service on bonds for the Water Infrastructure Fund and the Economically Distressed Areas Program (EDAP) programs would have an additional impact on the constitutional debt limit calculation.

Economic Stabilization Fund (Rainy Day Fund)

The Economic Stabilization Fund (ESF), frequently referred to as the Rainy Day Fund, had a balance of \$8.0 billion as of January 1, 2013. The Comptroller's *Biennial Revenue Estimate* forecasts that by the end of FY 2015, the balance in the Economic Stabilization Fund would be \$11.8 billion. Based on actions taken by the 83rd Legislature's appropriating \$3.9 billion from the ESF, it is estimated that the remaining balance at the end of the 2012-13 biennium will be \$7.7 billion

House Bill 10, Emergency Supplemental Appropriations Act

House Bill 10 (Pitts/Williams) served as the vehicle to complete actions required for the 2012-13 biennial budget that were intentionally left undone at the end of the 82nd Legislature. The bill appropriated \$4.2 billion from the General Revenue Funds, \$2.1 billion from the Foundation School Fund as well as \$340 million from Tobacco Settlement Receipts and \$313 million from appropriated receipts. The bill funded the remaining requirements for Medicaid. The 82nd Legislature funded Medicaid only through March 2013; this bill funded the remaining months in the biennium. The bill also reversed the delay of the 24th payment to the Foundation School Program. The 82nd Legislature moved the 24th payment forward to save money during the 2012-13 biennium as part of the package to balance the 2012-13 budget. The bill

also provided \$630 million to the Foundation School Program to ensure full funding of the formula entitlements to school districts for FY2013.

House Bill 1025, Supplemental Appropriations Act

House Bill 1025 (Pitts/Williams) took care of the more routine supplemental funding actions that the Legislature typically addresses, appropriating over \$1 billion through the end of the 2014-15 biennium.

Key items affecting higher education include:

- \$200,000 to the University of Houston – Clear Lake as a technical adjustment to current appropriations.
- \$162,500 to **Texas A&M AgriLife Research** as a technical adjustment to the 2012-13 appropriations.
- Reduction of \$1.4 million from the Higher Education Employees Group Insurance for UT Medical Branch.
- Reduction of \$2 million from UT Austin (technical correction).
- \$30 million to the Texas Higher Education Coordinating Board for allocation to institutions of higher education to reimburse partially each institution's proportionate share of costs associated with the tuition exemption for legacy students under the Hazlewood program.
- \$9.25 million to the Texas Higher Education Coordinating Board for expansion of first year GME residency positions
- \$7.75 million to the Texas Higher Education Coordinating Board for family practice residency programs.
- \$34.4 million to the Texas Higher Education Coordinating Board for the Texas Research Incentive Program.
- \$1 million to the University of North Texas at Dallas for the new university innovation (vetoed).
- \$150,000 to **Prairie View A&M University** for community development projects (vetoed).
- \$350,000 to **Prairie View A&M University** for the Office of International Affairs (vetoed).
- \$150,000 to the University of Houston Downtown for community development projects (vetoed).
- \$100,000 to the University of Houston for the Hobby School of Public Affairs (vetoed).
- \$1.5 million to the University of Texas – Austin for the Department of Mexican American Studies (vetoed).
- \$2 million to **Texas A&M International University** for petroleum engineering program (vetoed).
- \$1,678,703 to the **Texas A&M Engineering Extension Service** for reimbursement for state-directed deployments for natural disasters (paid from the Economic Stabilization Fund).
- \$161,065,711 to the Texas A&M Forest Service for costs associated with wildfires (paid from the Economic Stabilization Fund).
- \$175 million for debt service contingency on passage of a tuition revenue bond bill during the regular session (vetoed because no legislation passed).

The other key action included in HB 1025 repealed the 24th payment for the Foundation School Program funded from General Revenue and appropriated the installment payment from the Economic Stabilization Fund.

Higher Education Appropriations

**Higher Education
SB1 General Revenue Appropriations for 2014-15
Compared to 2012-13
in millions**

	2012-13	2014-15 GR	Change	%
General Academics/System Offices	4,075,188,929	4,381,781,060	306,592,131	8%
Health Related Institutions	2,291,893,295	2,532,709,980	240,816,685	11%
A&M System Agencies	318,852,190	386,578,546	67,726,356	21%
Two Year Institutions	1,924,475,356	1,962,474,445	37,999,089	2%
Coordinating Board	1,053,524,418	1,245,377,959	191,853,541	18%
Higher Education Group Insurance	964,650,833	1,191,211,697	226,560,864	23%
Optional Retirement Program	213,301,441	208,866,893	(4,434,548)	-2%
Higher Education Fund	<u>525,000,000</u>	<u>525,000,000</u>	<u>0</u>	0%
Total, Higher Education	<u>11,366,886,462</u>	<u>12,434,000,580</u>	<u>1,067,114,118</u>	9%

Notes:

Table does not include higher education portion of retirement or social security benefits which are included in the statewide functional table at the beginning of the appropriations section of this report. Does not include appropriations made in HB1025 by the 83rd Legislature and certain appropriations made in HB4 by the 82nd Legislature.

Amounts for the A&M System Agencies include other sources of funds that were added as specific legislative decisions, including funds at Texas A&M AgriLife Extension, Texas A&M Transportation Institute, and Texas A&M Forest Service. Details are included in the section on the A&M System Agencies.

GENERAL ACADEMIC INSTITUTIONS/SYSTEM OFFICES

Overall general revenue funding for the 2014-15 biennium for the General Academic institutions and System Offices is up \$306 million from the 2012-13 biennium. The following table provides the detailed amounts for the Texas A&M University System general academics and the System Offices.

**Texas A&M University System General Academics and System Offices
SB1 General Revenue Appropriations for 2014-15
Compared to 2012-13**

Institution	2012-13	2014-15 GR	Change	%
Texas A&M University	458,011,060	504,693,327	46,682,267	10%
Texas A&M University at Galveston	30,964,674	32,871,622	1,906,948	6%
Prairie View A&M University	90,923,868	84,762,490	(6,161,378)	-7%
Tarleton State University	59,464,473	68,800,896	9,336,423	16%
Texas A&M University - Central Texas	25,352,928	27,397,080	2,044,152	8%
Texas A&M University - Corpus Christi	81,624,416	87,226,672	5,602,256	7%
Texas A&M University - Kingsville	54,030,202	64,242,932	10,212,730	19%
Texas A&M University - San Antonio	29,287,597	35,811,372	6,523,775	22%
Texas A&M International University	58,009,521	58,846,827	837,306	1%
West Texas A&M University	53,282,160	53,662,491	380,331	1%
Texas A&M University - Commerce	66,581,226	71,243,066	4,661,840	7%
Texas A&M University - Texarkana	<u>30,370,655</u>	<u>32,345,406</u>	<u>1,974,751</u>	7%
	<u>1,037,902,780</u>	<u>1,121,904,181</u>	<u>84,001,401</u>	8%
A&M System Offices	4,473,868	4,473,868	0	0%

Formulas

From the outset of the session, both chambers focused on the base funding for the general academic institutions in their deliberations. The Conference Committee continued that focus, putting the majority of the increased funding into the general academics' formulas. Overall, \$246 million was added to the formulas.

Formula funding is split between the two main formulas: 83.5 percent to Instruction and Operations, including the Teaching Experience Supplement and 16.5 percent to Infrastructure, including the Small Institution Supplement. The funding rate for the Instruction formula is \$54.86 per weighted semester credit hours, up from \$53.71 in the 2012-13 biennium. This rate is still well below \$62.19 rate for the 2010-11 biennium. Total weighted semester credit hours in the formula are 33,269,768, up from 31,346,400 or 9.3 percent from the 2012-13 biennium. The Instruction and Operations formula used the updated base period (Summer 2012, Fall 2012, Spring 2013) and the latest version of the cost matrix. The annual Infrastructure rate is \$5.56 per predicted square feet, up from \$5.25 last biennium but still below the \$6.21 from the 2010-11 biennium. Total predicted square feet in the formula is 61,746,249 using the 2012 Space Model, up from 61,002,164 predicted square feet last biennium. There is \$25.9 million set aside for the small institution supplement provided to institutions with headcounts of fewer than 10,000. Institutions with a headcount of 5,000 or fewer receive \$1.5 million; this amount decreases on a sliding scale until institutions reach 10,000 headcount. A&M System institutions receiving the small institution supplement include:

- **A&M Galveston:** \$1,500,000
- **Prairie View A&M:** \$499,200
- **A&M – Central Texas:** \$1,500,000

- **A&M – Kingsville:** \$829,200
- **A&M – San Antonio:** \$1,500,000
- **A&M International:** \$836,100
- **West Texas A&M:** \$627,600
- **A&M – Texarkana:** \$1,500,000

No hold harmless was provided to institutions that lost formula funding as compared to last biennium.

The Coordinating Board had recommended an outcomes funding proposal in their formula recommendations to the Legislature. As opposed to the 82nd Legislature where outcomes funding dominated both the policy and appropriations discussions, the appropriations discussion this session focused primarily on adding as much funding to the various existing base funding mechanisms, including the formulas, as possible and did not focus on the outcomes proposal because of the redistribution of funding under the proposed outcomes model.

The initial tuition income estimates recommended by the Legislative Budget Board for the 2014-2015 biennium were too high. During the legislative session, the Legislature directed the LBB to update non-resident tuition rate to the actual authorized fiscal year 14 rate and a revised projection for FY15. This changed the rate to the CB promulgated rate (published February 2013) of \$404 for FY14 compared to LBB projection of \$416; the projected rate for FY15 was reduced from \$432.88 to \$419.71. Between that change and various technical corrections, the overall amount of tuition in the formulas decreased by over \$27.7 million. This was a significant help to **West Texas A&M** in particular; their tuition in the formulas decreased by over \$1.6 million based on these actions which had the effect of increasing their formula General Revenue. In addition, work is yet to be done on modifying the LBB tuition estimate methodology to update the non-resident waiver calculation methodology to grow the waivers at the same rate as the increase in non-resident tuition.

Non-Formula:

The following summarizes the specific actions taken for each group of non-formula items.

Institutional Enhancement: An additional \$1 million in Institutional Enhancement was provided for all institutions that are not considered research or emerging research institutions,. For the Texas A&M general academic institutions this included \$1 million for all except for Texas A&M University.

Research Funds:

The table below shows the eligibility and funding of the four research funds established for the general academic institutions. The fund levels are based on the latest data available for each of the funds. Following the table is a narrative describing the actions the 83rd Legislature took regarding each fund.

Comparison of Funding from Various Research Funds

Institution	RDF	CKF	TRIP	NRUF
	2014-15, SB1	2014-15, SB1	2012, 2013, CB	2014-15, projected
UT Arlington	6,578,618	6,234,706	304,000	E
UT Austin		53,404,206		
UT Dallas	9,065,260	8,252,942	12,790,000	15,863,253
UT El Paso	8,439,074	6,437,760	2,458,000	E
UT Pan American	1,101,814			
UT Brownsville	1,116,202			
UT Permian Basin	219,820			
UT San Antonio	6,329,904	5,000,000	2,642,000	E
UT Tyler	462,058			
A&M		58,701,988		
A&M at Galveston	691,364			
Prairie View				
Tarleton State	1,373,588			
A&M - Central Texas	E			
A&M - Corpus Christi	2,105,734			
A&M - Kingsville	2,029,422			
A&M - San Antonio	E			
A&M International	494,678			
West Texas A&M	600,736			
A&M - Commerce	369,996			
A&M - Texarkana	27,554			
UH	11,237,788	8,764,642	10,563,000	15,863,253
UH - Clear Lake	241,226			
UH - Downtown	266,686			
UH - Victoria	2,086			
Midwestern State	74,810			
UNT	3,087,738		1,100,000	E
UNT - Dallas	1,996			
Stephen F. Austin State	639,606			
Texas Southern	332,450			
Texas Tech	10,196,792	12,446,482	5,768,000	15,863,253
Angelo State	77,582			
Texas Woman's	293,462			
Lamar	697,514			
Sam Houston State	555,506			
Texas State	4,083,230			
Sul Ross	285,486			
Sul Ross Rio Grande	E			
Grand Total	<u>73,079,780</u>	<u>159,242,726</u>	<u>35,625,000</u>	<u>47,589,253</u>

E = eligible, but does not get funding. Sources: Legislative Budget Board for SB1 numbers, Texas Higher Education Coordinating Board for TRIP amounts.

Texas Competitive Knowledge Fund (CKF): Funding for the Texas Competitive Knowledge Fund totals \$159.2 million, an increase of \$65.8 million over FY 2012-13. **Texas A&M** received an additional \$18.9 million in Competitive Knowledge funding. The University of Texas – Arlington, University of Texas – El Paso, and University of Texas – San Antonio were added to the fund and pursuant to the terms applied to others contributed \$5 million in funding from their special items to the total funds to be allocated. The \$65 million increase includes the \$15 million in transferred special item funding. The funding rate increased to \$0.93 million per \$10 million in total research expenditures. The funds were reallocated based on the average of the most recent three years of total research expenditures.

Research Development Fund (RDF): The Research Development Fund was funded at \$73.1 million, an increase of \$7.8 million. The funds were reallocated based on the most recent three years of restricted research expenditures as reported to the Texas Higher Education Coordinating Board. For the A&M System, this resulted in increases of **Texas A&M at Galveston** of \$91,022, **Texas A&M–Kingsville**, \$182,216, **Texas A&M International**, \$241,432, and **Texas A&M–Texarkana**, \$18,545, and decreases to **Tarleton State**, \$212,808, **Texas A&M–Corpus Christi**, \$106,662, **West Texas A&M**, \$81,016, and **Texas A&M–Commerce**, \$66,756. **A&M–Central Texas** and **A&M–San Antonio** currently do not have eligible restricted research expenditures and will not receive funding until they have eligible research expenditures. Texas A&M, Prairie View A&M and UT Austin are prohibited by statute to participate. However, beginning in the 2016-17 biennium, **Prairie View A&M** will be eligible to participate in the Research Development Fund based on legislation that passed during the regular session (HB 870 by Bell).

Texas Research Incentive Program (TRIP): House Bill 1025 appropriates an additional \$34.4 million to the Texas Higher Education Coordinating Board for distribution. This funding is available for a two year period beginning with the effective date of the bill. This is in addition to the \$35.6 million appropriated to the Coordinating Board for the 2014-15 biennium.

National University Research Fund (NRUF): An estimated \$55.9 million is available from the National University Research Fund for distribution to eligible institutions. Currently the University of Houston and Texas Tech University are eligible to receive distributions, but it is likely the University of Texas – Dallas will be eligible during the 2014-15 biennium. It is anticipated that approximately \$24 million each year in total will be distributed among the three institutions during the biennium with the remaining \$8 million reinvested into the corpus of the fund. If UT Dallas does not become eligible, approximately \$18 million each year in total would be distributed between the other two institutions with the remainder reinvested into the corpus.

Special Items: Special items were maintained at the 2012-13 base. New special item funding in SB 1 includes:

- UT – Austin:
 - \$600,000 for the Marine Sciences Institute
 - \$35,000 for Oral Voces
 - \$5 million for Identity Theft and Security
- UT Dallas: \$133,432 for the African American Museum Internship transferred from the Coordinating Board
- UT – Pan American: \$1 million for American Economic Manufacturing Center
- UT – Permian Basin: \$2.4 million for nursing

- **A&M Corpus Christi:** \$1.6m for Engineering
- **A&M Kingsville:**
 - \$200,000 for the Citrus Center
 - \$1.5m for the Veterinary Technology Program
 - Maintained PhD Engineering special item that LBB eliminated in base bill (\$180,000).
- **A&M International:** combined Faculty Enhancement and PhD Business into one strategy named Academic and Student Support. This was a bill pattern change only and resulted in no increase in funding.
- University of Houston:
 - \$4 million for Pharmacy
 - \$400,000 for Hobby Center
- Angelo State University: \$2.2 million for Institutional Enhancement
- Sam Houston State: \$500,000 for the Forensic Science Commission

All revenue neutral special items including small business development centers (SBDC) and all others were increased by 10 percent. Increases to the SBDC appropriations for the A&M System institutions include:

- **Tarleton State:** \$22,000
- **A&M International:** \$33,000
- **West Texas A&M:** \$37,000

In addition, riders were adjusted for the non-SBDC items to ensure that the funding would adjust if the comptroller's certification came in less than the appropriation. Increases to other revenue neutral items for the A&M System institutions include:

- **A&M Corpus Christi:** \$100,000
- **A&M Kingsville:** \$57,208
- **West Texas:** \$150,000

Contingency Appropriations:

- UT Austin: Bureau of Economic Geology, \$1 million. Contingent upon Comptroller certification of additional revenue to the General Revenue Fund.
- **Texas A&M at Galveston:** \$200,000 from the General Revenue Dedicated Oyster Sales Account No. 5022 for the 2013-14 biennium in a contingency appropriation for HB1903 by Eiland/Williams. These funds will enable A&M Galveston to operate the oyster laboratory.

Several special items were funded in HB 1025, the supplemental appropriations act, but all were vetoed by the Governor. These included:

- UT Austin: \$1 million, Center for Mexican American Studies
- **Prairie View A&M:** \$350,000, Office of International Affairs
- **Prairie View A&M:** \$150,000, Community Development
- **A&M International:** \$2 million, Petroleum Engineering
- University of Houston: \$100,000 for the Hobby School of Public Affairs
- University of Houston Downtown: \$150,000, Community Development
- UNT Dallas: \$1 million for new university innovation.

Academic Development Initiative: ADI funding for **Prairie View A&M** and Texas Southern was increased by \$2.5 million for each institution. This restored part of the 25 percent reduction sustained by the ADI during the 2012-13 biennium.

Other: Unemployment and workers' compensation insurance were maintained at the 2012-13 base. Special items that are funded with General Revenue Dedicated funds were funded at the amounts projected in the *Biennial Revenue Estimate* and are estimated appropriations. For **Prairie View A&M**, this provided an increase of \$8.2 million for the Center for Study and Prevention of Juvenile Crime and Delinquency Account. This included fully appropriating the amounts projected in the *Biennial Revenue Estimate* as well as appropriation of their unexpended balances. License plates funds are appropriated at the *Biennial Revenue Estimate* amounts and are estimated appropriations. In addition, HB 7 changed the license plate funds from being considered General Revenue Dedicated funds to trust funds outside the General Revenue Fund so that all revenue accruing to these accounts will pass to the receiving institution or agency.

System Offices

General Revenue for system office operations generally was maintained at the 2012-13 base, including no change in funding for the **Texas A&M University System**. Changes in funding for other systems include a reduction to the University of Texas System of \$200,000 for system operations and an increase of \$9.2 million for the Alzheimer's Consortium. The Alzheimer program includes \$5.2 million that was transferred from the Texas Higher Education Coordinating Board and an increase of \$4 million in funding. Because the **Texas A&M Health Science Center** is a new member of the consortium, it is anticipated that some of the new funding will be allocated to them. The Texas State System had a reduction in funding of \$1.6 million due to the elimination of a one-time funding item. The University of Houston System had a reduction of \$1.8 million in TRB debt service for their component institutions and received \$250,000 for the NASA Center.

HEALTH RELATED INSTITUTIONS

General revenue funding for the health related institutions increased by \$241 million for the 2014-15 biennium compared to the 2012-13 biennium.

Health Related Institutions SB1 General Revenue Appropriations for 2014-15 Compared to 2012-13

Institution	2012-13	2014-15	Change	%
Health Related Institutions				
UT Southwestern Medical Center at Dallas	257,278,607	278,768,910	21,490,303	8%
UT Medical Branch at Galveston	472,188,942	506,740,244	34,551,302	7%
UT Health Science Center at Houston	297,281,302	326,708,589	29,427,287	10%
UT Health Science Center at San Antonio	266,615,042	284,789,980	18,174,938	7%
UT M.D. Anderson Cancer Center	306,435,072	343,367,681	36,932,609	12%
UT Health Science Center at Tyler	71,856,579	73,967,295	2,110,716	3%
Texas A&M Univ Health Science Center	202,402,799	238,638,006	36,235,207	18%
Univ of North Texas Health Science Center	118,121,832	140,736,629	22,614,797	19%
Texas Tech Univ Health Sciences Center	299,713,120	338,992,646	39,279,526	13%
TOTAL - Health Related	2,291,893,295	2,532,709,980	240,816,685	11%

Patient income at Health-related Institutions is no longer included in the appropriated amounts in the bill pattern and is now reflected in informational rider. This change results in a decrease of \$6.1 billion in Other Funds previously included in the appropriations to the health related institutions.

Formula

The health related formulas increased by over \$238 million. However, this does not include the \$42.3 million from the 2012-13 biennium that was funded in HB4 for institutional operations and used for formula purposes. So the actual net increase to the formulas totaled \$195.7 million. The formulas fully funded all enrollment growth at the health related institutions and funded all programs eligible for the small class supplement. Funding increases to the formula, exclusive of Baylor College of Medicine appropriations through the Coordinating Board, include:

- \$167.9 million for the Instruction and Operations formulas
- \$14.3 million for the Infrastructure formula
- \$5.8 million for the Research formula
- \$7.8 million for the GME formula
- \$42.5 million for the mission specific formulas for MD Anderson and UT Health Science Center Tyler

These amounts reflect the total without the adjustment for the HB4 funding from 2012-13.

In addition, the Legislative Budget Board changed its methodology for estimating the tuition income for the health related institutions to align more closely with the methodology used for the general academics, where the tuition predicted aligns with the base period and does not predict future growth that is not funded in the formulas.

Non-Formula

Special Items: New special item funding includes:

- UT Southwestern: \$15,000,000 for Brain Injury
- UT Health Science Center at Houston: \$3,000,000 for the Texas Heart Institute
- UT Health Science Center at Houston: \$12,000,000 for Psychiatric Sciences
- UT Health Science Center San Antonio: \$10,000,000 for the RAHC Expansion
- UT Health Science Center San Antonio: \$4,000,000 for the Barshop Institute for Longevity and Aging Studies - Alzheimer's Research
- UT Medical Branch Galveston: \$10,000,000 for hospital operations (Art. IX, Sec. 18.02)

Other: Worker's Compensation and Unemployment Compensation were generally kept at the 2012-13 appropriated levels and were consistently funded with General Revenue across all institutions.

See the Coordinating Board section for actions related to graduate medical education and other programs that impact the health related institutions, including appropriations to Baylor College of Medicine.

TEXAS A&M SYSTEM AGENCIES

Based on decisions of the Legislature, funding for the A&M System Agencies increased by \$67.7 million. This includes increases in General Revenue of \$51.6 million, GR-Dedicated funding of \$8 million for Texas A&M AgriLife Extension and Texas A&M Forest Service, and Fund 006 funding for Texas A&M Transportation Institute of \$6 million. The Legislature also provided \$161 million from the Economic Stabilization Fund to the Texas A&M Forest Service for reimbursement for wildfire costs previously incurred and \$1.7 million from the Economic Stabilization fund to the Texas A&M Engineering Extension Service for reimbursement for costs associated with deployments for natural disasters.

Texas A&M System Agencies General Revenue and Other Appropriations 2014-15 Compared to 2012-13

Texas A&M System Agencies	2012-13	2014-15	Change	% Change
General Revenue/GR-D/Fund 6				
Texas A&M AgriLife Research	101,234,292	105,441,372	4,207,080	4%
Texas A&M AgriLife Extension	84,438,864	86,829,350	2,390,486	3%
Texas A&M Engineering Experiment Station	27,791,758	33,343,958	5,552,200	20 %
Texas A&M Transportation Institute	14,590,938	21,150,728	6,559,790	45%
Texas A&M Engineering Extension Service	12,394,958	15,529,508	3,134,550	25%
Texas A&M Forest Service	66,882,264	106,671,420	39,789,156	59%
Texas A&M Vet. Medical Diagnostic Lab	<u>11,519,113</u>	<u>17,612,210</u>	<u>6,093,097</u>	53%
TOTAL	318,852,187	386,578,546	67,726,359	21%
 Reimbursements for Emergency Response from the Economic Stabilization Fund made in HB1025				
	<u>82nd Leg.</u>		<u>83rd Leg.</u>	
Texas A&M Engineering Extension Service			1,678,703	
Texas A&M Forest Service	121,000,000		161,065,711	

Notes: AgriLife Extension includes \$2m from Fund 009 in 2014-15. TTI includes Fund 006 appropriations in all years. TFS includes GR Dedicated funds in all years.

Funding adjustments include:

- The agencies' in-Brazos County infrastructure remained tied to the infrastructure formula funding rate for Texas A&M University and increased in total by \$2.3 million for the agencies.
- A technical correction related to the budget reductions taken in the 2012-13 biennium was included for Texas A&M AgriLife Research. This resulted in an increase for the 2012-13

biennium of \$162,500 to their General Revenue base in HB 1025 as well as carrying forward the correction into the 2014-15 biennium.

New funding for the agencies in their bill patterns includes:

- **Texas A&M AgriLife Research:** \$3 million for water and \$1 million for cotton, wool and mohair research.
- **Texas A&M AgriLife Extension:** \$500,000 for Expanding Workforce Horizons for Youth.
- **Texas A&M Engineering Experiment Station:** \$3 million for the power lines project and \$1 million for Nuclear Power Institute (this is in addition to the \$2 million in the base for the NPI).
- **Texas A&M Transportation Institute:** \$6 million for Legislative Resource Support paid from Fund 006.
- **Texas A&M Engineering Extension Service:** \$1.5 million for rural fire fighter training, \$500,000 for law enforcement training and \$1 million for Texas Task Force 1.
- **Texas A&M Forest Service:** \$27.2 million for the wildfire protection plan and \$9 million for rural fire department assistance grants
- **Texas Veterinary Medical Diagnostic Laboratory:** \$6 million for the debt service for a new laboratory in College Station.

The A&M Agencies are appropriated funds outside of Article III in the General Appropriations Act, including:

- \$800,000 for Zebra Chip Research for **AgriLife Research** (maintains existing program); and
- \$2 million for Quail for **AgriLife Extension** (new). This funding is appropriated to the Texas Parks and Wildlife Department from Fund 009, Game, Fish and Water Safety GR Dedicated Account.

The A&M System Agencies were included in the statewide across the board pay raise of 1 percent (\$50/month minimum) for 2014 and an additional 2 percent (\$50/month minimum) for 2015. These funds are appropriated as part of the statewide total appropriation made in Article IX, Section 17.06 and will be in addition to the funds listed above.

HIGHER EDUCATION COORDINATING BOARD

The budget for the Texas Higher Education Coordinating Board increased by \$188 million in SB 1 and an additional \$22 million in HB 1025 for a total increase of \$210 million, or almost 20 percent in General Revenue. The majority of the increase was in financial aid, although other programs received increased funding as well.

Financial Aid:

Financial aid programs funded through the Texas Higher Education Coordinating Board were increased by over \$170 million in all funding sources. Increases by program include:

- \$135 million in General Revenue for the TEXAS grant and is expected to fund about 84 percent of eligible students;
- \$3.75 million for the Texas Equal Opportunity Grants (TEOG)
- \$3.75 million for College Work Study
- \$11.25 million for the Tuition Equalization Grants
- \$3.425 for the Teach for Texas Loan Repayment Program

- \$500,000 restored to the Engineering Recruitment Program, which was zero funded for the 2012-13 biennium.

Health programs:

- \$24.1 million in new funding for Graduate Medical Education and other health professional education programs:
 - \$9.25 million funded in HB1025 beginning in FY13 for:
 - Accredited but unfilled first year GME positions and new/expanded GME programs (\$7.375 million)
 - Planning grants to hospitals that have never had GME (\$1.875 million)
 - \$5 million for graduate medical education residency expansion grant program (SB143 contingency in CB bill pattern)
 - \$7.75 million for the Family Practice Residency Program (funded in HB 1025)
 - \$2.1 million for primary care innovation grants (SB143 contingency in Art. IX, Section 18.34)
 - Additionally, \$7.8 million was added to the GME formulas plus \$1 million to Baylor College of Medicine (BCOM) for its share of the GME formulas. These funds are reflected under the HRI section and in the appropriation to BCOM.
- \$28.1 million for the Physician Education Loan Repayment Program (from GR-Dedicated)
- \$4.1 million for the Professional Nursing Shortage Reduction Program
- \$3.2 million for the Joint Admission Medical Program

Funds appropriated to the CB in trust for specific institutions:

- \$5.4 million for the UNT System College of Pharmacy at the UNT Health Science Center. These funds are to reimburse the College of Pharmacy for actual students enrolled.
- \$15.7 million for UT Brownsville

Other increases:

- \$665,734 for Art. IX, Sec. 18.37. Contingency for SB 215 for compliance monitoring, a new function added to the C.B. by the sunset bill.
- \$1.3 million for Art. IX, Sec. 18.17. Contingency for HB 175 for a Texas Teacher Residency Program

Available University Fund/Higher Education Fund

Estimated earnings distributed to the Available University Fund are anticipated to be \$1,320.5 million, an increase of almost \$59 million over the 2012-13 base.

Funding for the Higher Education Fund was sustained at the levels that meet the statutory and constitutional requirements. Funding totals \$525 million for the biennium and will be distributed based on the allocation model set forth in HB 51, 81st Regular Session, 2009.

Higher Education Group Insurance

Higher Education Group Insurance (HEGI) contributions total \$1.192.8 million, an increase of \$223.9 million over 2012-13. Funding for the **Texas A&M University System** totals \$195.4 million, which is an increase of \$25.5 million over the 2012-13 base. Funding rates were increased by 7.36 percent in 2014 and 7.33 percent in 2015 to cover partially health care cost increases. In addition, the funding rate

for the opt-out category (for employees who are covered under another insurance plan and can elect to use the state contribution for optional coverages) was restored to 50 percent of the employee-only rate. This was the funding rate prior to the 2012-13 reductions.

Higher education employees within the Employees Retirement System group health insurance program were funded at 89.394 percent of ERS general state employee premium rates; higher education employees within the University of Texas and **Texas A&M University Systems** were funded at 87.011 percent of ERS rates. This is an increase from last biennium of 4.4 percentage points for both the ERS higher education insurance program and the UT and A&M System programs compared to the 2012-13 biennium. Prior to the 2012-13 reductions, higher education employees' group insurance was funded at 97.5 and 95 percent respectively. For the 2014-15 biennium, the state pays 50 percent of full ERS premiums for eligible community college employees and retirees.

The distribution of the HEGI funds was based on the updated LAR Schedule 3 that was provided to the LBB early in the session which provides an actual headcount of enrollees by coverage category as of December 1, 2012. State agencies and institutions of higher education that participate in the ERS group insurance program are required to pay a 1 percent payroll assessment (Article IX, Sec. 17.05, SB 1, Regular Session). This provision is estimated to generate \$62.5 million from institutions of higher education to help pay for the ERS health insurance program. UT System and A&M System institutions are exempt because they fund their own insurance programs.

Retirement Benefits

Teachers Retirement System: The state contribution rate for the teacher retirement program is 6.8 percent in 2014 and 6.8 percent in 2015. The 6.8 percent contribution rate in 2014 is based on the passage of SB 1458 (Duncan/Calligeri). In addition, the legislation sets the members' contribution rate to 6.4 percent in 2014, 6.7 percent in 2015

Optional Retirement Program: The state contribution rates are 6.6 percent in both years of the biennium.

Riders: Article III

Special Provisions

The following summarizes the changes to the Article III Special Provisions:

Amended Sections:

Sec. 6.9 Tuition Revenue Bonds and Revenue Bonds. Clarifies that funds not used for regularly scheduled debt payments due each year shall lapse. Also, authorizes that funds may be used for debt payments on bond and commercial paper, including principal, interest and fees.

Sec. 28 General Academic Funding. Updates the recommended formula rates for general academic institutions.

Sec. 29 Health Related Institutions Funding. Updates with the recommended formula rates for health related institutions. 29.2 references to “center operations” instead of “patient income activities” to reflect their mission specific formulas.

Sec. 48 Contingent Appropriations for Small Business Development Centers. Updates the informational listing of 2014-15 appropriations.

Sec. 53 Cancer Prevention & Research Institute of Texas Awards for 2012-13. Updates to reflect 2012-13 awards.

Sec. 50 Designated Tuition. Deletes a portion of the reporting requirement. The deleted section applies to information that is available in the Texas Higher Education Coordinating Board’s Integrated Fiscal Reporting System (IFRS).

Sec. 54 Appropriations for the Research Development Fund. Updates informational listing of 2014-15 amounts by institution.

Sec. 56 Appropriations for Texas Competitive Knowledge Fund. Updates informational listing of 2014-15 amounts by institution.

New Provisions:

Sec. 57 Mexican American Studies Program or Other Course Work. Adds legislative intent that Board of Regents can establish Mexican American studies programs.

Sec. 58 has been added to list the formula rates for public community/junior colleges, Lamar State Colleges, and Texas State Technical Colleges.

Sec. 59 Designated Tuition. Informational Listing-Designated Tuition. Adds an informational listing of estimated 2014-15 designated tuition amounts by institution. Amounts are based on information provided by institutions in their Legislative Appropriations Requests.

Sec. 60 Federal Medicaid Funding. States legislative intent that all health related institutions use their 2014-15 GR appropriations to maximize federal funding for Medicaid funding through the Health and Human Services Commission.

Sec. 61. Transfer of Appropriations for Participation in Healthcare Transformation and Quality Improvement Waiver. Authorizes intergovernmental transfers with the Health and Human Services Commission.

Sec. 62 Diversity of Student Body at National Research Universities. States legislative intent that UT Austin and Texas A&M make a good faith effort to improve the racial diversity of their student bodies.

Deleted Sections

Sec. 57 Online Degree Programs. The report required by this section has been completed.

Article IX – General Provisions

The following sections list selected major changes to provisions in Article IX.

Amended Sections

Sec. 2.01 Position Classification Plan. Adds multiple classified positions and updates existing position titles to better fit their encompassing responsibilities.

Sec. 3.04(c)(1) Scheduled Exempt Positions. Technical correction.

Sec. 3.08 Classification Study on Scheduled Exempt Positions. Adds executive compensation in Articles I and VIII to the State Auditor's Office compensation review study.

Sec. 4.04(b)(3) Limitation on Grants to Units of Local Government. Conforms language for Health and Safety Code consistency.

Sec. 5.04 Transportation in Personally Owned or Leased Aircraft. Eliminates specific reimbursement rate for state employees and adds them to receive the same reimbursement rate as other state officials.

Sec. 5.05(a) Travel Meals and Lodging Expenses. Adds a maximum lodging rate of \$85 per night for Texas locations that do not have a specific federal per diem rate.

Sec. 6.10 Limitation on State Employment Levels.

(a)(1). Requires a state agency or institution of higher education to report to the Governor and LBB each fiscal quarter if the FTE cap will be exceeded, rather than receiving written approval from the Governor. **(a)(2)** Still requires written approval for exceeding the FTE cap by 110 percent (or 100 percent for agencies with fewer than 50 FTEs).

(b)(1) . Establishes reporting requirements. States that a chief administrative officer may make reports and requests if the agency does not have a governing board or if the governing board has not met.

(c) Allows preliminary reporting by the agency or institution if the governing board has not met within the reporting time.

(e) Sets forth provisions specific to institutions of higher education or affiliated entities (as well as certain other state agencies) that directs requests and reporting to be based on the average of the four quarterly reports files for that fiscal year.

(f)(2). Remove condition for the provision to not apply to the Comptroller's Office.

(i). Allows for the LBB and Governor's Office to make adjustments to FTE limitations if programs are transferred during the biennium.

(j). FTE limitations do not apply to an agency or institution if the employee is paid from appropriations of gifts and grants.

(k). Requesting and reporting requirements do not apply to an agency or institution with fewer than 50 FTEs allowed in its bill pattern.

Sec. 6.22 Definition, Appropriation, Reporting and Audit of Earned Federal Funds. General Revenue In Lieu of Earned Federal Funds decreased in this section from \$57,983,108 to \$56,915,723 in the first year and from \$57,755,541 to \$56,749,884 in the second year.

Sec. 7.04 Contract Notification: Amounts Greater than \$50,000. Added contingency language. No such bill passed so language does not apply.

Sec. 7.06(a) Reporting Fees, Fines, and Penalties. Limits reporting of the revenue of all fees, fines, and penalties assessed by state agencies and institutions of higher education to those deposited in the state treasury for appropriation.

Sec. 7.09 Fraud Reporting. Removes the phrase “including funds received pursuant to the American Recovery and Reinvestment Act.”

Sec. 8.02(j) Federal Funds/Block Grants. Adds language that subjects unexpended funds to the provisions in subsection (k) which refers to Temporary Assistance for Needy Families or Social Services Block Grant federal Funds.

Sec. 9.02(b) Quality Assurance Review of Major Information Resources Projects. States the comptroller may not authorize the expenditure of funds until the project is approved by the Quality Assurance Team (QAT) and gives the QAT power to waive the project review requirements.

Sec. 9.02(c) Quality Assurance Review of Major Information Resources Projects. Allows the QAT to require independent verification and validation services of all projects projected to result in more than \$10 million of overall lifetime expenditures.

Sec. 9.03 Biennial Operating Plan and Information Resources Strategic Plan Approval. Removes institutions of higher education from the requirement of having current Information Resources Strategic Plan and a Biennial Operating Plan, including any amendments as approved by the Legislative Budget Board, prior to expending any funds for information technology.

Sec. 9.05 Texas.gov Project: Occupational Licenses. Technical correction.

Sec. 9.06 Texas.gov Project: Cost Recovery Fees. Technical correction.

Sec. 10.03(a) Informational Listing on Use of Tobacco Settlement Receipts. Reflects changes in tobacco settlement receipts to the Texas Higher Education Coordinating Board and health-related institutions.

Sec. 11.01: Limitation on Use of Funds for Personal Residences. Limits reporting to appropriated funds.

Sec. 13.05(a) Appropriation of Specialty License Plate Receipts. Removes language referencing a deleted section that did not allow appropriation of license plate receipts.

Sec. 15.02(g) and (h) Payments to the State Office of Risk Management (SORM). All instances of the phrase "Strategy A.1.1" were replaced with "Strategy B.1.1."

Sec. 15.02(h) Payments to the State Office of Risk Management (SORM). Adds language allowing SORM to use any funding less than 110 percent of collections in Strategy B.1.1 and not used for workers' compensation to lower the cumulative assessments to agencies the following fiscal year.

Sec. 16.02(b) Judgments and Settlements. Removes language excluding court cases that occurred prior to September 1, 1995.

Sec. 17.01 Contingency Rider. Renumbered to 13.05.

Sec. 17.08. Technical Adjustments for Data Center Services. Amounts changed from Reductions for Cost of Living Adjustments related to Certain Data Center Services and Reductions for Administrative Rate Charged for Administration of Data Services Contract to Reductions and Increases related to Data Services Center.

Deleted Sections

3.03 Classified Salary Rates

Sec. 4.01 Emergency and Deficiency Grants Out of Special Funds

Sec. 5.03 Failure to Comply

Sec. 5.08 Limitation on Travel Expenditures

Sec 5.10(f) Travel of Advisory Committee Members

Sec. 6.13(d) Performance Rewards and Penalties

Sec. 7.05 Contract Notification: Amounts Greater than \$500,000

Sec. 10.01 Purchasing of Pharmaceuticals

Sec. 10.04 Informational Listing - Health Care Appropriations

Sec. 10.06 Informational Listing-Supplemental Medicaid Payments

Sec. 11.04(a)(b)(d)(e)(f)(g) State Owned Housing - Recover Housing Costs

Sec. 11.07 Equipment Maintenance Cost Reductions

Sec. 12.04 Lost Property

Sec. 12.06 Interoperability Communications Equipment: Federal Funding

Sec. 12.07 Interoperability Communications Equipment: All Appropriated Funding

Sec. 13.03 Appropriation: Temporary Assistance for Needy Families (TANF) Federal Funds

Sec. 13.07(b)(c) Appropriation of Specialty License Plate Receipts

Sec. 14.01(g) Appropriation Transfers

Sec. 14.03(h) Limitation on Expenditures - Capital Budget

Sec. 16.03 Expenditures for Representatives of Grievants Prohibited

Added Sections

Sec. 6.08(e) Benefits Paid Proportional by Fund. Lifts the restriction excluding public community or junior colleges if legislation limiting General Revenue related funds for benefit contributions to 50 percent of the state contributions for Public Community/Junior Colleges is not adopted.

Sec. 8.02(k) Federal Funds/Block Grants. Allows agencies that are appropriated Temporary Assistance for Needy Families or Social Services Block Grant Federal Funds to expend those funds under certain guidelines and reporting requirements.

Sec. 8.02(l) Federal Funds/Block Grants. Requires the Comptroller to set state reporting standards and timelines for affected agencies if 10 or more state agencies are awarded a combined amount greater than or equal to \$1 billion in federal stimulus funds or one-time allocations.

Sec. 8.03(f)(2) Reimbursements and Payments. Requires any reimbursement or refund related to grant funds be governed by Part 4 of Article IX General Provisions.

Sec. 9.04(b) Information Technology Replacement. Requires agencies and institutions of higher education to comply with Department of Information Resources (DIR) data center requirements; and participate in hardware and software bulk purchasing facilitated by the DIR when appropriate.

Sec. 9.07 Payments to the Department of Information Resources. Adds reimbursement requirements for state agencies, including institutions of higher education, paying the Department of Information Resources for use of their services.

Sec.11.07 Use of Water Conservation Techniques in State Construction. Requires state agencies, including institutions of higher education, to consider water conservation in the construction and remodeling of state facilities and to provide a report to the Facilities Commission if they elect not to.

Sec. 13.05(c) Appropriation of Specialty License Plate Receipts. Has no effect. See also Sec. 18.06.

Sec. 14.03(d)(5)(C) Limitation on Expenditures - Capital Budget. Allows funds restricted to "Acquisition of Information Resource Technologies" to be used to purchase or contract for computer time, facility resources, maintenance, and training.

Sec. 17.02. Appropriation of Proposition 4 General Obligation Bond Proceeds. States the bond proceeds appropriated in each article for this biennium.

Sec. 17.03. Report Operational Capacity. Requires agencies to report their operational capacity for expanded federal programs if an existing \$10 million grant is increased by 1000% or a new grant for at least \$100 million is received.

Sec. 17.04. Interagency Contract to Coordinate Use of PARIS Data to Assist Veterans and Achieve Savings for State. Establishes a workgroup between the Health and Human Services Commission, the Department of Aging and Disability Services, the Texas Veterans Commission, and the Veterans Land Board to find ways to generate savings for the state and improve veteran services.

Sec. 17.05. Payroll Contribution for Group Health Insurance. Requires state agencies and institutions of higher education to contribute 1.0 percent of their total base wages and salaries to the Employees Retirement System's Group Benefits Program. This excludes components of the University of Texas and Texas A&M Systems.

Sec. 17.06. Appropriation for a Salary Increase for General State Employees. Provides a 1% salary increase for most state employees in FY2014 and a 2% increase in FY2015. Some exceptions apply.

Sec. 17.07. Appropriation for Salary Increases for State Employees in Salary Schedule C. Lists the appropriations for Salary Schedule C pay raises.

Sec. 17.09. Veterans Services at Other State Agencies. Requires any state agency or institution of higher education that receives funding to provide veteran-specific programs to provide information to veterans seeking assistance.

Sec. 17.10. Agency Coordination for Youth Prevention and Intervention Services. Requires the Department of Family and Protective Services, the Juvenile Justice Department, the Texas Education Agency, and the Adjutant General's Department to coordinate the delivery of juvenile delinquency prevention and dropout prevention and intervention services and provide a report to the LBB.

Sec. 17.11. Certain Targeted Salary Increases. Lists the specific areas where certain agencies are allowed to use their appropriated funds for targeted salary increases; institutions of higher education not included.

Sec. 17.12. Additional Appropriation for Employee Benefits. Lists additional amounts appropriated to certain agencies for employee benefits.

Sec. 17.13. Additional Payroll Contribution for Retirement Contribution. Requires state agencies to contribute 0.5 percent of their total base wages and salaries for each eligible employee to the Employees Retirement System's Retirement Program and lists the specifications for the contribution.

Sec. 17.14. Eligible Expenses in the Medicaid Program. Appropriates \$160,000,000 in fiscal year 2014 and \$140,000,000 in fiscal year 2015 to the Department of State Health Services for the purpose of entering in to a contract with the Health and Human Services Commission to provide for eligible expenses in the Medicaid program. This is to cover the Disproportionate Share shortfall (DSH).

Sec. 17.15. State Agency Internal Accounting Systems. Provides standards for state agency accounting systems and emphasizes their uniformity with the statewide accounting system.

Sec. 17.16. Department of Public Safety Method of Finance Swap. Appropriates \$65,250,000 in fiscal year 2014 and \$200,000,000 in fiscal year 2015 to the Department of Public Safety from the General Revenue Fund in order to reduce reliance on State Highway Fund No. 006 by transferring the same amount from Fund No. 006 to the Texas Department of Transportation.

Sec. 17.17. Contingency Appropriation: Credits against the Cost of Recapture. Appropriates \$758,578 in fiscal year 2014 and \$758,582 in fiscal year 2015 out of Foundation School Fund No. 193 to the Texas Education Agency to be used as a credit against the cost of purchasing attendance credits contingent

Sec. 17.18. Spaceport Contingency. Appropriates \$10,000,000 in General Revenue Funds for fiscal year 2014 to the Spaceport Trust Fund contingent upon SpaceX's commitment to locating a spaceport in this state.

Part 18. Contingency and Other Provisions. Adds 59 sections addressing contingency and other provisions of the 83rd Legislature. Contingencies that apply broadly to higher education include:

Sec. 18.06. Contingency for HB 7.

b. Appropriation of Specialty License Plate Receipts. Provides for the elimination of dedicated accounts established for specialty license plates and for the deposit of fees payable under that subchapter instead to the credit of an account in a trust fund outside the General Revenue Fund. Article IX, Sec. 13.05 has no effect and is replaced with a rider that appropriates all revenue collected by an agency on or after September 1, 2013, that is associated with the sale of a Texas specialty license plate. Amounts appropriated to an from a dedicated account established for specialty license plates are reduced to \$0 and an amount equal to the reduction is appropriated to those agencies instead from the trust account established by the bill.

Sec. 18.46. Contingency for SB 1158. Appropriates the proceeds of the Permanent Fund Supporting Military and Veterans Exemptions available for allocation in Other Funds for each year of the biennium ending August 31, 2015 for the purpose of implementing that Act. Directs the Comptroller to adopt a distribution policy and distribute the funds to qualified institutions of higher education over the biennium in accordance with legislation.

Bill Facts

Legislation Filed & Passed

The following table provides a summary comparison of legislative bill activity from the 82nd and 83rd Regular Sessions.

82 nd Legislative Session				83 rd Legislative Session		
Type	Filed	Passed	%	Filed	Passed	%
HBs	3865	797	20.6%	3950	732	18.5%
HJR	154	3	1.9%	130	6	4.6%
SBs	1931	582	30.1%	1918	705	36.7%
SJR	53	8	15.1%	63	4	6.3%
TOTAL	6003	1390	23.2%	6061	1447	23.8%

Bill Analysis Task Force

A legislative session requires the highest and best efforts of enormous numbers of the A&M System institutions' faculty, administration, and staff. In addition, because the Texas Legislature meets regularly only 140 days every other year, a session necessarily operates on its own highly compressed clock and takes no prisoners when it demands responses from institutions. One of the principal instruments we have created to respond to the demands of a session is the Bill Analysis Task Force (BATF). The BATF provides a timely synopsis of all legislation that affects the A&M System member universities and agencies. These analyses of key bills are provided to the Chancellor, his Executive Officers, System CEOs and the State Relations Team, so that they will be better prepared to furnish information to and communicate the A&M System's legislative program to the legislature and governor during the fast-paced session. Of note, all the BATF members serve voluntarily and take on these extra duties while continuing to carry out their regular duties, and without extra compensation.

This session the Office of State Relations tracked and kept watch over **1,545 bills, which is 25.4% of all the bills that were filed.** The Task Force members provided analyses for **505 of these tracked bills.**

Without the support and assistance of all the individuals who serve the Bill Analysis Task Force, the Texas A&M University System would not have been able to provide legislators and their staff the information they required during the session.

The names and affiliation of members of the Bill Analysis Task Force may be found in the Appendix.

Texas A&M University System Institution-Specific Legislation

The following summary includes legislation that directly affects a member institution of The Texas A&M System or the entire System.

System-wide, Multi-Institution, or System Office

HB 2892 Raney/Hegar - Relating to the authority of the board of regents of The Texas A&M University System to dispose of real property and mineral interests under its jurisdiction. HB 2892 amends the current A&M System Board of Regents statutory authorization regarding land use. The legislation removes the prohibition associated with the original A&M main campus that restricts without prior legislative approval the ability of the board to grant, sell, or lease lands and mineral interests, as well as surface property. This change now conforms to virtually every other state board authorization regarding land use.

Texas A&M University

HB 3296 by Raney/Schwertner--Relating to the rates of municipal and county hotel occupancy taxes in certain municipalities and counties and the use of certain revenue from those taxes. HB 3296 relates to local support for the redevelopment of Kyle Field. Under current law, an additional 0.75% hotel tax is authorized for the City of College Station if revenue is used to build a convention center. This bill repurposes this portion of the hotel tax and authorizes its use to make payments to Texas A&M University for preferred access to the university's facilities. With preferred access to A&M facilities, the Bryan/College Station Convention and Visitors Bureau (CVB) will not need a convention center and instead can use premier facilities like Reed Arena, the Memorial Student Center, Rudder Theater and Kyle Field to attract groups to Bryan-College Station and promote tourism. Texas A&M and the CVB have negotiated an agreement which will give the CVB the ability to reserve university facilities in advance and use the facilities at preferred rates.

The agreement is contingent on passage of this bill and authorization of the hotel tax changes. In return for preferred facilities access, the CVB will make payments to the university of approximately \$1M-\$1.225M each year for 30 years. The university will use this revenue stream to support the Kyle Field Redevelopment Project, i.e. the CVB payments will be used to service the bonds issued for the Kyle Field project.

SB 1238 by Hinojosa/Pickett - Relating to the composition and duties of and investigations conducted by the Texas Forensic Science Commission, the administrative attachment of the Texas Forensic Science Commission to Sam Houston State University. This bill amends Texas Forensic Science Commission. It provides guidelines regarding investigations and subsequent recommendations by the commission. The bill establishes reporting requirements. The bill would administratively attach the commission to Sam Houston State University. The commission has been partially composed of representatives from certain universities including Texas A&M (clinical laboratory specialist) from a list of 10 submitted by the chancellor. This will continue; however, the appointment by the Governor will be staggered with other university related appointments.

Texas A&M University at Galveston

HB 1903 by Eiland/Williams - Relating to the appropriation of amounts deposited into the oyster sales account and the abolishment of the oyster advisory committee. The Seafood Safety Lab at TAMUG has been testing oysters for the industry and the state for many years. However, a recent issue arose with the Texas Department of State Health Services (TDSHS) regarding the amount and stability of funds. A fee is assessed on each bag of oysters and the administration associated with testing is conducted by TDSHS. HB 1903 was introduced and passed to address these issues.

Under the provisions of the bill, the Comptroller will allocate \$100,000 each fiscal year from amounts remaining in the General Revenue-Dedicated (GR-D) Account 5022 Oyster Sales to TAMUG to study and analyze organisms that may be associated with human illness and transmitted through the consumption of oysters. The bill removes the provision that funds in the oyster sales account shall first be appropriated for public health activities and notes that funds in the account can only be used on the specified activities.

Technically, the Comptroller cannot appropriate the funds directly to TAMUG. Subsequently, in the conference committee report on SB 1, the GAA, a rider is in place to appropriate funds upon passage of HB 1903 to TAMUG.

HB 3459 by Eiland/Taylor - Relating to the determination of the boundaries of, and the enforcement of the law governing access to, public beaches. The bill allows the Land Commissioner of the General Land Office (GLO) to temporarily suspend determinations of the line of vegetation when a meteorological event, as defined, obliterates the line. The line of vegetation, which helps establish the extent of the public beach, would be set temporarily at 200 feet landward from the line of mean low-tide.

Under the bill, the Land Commissioner can temporarily suspend the line of vegetation for a period of up to three years. The Land Commission could consult with the Bureau of Economic Geology at UT Austin. Any suspension would be posted and published as appropriate. Ultimately, a final determination of the line of vegetation could be determined by court order. GLO would also identify whether federal funding was available for projects to protect the upper Texas Coast.

The legislation finds that to protect the Galveston-Houston region's five million residents and the region's economic and strategic infrastructure, various federal, state, and local entities, led by Texas A&M University at Galveston (TAMUG), are studying and developing conceptual designs for a coastal barrier to protect the region from hurricane-induced storm surge. As currently envisioned, a project referred to as the "Ike Dike" developed at TAMUG would extend the protection afforded by the Galveston Seawall along the rest of Galveston Island and along the Bolivar Peninsula by creating a 17-foot-high revetment. HB 3459 also finds that a research team is being led by TAMUG through its Center for Texas Beaches and Shores using strong partnerships with the U.S. Department of Homeland Security Coastal Hazards Center of Excellence at Jackson State University, the

Netherlands Delft University of Technology 's Department of Hydraulic Engineering, and the University of Houston C. T. Bauer College of Business's Institute for Regional Forecasting.

This bill also established a joint interim committee regarding the provisions of the legislation.

Prairie View A&M University

HB 870 by Hegar/Bell - Relating to Prairie View A&M University's eligibility to participate in the Research Development Fund. HB 870 amends the Education Code relating to Prairie View A&M University's eligibility to participate in the Research Development Fund (RDF). Prairie View A&M University (PVAMU) is eligible to participate in the RDF if the university is not eligible for an appropriation from the Texas Competitive Knowledge Fund. In addition, for the state fiscal biennium ending August 31, 2017, PVAMU is eligible only if appropriations for the RDF over the state fiscal biennium for institutions that received distributions from the fund during the preceding biennium is at a level not less than the total amount of money that was appropriated for distributions to those eligible institutions in the preceding biennium. The subsection relating to appropriation level expires January 1, 2018.

SB 1145 by Hegar/Bell - Relating to the intercollegiate athletics fee at Prairie View A&M University; authorizing an increase in the fee. SB 1145 amends the statute that authorizes an intercollegiate athletics fee at Prairie View A&M University. Prairie View A&M University would be authorized to charge students an intercollegiate athletics fee of \$12.60 per semester credit hour. The fee may exceed \$12.60 if certain approval criteria are met. The bill changes the expiration date of the fee authorization to September 1, 2018 unless certain conditions are met by the end of the 2017-2018 academic year.

Texas A&M University-Texarkana

SB 691 by Eltife/Lavender - Relating to the intercollegiate athletics fee at Texas A&M University-Texarkana; authorizing a fee. SB 691 creates an intercollegiate athletics fee at Texas A&M University-Texarkana. The board of regents of the Texas A&M University System is authorized to charge students at Texas A&M University-Texarkana an intercollegiate athletics fee up to \$9.00 per semester credit hour. The fee may exceed \$9.00 if certain approval criteria are met. The fee cannot be charged after the fifth academic year in which the fee is first charged unless bonds are issued; if bonds are issued then the fee sunsets when those bonds are paid off.

TAMUS Health Science Center

HB 1025 by Pitts/Williams – Relating to making supplemental appropriations and reductions in appropriations and giving direction and adjustment authority regarding appropriations. The supplemental appropriations

legislation contained a number of different items totaling over \$1 billion, prior to the Governor's veto of several line items. Of importance to TAMHSC was an appropriation of \$9.25 million for graduate medical education. \$1.875 million of this funding was set aside for one-time planning grants of \$150,000 each to entities that have never had graduate medical education programs and are eligible for Medicare GME funding. The bill specifies that only twelve planning grants may be awarded, and applications are due by November 15th, 2013. The Coordinating Board must determine grant recipients by Dec. 15th, 2013. The remainder of the funding may be awarded to programs with accredited but unfilled GME positions, as well as accredited programs that can expand or establish new first year GME positions. Applications for this funding are due October 1st, 2013 and the Coordinating Board must determine grant awardees by January 1st. Grant recipients will receive equal funding for both the 2014 and 2015 fiscal years. Criteria for applications mirror that in HB 2550.

Also worth noting in HB 1025 was an appropriation of \$175 million for tuition revenue bonds; however, this item was vetoed by Governor Perry.

HB 2392 Menendez / Van de Putte – Relating to the mental health program for veterans. HB 2392 provides additional structure and reporting requirements to grants given in support of the Mental Health Program for Veterans, which is administered by the Department of State Health Services. An annual report is required by the department to detail activities resulting from grants that are provided to regional and local organizations participating in the military peer counseling network. This network uses a process of having combat veterans talk to other combat veterans about their shared experiences. TexVet, an initiative of the Texas A&M Health Science Center, is responsible for documenting and reporting on the activities of the military peer network and serves as the statewide information resource for veterans and their families seeking services, events, or support from local, state, federal, or other resources. The network is supported by volunteer coordinators who work with licensed mental health professionals, and DSHS is required to provide suicide prevention training for the volunteer coordinators and peer counselors that participate in the network. The network is being expanded to meet the needs of a growing number of veterans who are experiencing mental health issues.

HB 2550 by Patrick / Zaffirini (Amended to add SB 143 by Nelson, GME legislation) – Relating to the consolidation of the Higher Education Enrollment Assistance Program and the Higher Education Assistance Plan and the transfer of certain enrollment assistance duties to institutions of higher education. This legislation became a vehicle for SB 143 which sought to expand Graduate Medical Education. HB 2550 gives the Texas Higher Education Coordinating Board authority to create grant awards to expand graduate medical education via several different programs. The Legislature appropriated \$5 million for the grant programs and \$2.1 million for the Primary Care Innovation Program.

- **Planning Grants** - The planning grant program will award entities that have never had graduate medical education and are eligible for Medicare GME funding. These will be one-time, \$150,000 awards for purposes of planning additional first-year residency positions. Entities that receive a planning grant are eligible for additional funds for each position. Only 12 grants may be awarded.
- **Grants for Unfilled Residency Positions** - Under this program, the Board will award grants to programs that have accredited but unfilled first-year residency positions. An application for this grant program must be submitted to the Board no later than October 1, and must include proof of the accredited but unfilled positions. The Board will determine grant awardees no later than January 1, and can distribute funding only after verifying that the position has been filled. These grants are for two consecutive fiscal years and may only be expended to support direct resident costs, including stipends and benefits.
- **Grants for Program Expansion or New Programs** - This program will award grants to enable existing GME programs to expand first year residency positions or establish new GME programs with first-year residency positions. Grant applications must include a plan to receive accreditation for the increased number of positions or for the new program, and must be submitted to the Board no later than Oct. 1st.

The Board will determine grant recipients by Jan. 1, but the funding will not be disbursed until the positions have been filled. Program expansion/new program grants are for three consecutive fiscal years.

- The Board may prioritize up to 50 percent of the funded first year residency positions for primary care or other critical shortage areas should demand exceed supply authorized by appropriations. The Board may also award funds to support residents who have completed three years of residency if funds are still available after all eligible grant applications have been funded; however, this section of the bill is not applicable until Fiscal Year 2017.
- **Resident Physician Expansion Grant Program** - This program will be administered as a competitive grant program encouraging creation of new GME positions at teaching hospitals and other health care entities, The Board will establish criteria in consultation with the executive commissioner of HHSC, physicians, teaching hospitals, medical schools, independent residency programs and with other persons considered appropriate by the Board. Grants under this program can only be awarded to positions created and accredited on or after Jan. 1, 2014, or created and accredited before Jan. 1, 2013, but that were not filled. Grant applications must specify the number of residency positions expected to be created and the amount requested for each year. The Board will have to report to the Legislature every Jan. 1 a report specifying the number of grants awarded, amount of each grant, number of residency positions created, medical specialty of each residency position created and whether or not physicians who complete their training in residency positions created by the program chose to practice in Texas and in what specialty they chose to practice.
- **Primary Care Innovation Program** - The legislation requires the Board to establish a grant program under which they award incentive payments to medical schools that administer innovative programs designed to increase the number of primary care physicians in the state. An appropriation of \$2.1 million is provided for the program. The Board will adopt rules for this program in consultation with medical schools, as well as methods for tracking the effectiveness of grants that consider career paths of graduates during the four-year period following their graduation and whether and how long they work in primary care in Texas.
 - Additionally, the bill expands the Physician Loan Repayment Program to physicians who provide services to certain numbers of Medicaid, CHIP, or Women's Health Program recipients.

SB 149 by Nelson / Keffer – Relating to the Cancer Prevention and Research Institute of Texas. Following a series of ethical breaches and investigations into the handling of state funding for cancer prevention and research through CPRIT, as well as the questionable activities of the CPRIT Foundation, the 83rd Legislature set out to make major reforms of the Institute, its oversight committee, and the foundation created to supplement top executives' salaries. Initially, some legislative leaders proposed defunding CPRIT altogether, or at least for the 2014-15 biennium. In the end, SB 149 was passed to address many of the issues that have surfaced as a result of the State Auditor's report. Other investigations are ongoing at this time.

SB 149 creates the Program Integration Committee, which is charged with prioritizing grant recommendations by the research and prevention programs committees. The Program Integration Committee is composed of the CEO, the Chief Scientific Officer, the Chief Product Development Officer, the Commissioner of State Health Services, and the Chief Prevention Officer. The bill requires that CPRIT shall continuously monitor contracts and ensure that each grant recipient is in compliance and ensure that all grant proposals comply with the law and rules before proposals are submitted to the oversight committee for approval. The bill outlines required compliance of staff and committee members regarding peer review and conflicts of interest and requires CPRIT to have a chief compliance officer. The Institute's annual report is now required to include a statement of the institute's compliance program activities, and records of each grant recipient's financial and progress reports must be maintained, along with information related to conflicts-of-interest and disclosures.

CPRIT is now prohibited from supplementing the salary of any institute employee with a gift or grant received by the Institute. The Chief Scientific Officer salary may be supplemented only from legislative appropriations or bond proceeds. The CEO salary cannot be supplemented and may only be paid from legislative

appropriations. Institute employees are now prohibited from having an office in a facility owned by an entity receiving or applying to receive money from the institute. This is in response to two officers leasing space from grant recipients, UT Southwestern Medical Center and UT M.D. Anderson Cancer Center. The Comptroller and Attorney General are removed from the oversight committee, and oversight committee members now must disclose each political contribution to a candidate for state or federal office over \$1,000 in the previous five years and each year after the appointment during the person's term. The contributions will be posted by the Institute on the oversight committee's web page. The bill prescribes the governance and structure of the oversight committee, including the election of officers and development of policies to distinguish the role of the committee and the responsibilities of the CEO and Institute employees. The bill defines what constitutes a conflict of interest, disclosure, and recusal from the grant review and approval process, for employees, peer reviewers, and committee members. An extensive process is put in place for investigation of unreported conflicts of interest as well as actions to be taken to address the conflict of interest, impropriety, or self-dealing.

The oversight committee must adopt a code of conduct applicable to each oversight committee member, program integration committee member, and institute employee. Each member of the oversight committee is required to file a verified financial statement as required of a state officer under the Government Code. The oversight committee will adopt policies and rules regarding qualifications of the members of the research and prevention programs committees. The CEO must submit an affidavit for each grant application recommendation submitted to the oversight committee, documenting the peer review process, scoring, and other due diligence. Two-thirds of the members of the oversight committee must vote to approve each funding recommendation of the program integration committee or provide a written explanation if a recommendation is not followed. The bill specifies the requirement of matching funds to be one-half of the grant amount and allows that an institution of higher education that is a grant recipient can credit toward the matching funds the difference between the indirect cost rate authorized by the federal government and the indirect cost rate for CPRIT (currently 5%). Types of matching funds are listed, including federal and state funds, funds of other states, and nongovernmental funds. Funds not allowed to be used for matching purposes include in-kind costs, volunteer services, real estate, and others. The bill addresses confidentiality related to compliance reporting and investigations.

SB by 213 Whitmire / Price – Relating to the continuation and functions of the Texas Board of Criminal Justice, the Texas Department of Criminal Justice, and the Windham School District. SB 213 is the sunset bill for TDCJ, the Texas Board of Criminal Justice, and the Windham School District. The bill is of interest due to changes made in the composition of the Correctional Managed Health Care Committee. The committee is expanded from five to nine voting members, including two members who are physicians and are employed by a medical school other than the University of Texas Medical Branch at Galveston or the Texas Tech University Health Sciences Center. Texas A&M University System Health Science Center is named in the bill as one of the institutions that may be represented on the committee. Terms of office are defined, including the order in which medical schools may be represented on the committee. A medical school may not be represented by more than one member. The committee is required to develop and approve a managed health care plan that specifies the types and general level of care to be provided to persons confined by the department. TDCJ, in cooperation with contracting entities will establish a managed health care provider network and evaluate and recommend to the TDCJ Board sites for new medical facilities to support the provider network. TDCJ is to monitor the expenditures of contracting entities and may contract with any entity to implement the managed health care plan. The department is now required to report quarterly on correctional health care expenditures and the amount of cost savings realized as a result of contracting with a provider other than TTUHSC or UTMB.

SB 301 by Zaffirini / Zerwas (Amended to SB215 by Birdwell / Anchia, Relating to the continuation and functions of the Texas Higher Education Coordinating Board) – Relating to the authority of the Texas Higher Education Coordinating Board to issue to a foreign postsecondary institution a certificate of authority to grant professional degrees. This legislation prohibits the Texas Higher Education Coordinating Board from providing a foreign postsecondary institution with a certificate of authority to grant professional degrees or represent that credits earned in this state are applicable towards a degree, if the institution is chartered in a foreign country or has its

principal office or primary educational program in a foreign country. Offshore, for-profit, foreign medical schools, such as those based in the Caribbean, increasingly are seeking permission to provide medical education in the U.S. The American University of the Caribbean had sought permission from the Texas Higher Education Coordinating Board to enter into contracts with Texas hospitals to conduct third-year clerkship rotations for medical education, in direct competition with our state-supported schools. These third-year clerkships are limited based on the availability of hospitals willing to allow medical education within their facilities, and the existing Texas medical schools are challenged to provide enough clerkships for the current growth of Texas-trained medical students. With plans for two new medical schools, in Austin and the Lower Rio Grande Valley, it is critical to preserve the existing process, which is limited to Texas medical schools when it comes to third-year clerkships. Students from these offshore, foreign medical schools, including those who are from Texas but who were not accepted to one of the Texas schools, have the opportunity to compete for fourth-year elective rotations and to enter the match to compete for a U.S. residency position. In other states where the offshore schools have been allowed in to set up clerkships, the schools have offered large sums of money to hospital systems in exchange for the access to patients necessary to train the students. In the case of New York, the public hospital system has a contract worth \$100 million with a Caribbean school to educate its students. In short, the foreign medical schools will continue to have pathways for their qualified students to enter the Texas pipeline, but they are now prohibited from setting up third-year clerkships as that would be a direct threat to the state-funded medical education system that has been and is being built for our own Texas-trained future physicians.

Texas A&M AgriLife Research

HB 3509 by Bonnen/Seliger- Relating to endangered species habitat conservation. HB 3509 would amend the Government Code regarding endangered species habitat conservation. State agencies would be given authority to hold a federal permit for a habitat conservation plan, candidate conservation plan, or similar plan. Certain public notice activities would be required. A new habitat protection research fund would be created and held by the Comptroller inside of the treasury to fund research personnel, capital expenditures, and research grants related to habitat protection. The bill would do one or more of the following: create or recreate a dedicated account in the General Revenue Fund, create or recreate a special or trust fund either with or outside of the Treasury, or create a dedicated revenue source. The fund, account, or revenue dedication included in this bill would be subject to funds consolidation review by the current Legislature. Texas A&M AgriLife Research personnel monitored hearings and worked with stakeholders throughout the legislative process.

VETOED

Texas A&M AgriLife Extension Service

HB 3401 by Raymond/Nelson - Relating to a nutrition and wellness education program for certain recipients of certain state benefits. HB 3401 seeks to encourage healthy lifestyles among recipients of public benefits through Medicaid, Temporary Assistance for Needy Families (TANF), and the Supplemental Nutrition Assistance Program (SNAP). The bill requires the Health and Human Services Commission (HHSC) to work with community-based organizations to encourage individuals receiving benefits through Medicaid, TANF, or SNAP to access existing online information and programs (including those available through the HHSC website) that provide nutrition and

wellness education and promote healthy eating habits and a healthy lifestyle. The bill also requires HHSC to report to the legislature on the use of nutrition and wellness education information provided on HHSC's website, including feedback from Medicaid, TANF, and SNAP clients on the effectiveness of the information accessed and any available data on the number of individuals who accessed the information. HB 3401 amends current law relating to nutrition and wellness education for certain recipients of certain state benefits.

Texas A&M AgriLife Extension personnel worked with the sponsor's office and provided resource information throughout the legislative process.

HB 3536 by Otto/Hinojosa - Relating to the imposition of a fee on the sale of cigarettes and cigarette tobacco products manufactured by certain companies. HB 3536 amends Chapter 161 of the Health and Safety Code to add new Subchapter V to impose a fee on the sale, use, consumption or distribution of cigarettes and cigarette tobacco products manufactured by companies that were not part of the Comprehensive Settlement Agreement and Release between Texas and certain tobacco companies filed in 1998, and are generally known as "non-settling manufacturers" or NSMs.

Texas A&M AgriLife Extension personnel monitored and worked with sponsors as a vehicle for contingency appropriations.

HB 3761 by Guerra/Hinojosa - Relating to the creation of a border agricultural inspection training program. HB 3761 amends current law relating to a feasibility report on the creation of a border agricultural inspection training program. Texas A&M AgriLife Extension personnel (Dean McCorkle) provided resource testimony.

Texas A&M Transportation Institute

HB 1545 By Allen/Ellis - Relating to the eligibility of persons with disabilities to use certain public transportation services. HB 1545 directs the Governor's Committee on People with Disabilities to conduct a study to determine: (1) the feasibility of standardizing the process of certifying an individual's eligibility for services in the state; and (2) whether the current 21-day provision of services by a provider is adequate to meet the needs of visitors with disabilities to locations served by the provider. TTI will have the opportunity to participate in this study.

SB 8 By Nelson/Kolkhorst - Relating to the provision and delivery of certain health and human services in this state. Among other provisions, the bill includes a section on the delivery of medical transportation program services that authorizes the Health and Human Services Commission to contract with transportation service area providers in not more than three contiguous rural or small urban transit districts located within a managed transportation region to execute appropriate inter-local agreements to consolidate and coordinate medical transportation program service delivery activities. This section includes an evaluation component looking at (1) cost-savings measures; (2) efficiencies; (3) best practices; and (4) available matching funds. TTI will have the opportunity to participate in this evaluation.

Texas A&M Engineering Experiment Station

SB 1727 By Deuell/Isaac - Relating to the use of the Texas emissions reduction plan fund (TERP). SB 1727 establishes new programs and deletes the energy efficiency grant program. The bill allows the Texas Commission on Environmental Quality (TCEQ) to make changes in emission reduction calculation formulae. The legislation places priority on reduction of mono-nitrogen oxides and particulate matter at port facilities in nonattainment areas and reduction of emissions from oil and gas production drilling equipment and related heavy-duty non-road equipment. SB 1727 creates a new Drayage Truck Incentive Program including rebate-type funding to replace pre-2007 trucks with 2010 or newer models. The legislation modified the NTIG program, Texas Clean Fleet program, Texas Natural Gas Vehicle program, Clean Transportation Triangle Program and Alternative Fueling Facilities Program, and revises various TERP-related reporting requirements.

Early versions of the bill eliminated and/or jeopardized funding that the Texas A&M Engineering Experiment Station's Energy Systems Laboratory (ESL) received through the program. We worked with both the Senate and House bill authors' offices to restore the funding language for ESL as well as restore the laboratory's reporting requirements on energy efficiency that were eliminated in the House Environmental Regulation Committee.

Texas A&M Engineering Extension Service

HB 1025 By Pitts/Williams - Relating to making supplemental appropriations and reductions in appropriations and giving direction and adjustment authority regarding appropriations. TEEX received \$1,678,703 for the state fiscal year ending August 31, 2013, for the purpose of reimbursing the agency for state-directed deployments of Texas Task Force 1 for natural disasters.

HB 1090 By Martinez/Hinojosa - Relating to the creation of Texas Task Force 1 Type 3 Rio Grande Valley. The Rio Grande Valley is the most vulnerable area in Texas during a hurricane. The need exists for a regional "quick response force" within the Valley. Data has shown that a major hurricane will isolate the Valley South and Southwest of San Antonio. Currently, the nearest assistance in support of local efforts is not only hours away, but will likely be stranded by flooded roadways and high winds. The team created in this bill is a regional component of Texas Task Force One (TX-TF 1), the state's only statewide urban search and rescue team under the direction of the Texas Department of Public Safety's Division of Emergency Management.

This increased capability will assist local responders and elected officials in the early phase of a significant event requiring search and rescue. Personnel will be selected from area public safety agencies and public and private sector organizations. The selection criteria for the quick response force will follow the same guidelines for all TX-TF 1 members as well as evaluation and readiness prior to emergency deployment of personnel or equipment.

All personnel will be trained to the same high standard as TX-TF1 and with the training being delivered through the Texas A&M Engineering Extension Service. All training and travel-related expenses for training will be incurred by the team members or their employers.

The bill also requires the Texas Department of Public Safety to conduct a study on Texas Task Force 1 and provide:

- an assessment of the effectiveness of the task force and any lessons learned from the operation of that task force;
- the need to establish and operate similar task forces in other regions; and
- any other matter that the department considers relevant to the topic of the study.

The study is due to the Legislature one year from the effective date of the bill.

The bill was vetoed by the Governor due to the workers compensation benefits for TxTF2 that were amended on to the bill in the Senate. The Governor, in his veto proclamation, said he will instruct the Texas A&M Board of Regents and Texas Division of Emergency Management to take action to create a TTF 1 team that will be based in the Rio Grande Valley to assist with any disaster in that the region of the state.

HB 1297 By Alvarado/Estes - Relating to the review of certain skills development fund workforce training programs. To ensure workforce development programs are enabling graduates to obtain well-paying jobs, this bill requires the Texas Higher Education Coordinating Board to review all customized training programs provided by the Skills Development Fund biennially to verify that state funds are being used appropriately by public community and technical colleges and the Texas A&M Engineering Extension Service.

Additionally, TEEX and public community or technical colleges must conduct a review of the service's or college's training programs to determine the effectiveness of the programs in improving the wages of participants who complete the programs; and identify strategies for improving the delivery of workforce training in order to more effectively impact economic development in this state. They must submit to the Texas Workforce Commission a detailed written report by October 1st each even-numbered year, summarizing the results of the review for inclusion by the executive director in the report to the governor and the legislature.

SB 1556 By Seliger/J. Davis - Relating to the establishment of the School Safety Advisory Council and School Safety Certification Program. This bill establishes the School Safety Task Force to study, on an ongoing basis, best practices for school multi-hazard emergency operations planning and, based on those studies, to make recommendations to the legislature, the Texas School Safety Center, and the governor's office of homeland security.

The task force is composed of the chief of the Texas Division of Emergency Management, or the chief's designee, either of whom serves as the presiding officer of the task force; the training director of the Advanced Law Enforcement Rapid Response Training Center at Texas State University--San Marcos, or the training director's designee; the chairperson of the Texas School Safety Center, or the chairperson's designee; and the agency director of the Texas A&M Engineering Extension Service, or the agency director's designee.

The bill requires the task force, not later than September 1st of each even-numbered year, to prepare and submit to the legislature a report concerning the results of the task force's most recent study, including any recommendations for statutory changes the task force considers necessary or appropriate to improve school multi-hazard emergency operations.

Texas A&M Forest Service

HB 6 by Otto/Williams - Relating to the creation and re-creation of funds and accounts in the state treasury, the dedication and rededication of revenue, and the exemption of unappropriated money from use for general governmental purposes. The bill would abolish all funds, accounts, and revenue dedications created or recreated

by the 83rd Legislature, Regular Session, 2013, unless specifically exempted under separate sections of the bill. Any funds, accounts, or revenue dedications abolished under this bill would be deposited to the credit of the unobligated portion of the General Revenue Fund 0001. The bill would define the state agencies to which this act would apply; and it would provide for the abolition of new or re-created funds, accounts, and revenue dedications, unless they were specifically exempted in the bill.

The bill would exempt dedications, funds, and accounts that were enacted before the 83rd Legislature convened to comply with the State Constitution or federal requirements, or that remained exempt from the abolishment and removal of dedication provisions of the former Section 403.094(h) of the Government Code and increases in existing fees or in other revenue that were previously dedicated or required to be deposited in a fund or account exempted prior to the 83rd Legislature, Regular Session, 2013. The bill would exempt the State Water Implementation Fund for Texas or to the State Water Implementation Revenue Fund for Texas in the state treasury as established by House Bill 4 to implement the creation of those funds by the constitutional amendment proposed by Senate Joint Resolution 1, 83rd Legislature, Regular Session, 2013, except that those funds are not created if the voters do not approve of that constitutional amendment at an election held November 5, 2013.

HB 7 by Darby/Williams - Relating to the amounts, availability, and use of certain statutorily dedicated revenue and accounts. HB 7 seeks to address the amounts, availability, and use of certain statutorily dedicated revenue and accounts and to reduce or affect the amounts or rates of certain statutorily dedicated fees and assessments. Among other provisions, the bill would implement recommendations in the Legislative Budget Board's report, "Options to Reduce Reliance on General-Revenue Dedicated Accounts for Certification of the State Budget" submitted to the Eighty-Third Texas Legislature, 2013. The bill would require the Legislative Budget Board (LBB) to develop and implement a process to review the dedication appropriation, and accumulation of General Revenue-Dedicated Funds.

The bill would require the LBB to incorporate into budget recommendations appropriate measures to reduce reliance on available dedicated revenue for certification and include with the budget recommendations plans for further reducing reliance for the succeeding six years. The bill would make all interest or other earnings that accrue on revenue held in an account in the General Revenue Fund, any part of which Section 403.095, Texas Government Code, makes available for certification, available for any general governmental purpose. The bill requires the Comptroller of Public Accounts (Comptroller) to deposit the interest and earnings to the credit of the General Revenue Fund. The bill excepts from this provision interest or earnings on certain tuition revenue, or an account that accrues interest or other earnings on deposits of state or federal money the diversion of which is specifically excluded by federal law, including the General Revenue-Dedicated Lifetime License Endowment Account 540 and Game, Fish, and Water Safety Account 09.

Texas A&M Forest Service personnel worked with Representative Darby's office; Robby Dewitt & Don Galloway served as a resources for the bill.

HB 419 by Farias/Watson - Relating to designating the first Friday in November as Texas Arbor Day. HB 419 seeks to encourage the planting of trees in early winter by recognizing the first Friday in November of each year as Texas Arbor Day. HB 419 amends current law relating to designating the first Friday in November as Texas Arbor Day.

Texas A&M Forest Service personnel worked with the author's office and provided resource testimony from Pete Smith and Paul Johnson.

HB 487 by Bell/Nichols- Relating to liability of certain persons assisting in hazardous or dangerous situations. HB 487 clarifies existing law with regard to a local official's authority to request or accept assistance in a hazardous or dangerous situation and with regard to a person's immunity from liability in providing such assistance. HB 487 amends current law relating to liability of certain persons assisting in man-made or natural disasters.

Texas A&M Forest Service personnel worked with Representative Bell's office; Don Galloway provided resource testimony.

SB 1267 by Nichols/Clardy - Relating to the liability of individuals providing labor or assistance to the Texas Forest Service in the performance of certain fire suppression duties. SB 1267 establishes certain liability protections for any outside labor or assistance providing firefighting services on private land in conjunction with the Texas Forest Service.

Texas A&M Forest Service personnel worked with the office throughout the legislative process and provided resource testimony from Don Galloway.

Texas A&M Veterinary Medical Diagnostic Laboratory

SB 1312 by Schwertner/Aycock - Relating to the regulation and practice of veterinary medicine. SB 1312 amends the Occupations Code relating to the regulation and practice of veterinary medicine, and authorizing a fee. The bill would require the Texas State Board of Veterinary Medical Examiners (TSBVME) to license and regulate veterinary technicians. The bill would allow the TSBVME to appoint advisory committees, and require the development of a jurisprudence examination for veterinary technicians. The bill would establish qualifications for a veterinary technician which include passing a jurisprudence examination, being at least 18 years old, graduating from a program accredited by the American Veterinary Medical Association, passing the Veterinary Technician National Examination, and not being otherwise disqualified by board rule or terms of the bill. The bill would also require a licensed veterinary technician to display their license at the facility of their employment.

Texas A&M Veterinary Medical Diagnostic Laboratory personnel worked with various stakeholders throughout the legislative process.

Overview of Key Higher Education Legislation

BOARD OF REGENTS/LEGAL RELATED LEGISLATION

HB 12 by Flynn/Zaffirini - Relating to gifts and other consideration made to state agencies for state employee salary supplement or other purposes and to publication by state agencies of staff compensation and related information. HB 12 requires a state agency, including institutions of higher education, to post information online regarding the amount of any gifts designated to be used as a salary supplement for an agency employee. The bill requires agencies to adopt rules relating to conflict of interest provisions on accepting gifts for salary supplements and to post those rules on agency websites. The bill would require agencies receiving gifts for the purpose of a salary supplement made by entities created solely for the support of a state agency to gather and report information related to such gifts to the state auditor and the legislature.

HB 12 requires agencies receiving gifts designated to be used as a salary supplement to report information on whether a donor is an individual or an entity; what type of entity, including nonprofit status and classification by the Internal Revenue Service; and what oversight procedures the agency has established for the use of any gifts. The bill requires the state auditor to develop a schedule and form for the required information posting and to compile a report to the legislature on gift and donor information submitted by agencies. The bill would permit the state auditor to review agency reports to identify conflicts of interest or other risks related to entity gifts and report any audit results to the Legislature.

HB 12 requires agencies to post on agency websites information relating to staffing and salaries, including the number of employees employed by the agency, appropriations, compensation methodology for executive staff, and the average compensation of non-executive staff.

HB 16 by Flynn/Ellis - Relating to a requirement that a state agency post its internal auditor's audit plan and audit report and other audit information on the agency's Internet website. HB 16 requires institutions of higher education to post internal agency audit plans, annual reports, and any resulting concerns or weaknesses resulting from the plans or reports on agency websites, subject to requirements set by the State Auditor. Institutions would also be required to post any actions taken to address issues raised by an audit plan or annual report. Any information that is exempted from public disclosure under Chapter 552 does not have to be posted.

HB 31 by Branch/Zaffirini – Relating to certain requirements applicable to meetings of the governing board of a general academic teaching institution or state university system. HB 31 requires a general academic teaching institution or university system to post the written agenda and supplemental written materials for any regularly scheduled meeting of the governing board. The materials must be posted as early as practicable in advance of the meeting to the Internet website of the institution or university system and any records certified as confidential may be withheld from public disclosure.

HB 581 by Howard/Lucio - Relating to the waiver of sovereign immunity in certain employment lawsuits by nurses. HB 581 waives sovereign immunity in lawsuits where a nurse employed by a state or local government operated hospital alleges unlawful retaliation. To qualify for relief from a lawsuit regarding retaliation for reporting the alleged violation, the nurse would have to meet certain standards in reporting, such as making a violation

reporting to a supervisor or another authorized person. The bill would require that a nurse employed by a state agency or local government seek relief within 90 days on an action and use the grievance procedure in place at his or her employer before filing a lawsuit. The bill would require that cases against state agencies be processed in Travis County, and that cases against local government be processed in the county where all or a part of that governmental entity is located.

HB 586 by Workman/Deuell - Relating to the waiver of sovereign immunity for certain design and construction claims arising under written contracts with state agencies. HB 586 waives sovereign immunity in suits filed in state court for certain design and construction claims arising under written contracts with state agencies. The bill only applies to a claim for breach of a written contract for engineering, architectural, or construction services or for materials related to engineering, architectural, or construction services brought by a party to the written contract that is not less than \$250,000. HB 586 does allow for the recovery of attorney fees to all parties, not just plaintiffs. A judgment may not be paid from appropriated funds unless the funds are specifically appropriated for the purpose.

HB 950 by Thompson, S. / Davis - Relating to unlawful employment practices regarding discrimination in payment of compensation. HB 950 clarifies the statute of limitations with regard to certain claims of unlawful discrimination brought under state law in order to make Texas law consistent with the **VETOED** Lilly Ledbetter act.

HB 2414 by Button/ Deuell - Relating to open meetings of governmental bodies held by videoconference call and to written electronic communications between members of a governmental body. HB 2414 would amend Chapter 551 of the Government Code regarding open meetings to authorize a member of a governmental body to participate remotely in a meeting by videoconference call and to revise a governmental body's authority to hold a meeting by videoconference call. The bill would require that a meeting of a governmental body held by videoconference call: provide at least one suitable physical space located in or within a reasonable distance of the geographic jurisdiction, if any, for members of the public to participate in the meeting that is equipped with videoconference equipment, including an audio and video display, camera, and microphone; and have present at the physical location the member of the governmental body who is presiding over the meeting. The notice of the meeting to be held by videoconference must specify the physical location made available for public participation.

HB 2414 would provide instances in which certain communications or exchanges of information between members of a governmental body do not constitute a meeting or deliberation. The bill would require certain actions to be taken by a governmental body that maintains an online message board or similar Internet application that is used for certain communications or exchanges of information.

SB 15 by Seliger/Branch – Relating to the governance of public institutions of higher education in the state. In addition to existing duties, SB 15 requires each university system governing board to:

- Develop a balanced structure designed to promote institutional integrity, autonomy and flexibility while maintaining operating efficiency and academic excellence.
- Ensure that the powers and duties of the board are not controlled by a minority of its members or by organizations that are separate from the board.
- Ensure that members remain free from contractual, employment, and financial conflicts of interest.
- Make available to the public any report, recommendation or vote of the governing board or subcommittee of the governing board.
- Require all governing board members to attend a training program on conflict-of-interest law, ethics and the role of governing board members prior to voting on a budgetary or personnel matter.
- Restrict the authority of a governing board from terminating the employment of an institution's president except in instances when a recommendation to do so is received from the system administration.

In addition to existing duties, SB 15 requires each system administration to:

- Consult with the governing board to evaluate the president or other chief executive officer of each component institution.
- If necessary based on the president's performance, recommend to the governing board the termination of employment of an institution's president.

SB 246 by West/Harper-Brown - Relating to the electronic submission of a request for an attorney general opinion. SB 246 would allow requestors of attorney general opinions to ask for an opinion by sending an email to an email address designated by the attorney general. Requestors still could submit requests by certified or registered mail.

SB 471 by Ellis/Harper-Brown - Relating to technological efficiencies in the recording of certain open meetings. SB 471 amends the Open Meets Act to define "recording" as a tangible medium on which audio or a combination of audio and video is recorded, including a disc, tape, wire, film, electronic storage drive, or other medium now existing or later developed, and to revise open meetings law relating to the recording of certain open meetings to conform to that definition.

SB 984 by Ellis/Perry – Relating to the meeting of a governmental body held by videoconference call. SB 984 simplifies the Open Meeting Act's requirements for holding a meeting by videoconference call. Instead of requiring a majority of a quorum of the body to be present at one location open to the public during open portions of the meeting, only the presiding member would have to be present at that location which must be open to the public during the open portions of the meeting. The notice provisions are revised accordingly.

SB 1297 by Watson/Branch - Relating to written electronic communications between members of a governmental body. The bill would amend the Open Meetings Act to permit a governmental body to create an online message board and clarifies that these message boards do not constitute a public meeting as long as they meet set criteria described in the bill. Standards set forth in the bill include the requirement that the electronic communication can be viewed by the public in real time on the governmental body's website, and no vote or action is taken that must otherwise be taken in a meeting under the Open Meetings Act. The members' posts to a message board of this type must remain on the site for 30 days, and if they are removed after that time, they must be preserved for six years and are public information available through the Public Information Act. A body can only have one message board site of this type, and it must be accessible no more than one click away from the main webpage.

SB 1368 by Davis/Alvarado - Relating to public information pertaining to the official business of governmental bodies and to contracts by certain state governmental entities that involve the exchange or creation of public information. SB 1368 amends the Government Code to redefine "public information" to include information that is written or produced by certain entities under a law or ordinance or in connection with the transaction of official business. The bill further redefines the term to include information that is written, produced, collected, assembled, or maintained under those circumstances for a governmental body that spends or contributes public money for such writing, production, collection, assembly, or maintenance and information that is written, produced, collected, assembled, or maintained by an individual officer or employee of a governmental body in the officer's or employee's official capacity if the information pertains to official business of the governmental body. The bill establishes that the definition applies to and includes any electronic communication created, transmitted, received, or maintained on any device if the communication is in connection with the transaction of official business.

SB 1368 establishes that information is in connection with the transaction of official business if the information is created by, transmitted to, received by, or maintained by an officer or employee of the governmental body in the officer's or employee's official capacity or a person or entity performing official business

or a governmental function on behalf of a governmental body and the information pertains to official business of the governmental body. The bill includes any physical material on which information may be recorded and any device that can store an electronic signal among the media on which public information is recorded and includes an e-mail, Internet posting, text message, instant message, and other form of electronic communication among the general forms in which media containing public information exist. The bill defines "official business" for purposes of state open meetings law to mean any matter over which a governmental body has authority or administrative or advisory duties.

SB 1368 amends the Government Code to require a contract between a nongovernmental vendor and a state agency, board, commission, office, department, or other agency in the executive or legislative branch of state government that involves the exchange or creation of public information that the state governmental entity collects, assembles, or maintains or to which the governmental entity has a right of access to be drafted in consideration of state information law requirements and to contain a provision that requires the vendor to make the information not otherwise excepted from disclosure under public information law available in a specific format that is agreed upon in the contract and accessible by the public. The bill requires a request for public information regarding such a contract to be submitted to the officer or employee responsible for responding to open records requests for the state governmental entity that executed the contract. The bill prohibits its provisions from being waived by contract or otherwise.

SB 1681 by Zaffirini/Harper-Brown - Relating to oversight and management of state contracts. This bill addresses Chapter 2262 of the Government Code that does not apply to higher education. However, many of the policies in statute are adopted as general operating procedures for contract management. Highlights of the bill include requiring the Contract Advisory Team (CAT) to review and make recommendations on solicitation and final contract documents with a value of at least \$10 million and would limit reviews to compliance with contract management and best practices rather than the purpose or subject of the contract. The bill would authorize CAT to: provide recommendations and assistance to state agencies throughout the contract management process; to coordinate with the Quality Assurance Team on contracts for major information resources projects; and create and periodically review a formula to determine the appropriate level of management and oversight of contracts by state agencies. The Comptroller would be required to oversee the activities of the CAT. The OAG would provide legal assistance to the team.

ACADEMIC RELATED LEGISLATION

HB 5 by Aycock/Patrick, Dan--Relating to public school accountability, including assessment, and curriculum requirements. HB 5 would replace the minimum, recommended, and advanced high school program with a 24-credit foundation high school program, beginning with the 2014-15 school year. The curriculum requirements for the foundation program would be:

- four credits in English language arts, including English I, II, and III, and one other advanced English course;
- three credits in mathematics, including algebra I, geometry, and an advanced mathematics course;
- three credits in science, including biology, an advanced science course, integrated physics and chemistry, or an additional advanced science course;
- three credits in social studies, including U.S. history, one-half credit in government, one-half credit in economics, and world geography or world history;
- two credits in a foreign language;
- seven elective credits;
- one fine arts credit; and
- one physical education credit.

A student could satisfy the foreign language requirements by substituting two credits in computer programming. A student served by special education could satisfy the foreign language requirements by substituting credits in other specified coursework. A student would be allowed to participate and receive credit in a fine arts program not provided by the school district.

Students could earn endorsements on their diplomas in any of five areas: STEM (science, technology, engineering, and math), business and industry, public services, arts and humanities, and multidisciplinary studies. Students could earn a distinguished level of achievement designation by completing the requirements of the foundation program and at least one endorsement, while also earning four credits of science and four credits of math, including algebra II. Students also could earn an acknowledgement for outstanding performance in a dual-credit course; on a college advanced placement test or international baccalaureate exam; on the PSAT, the ACT-Plan, the SAT, or the ACT; or for earning a nationally or internationally recognized business or industry certification or license. The distinguished level of achievement, endorsement, and performance acknowledgment would be listed on diplomas and transcripts.

All high school graduates would be eligible to apply for admission to Texas public four-year universities, and those who foundation requirements would be eligible to receive a TEXAS grant. Only students completing the distinguished level and graduating in the top 10 percent of their class would be eligible for college admission under the top 10 percent automatic admissions law.

The bill would limit end-of-course assessments to Algebra I, Biology, English I, English II, and United States History.

The bill would require the English I and II end-of-course assessments to assess both reading and writing in the same assessment. The bill would eliminate the requirement that a student's performance on an end-of-course assessment shall account for 15 percent of the student's final grade for the course.

The bill would require TEA to administer post-secondary readiness assessment instruments for Algebra II and English III at a district's option.

HB 807 by Zerwas/Schwertner--Relating to the practice of psychology by persons employed by a governmental agency. Makes restrictions on the use of the title "psychologist" at a state agency, applicable mostly to the Texas Department of Mental Health and Mental Retardation, for licensing purposes but is not applicable to institutions of higher education. In short, the status quo applies to psychologists at institutions.

HB 842 by Bell/Deuell--Relating to requiring public school districts to provide certain opportunities to career and technical students under the college credit program. The bill would allow school districts to implement a college credit program that provides a career and technical education (CTE) student the opportunity to earn the credit for a course or activity, including an apprenticeship or training, necessary to obtain an industry-recognized credential, certificate or an associate degree concurrently with the student's high school diploma if the course or activity was approved for that purpose.

Currently, college credit program provisions require each school district to make a program available for students to earn the equivalent of at least 12 semester credit hours of college credit in high school. HB 842 allows school districts to provide CTE students the opportunity to earn the credit for a course or activity, including an apprenticeship or training, needed to obtain an industry-recognized credential or certificate or an associate degree. The act applies beginning with the 2015 - 2016 school year.

HB 1296 by Alvarado/Taylor--Relating to providing information to assist postsecondary educational institutions in addressing the state's projected workforce needs for training and education. The bill requires TEA to prepare information comparing institutions of higher education in the state and to post the information on the agency's website. This information would be provided to public school students at their request and would include identification of postsecondary education and career opportunities; comparisons of each institution with other institutions regarding cost of tuition, retention rates, graduation rates, average student debt, student loan

repayment rates, and employment rates; identification of future workforce needs from Texas Workforce Commission (TWC) projections; and annual wages for the top 10 highest demand jobs in the state. Each institution would be required to provide a link on its website to the information posted on TEA's website. The bill would require THECB, in conjunction with TWC and in consultation with any other state agency as requested by the Board or TWC, to collect information and make a five-year projection concerning the workforce needs of the state, and the educational attainment and training of persons projected to enter the state workforce

HB 1843 by Branch/Seliger--Relating to limitations on the automatic admission of undergraduate students to general academic teaching institutions. HB 1843 extends The University of Texas at Austin's exception to the Top 10 Percent Rule from the 2015-2016 academic year to the 2017-2018 academic year.

HB 2549 by Patrick/Paxton--Relating to the periodic review and revision of college and career readiness standards in public education. Requires the commissioner of education and THECB to periodically review and revise college readiness standards.

HB 2550 by Patrick/Zaffirini--Relating to the consolidation of the Higher Education Enrollment Assistance Program and the Higher Education Assistance Plan and the transfer of certain enrollment assistance duties to institutions of higher education and to enhance medical education. The bill consolidates the Higher Education Enrollment Assistance Program and the Higher Education Assistance Plan and the transfer of certain enrollment assistance duties to institutions of higher education. The bill requires that an institution in closest geographic proximity to a public high school in the state identified by the THECB as substantially below the state average in number of graduates who enroll in higher education institutions shall enter into an agreement with that high school to develop a plan to increase the number of students from that high school enrolling in higher education institutions.

The bill would require the THECB to establish the Resident Physician Expansion Grant Program. Under provisions of the bill, THECB would award grants to physician residency programs at teaching hospitals and other appropriate health care entities according to program criteria. A grant award may be used only to pay direct costs associated with the position, including the salary of the resident position. The THECB would provide grants only to support residency positions that are created and accredited on or after January 1, 2014 or were created and accredited before January 1, 2013, but as of that date had not yet been filled.

The bill would require the THECB to award certain grants to entities in the state for graduate medical education residency expansion. Under provisions of the bill, the THECB would award one-time planning grants for entities that have never had a graduate medical education program and are eligible for Medicare funding of graduate medical education. The grants would be awarded on a competitive basis. The bill would require THECB to award grants for unfilled residency positions and for program expansion or new programs. These grants would have to be expended to support the direct resident costs to the program, including the resident stipend and benefits. The bill also includes provisions regarding the prioritizing of certain grants and would allow for grants for additional years of residency. THECB would determine the number of the grants awarded and the amount of each grant.

The bill would require THECB to establish the Primary Care Innovation Program. Under this program, THECB would award incentive payments to medical schools that develop innovative programs designed to increase the number of primary care physicians in the state. In addition to money appropriated by the legislature, THECB may accept gifts, grants and donations for the purpose of these programs and may use a reasonable amount, not to exceed three percent, to pay administrative costs.

The bill amends the Physician Education Loan Repayment Program to include physicians that provide health care services in a location other than a health professional shortage area to a designated number of patients who are recipients under the Medicaid program authorized under Chapter 32 of the Human Resources Code or the Texas Woman's Health Program (TWHP) according to criteria established by the board in consultation with the Health and Human Services Commission (HHSC). Funds would be allocated to these eligible physicians

after funds have been allocated to physicians qualifying under the current program. HHSC would need to develop policy and procedures for verifying the number of Medicaid and/or TWHP clients certain physicians have served and work with THECB to establish the number of Medicaid and TWHP recipients physicians need to see to receive funding and verify physicians meet the established criteria. The board would be required to enter a memorandum of understanding with HHSC requiring this provision no later than October 1, 2013.

SB 215 Birdwell/Anchia – Relating to the continuation and functions of the Texas Higher Education Coordinating Board, including related changes to the status and functions of the Texas Guaranteed Student Loan Corporation.

SB 215, the sunset legislation for the Texas Higher Education Coordinating Board extended the authority of the agency through September 1, 2025 and included many important provisions that will positively impact all public institutions of higher education in Texas, including the A&M System institutions:

- **Elimination of Unnecessary Data Requests.** Requires the THECB to reevaluate its rules and policies at least every five years to ensure the continued need for data requests imposed upon university systems and institutions of higher education and also requires the THECB to consult with those entities to identify and eliminate unnecessary data requests.
- **Venue.** Requires that venue for a suit by the Texas attorney general arising from a student loan default is exclusively conferred in Travis County.
- **Financial Aid Study for Online-Only Institutions.** Requires the THECB to conduct a study and prepared draft legislation by October 1, 2014, for the creation of a state-funded student financial assistance program for students of nonprofit, tax-exempt, regionally accredited colleges or universities in Texas that offer competency-based, distance education exclusively online.
- **Administration of TEXAS Grants.** Amends the definitions section of the TEXAS Grants program to mean a general academic teaching institution or a medical and dental unit that offers undergraduate or certificate programs.
 - Removes public state colleges from participation in TEXAS Grants.
 - Allows institutions of higher education to have greater flexibility in the awarding of TEXAS Grants to eligible institutions.
- **B-On-Time Loan Program.** Requires the THECB to adopt and implement measures to improve student participation in the Texas B-On-time loan program, including working collaboratively with institutions of higher education to better inform students of the program.
 - Removes public state colleges from participation in the Texas B-On-time loan program.
 - Requires B-On-time student loan allocations for public institutions of higher education to be proportionate to the amount of tuition set aside by each institution for the preceding academic year.
- **Texas Guaranteed Student Loan Corporation.** Converts the Texas Guaranteed Student Loan Corporation from a public nonprofit corporation to a nonprofit corporation immediately after September 1, 2013 when the Corporation files a certificate of formation with the secretary of state.
- **Definition of Resident Physician.** Redefines “resident physician” as a person who is appointed by a school of medicine in the University of Texas System, the Texas Tech University System, The Texas A&M University System, the University of North Texas System or the Baylor College of Medicine.
- **Authority of THECB.** Restricts the powers of the THECB to those expressly provided by law or necessarily implied from an express grant of power.
- **Public Meetings.** Requires the THECB to develop and implement policies that provide the public with reasonable opportunity to appear before the board and speak on any issue, including the opportunity for public comment on any agenda item prior to the board making a decision on that item.
- **Advisory Committees.** Allows the THECB chair to appoint committees and advisory committees as necessary and requires the THECB to adopt rules in compliance with state accounting, fiscal

management and productivity requirements regarding an advisory committee that primarily functions to advise the board.

- **Negotiated Rulemaking.** Requires the THECB to engage in negotiated rulemaking when adopting a policy related to: (1) admission policy regarding the common admission application, a uniform admission policy, graduate and professional admissions or the transfer of credit; (2) the allocation or distribution of funds, including financial aid or other trusteed funds; (3) the reevaluation of data requests; and (4) compliance monitoring.
- **Compliance Monitoring.** Requires the THECB to adopt rules, in consultation with institution of higher education, to establish an agency-wide, risk-based compliance monitoring function for funds allocated by the THECB to institutions of higher education for student financial aid, academic support grants and any other grants and for data reported by institutions of higher education.
- **Role of THECB in Higher Education Policy.** Clarifies that THECB represents the highest authority of state in matters of public higher education and must promote quality education throughout the state by: (1) providing a statewide perspective; (2) developing an evaluating progress toward a long-range master plan for higher education; (3) collect and make accessible data to support policy recommendations; (4) making recommendation to improve the efficiency and effectiveness of transitions from high school to college and between college and workforce; and (5) administer programs and trusted funds for financial aid and other grants to achieve the state's long-range goals as directed by the legislature.
- **Approval of New Degree Programs.** Requires that any new degree program may be added by an institution of higher education only with specific prior approval of the board and that a new degree program is considered approved if the board has not completed a review and acted to approve or disapprove the proposed program before the first anniversary of the date on which the institution of higher education submits a completed application for approval.
- **Review of Existing Degree Programs.** Requires the THECB to review each degree program offered by an institution of higher education at the time the institution requests to implement a new program, or at least every ten years after a new program is established.
- **Elimination or Consolidation of Existing Degree Programs.** Requires that the THECB may not order the consolidation or elimination of any degree program offered by an institution of higher education but may recommend such action to an institution's governing board.
- **Off-Campus and Distance Learning Courses.** Allows an institution of higher education to offer off-campus courses for credit within the state or distance learning courses only with specific prior approval of the THECB and the institution must certify that the course offered for credit outside the state meets the THECB's academic criteria.
- **Criteria That May Not Be Considered in Approving a New Doctoral Program.** Requires that the THECB may not consider an institution's undergraduate education or persistence rates in approving a new doctoral program.
- **Minimum Hours for Associate Degree.** Prohibits an institution of higher education from requiring more than the minimum number of semester credit hours required for an associate degree by the Southern Association of Colleges and Schools, unless there is a compelling academic reason.
- **Common Course Numbering System.** Requires each institution of higher education to identify and submit to THECB any course included in the common course numbering system that has been added or removed from the institution's list for the current academic year.
 - Each governing board must certify at the time of submission of this list that the institution does not (1) prohibit the acceptance of transfer credit based solely on accreditation of the sending institution and (2) include language in any materials published by the institution suggestion that such a prohibition exists.

- **Cooperation Among Institutions of Higher Education.** Requires the THECB to encourage cooperative programs and agreements among institutions of higher education, including programs and agreements relating to degree offerings, research activities, and library and computer sharing.
- **Transfer.** Requires the THECB to encourage the transferability of lower division course credit among institutions of higher education.
- **Construction and Facilities.** Requires the THECB to adopt standards to guide a review of new construction and the repair and rehabilitation of all building and facilities regardless of proposed use.
 - Allows the THECB to review purchases of improved real property added to an institution's education and general buildings and facilities inventory and to determine whether the property meets certain standards, including space need.
 - This determination by the THECB will be provided to the governing board of the applicable institution. However, the purchase of improved property by the institution is not contingent upon THECB review.
 - Requires each institution of higher education to annually report to the governing board of the institution the condition of the building and facilities of the institution, including information concerning deferred maintenance of those facilities.
- **Best Practices.** Allows the THECB to administer a program to identify best practices and initiate new pilot programs but only when other entities such as nonprofit organizations or an institution of higher education, are not already doing so.
- **Financial Literacy for Students.** Requires the THECB, no later than January 1, 2014, to establish and administer a pilot program at selected postsecondary institutions that have high default rates to ensure financial literacy for students of those institutions, including (1) the consequences of borrowing to finance a student's postsecondary education, (2) financial consequences of a student's academic and career choices, and (3) strategies to avoid student loan delinquency and default.
- **Allocation Methodologies for Trusteed Funds.** Requires the THECB to establish and publish allocation methodologies for any funds trusteed to the THECB for allocation to institutions of higher education, including financial aid program funds.
- **Foreign Medical School.** Prohibits the THECB from issuing a certificate of authority for a private postsecondary institution to grant a professional degree if that institution is chartered in a foreign country or has its principal office or primary educational program in a foreign country.
- **Texas Competitive Knowledge Fund.** Establishes the Texas Competitive Knowledge Fund (TCKF) and eliminates the Research University Development Fund. Eligible institutions for the TCKF are any research university as designated by the THECB's accountability system that has average annual total research expenditures of not less than \$450 million and any emerging research university that, for any three consecutive fiscal years (beginning in 2010) has total annual total research expenditures in an average annual amount of not less than \$50 million.
- **Norman Hackerman Advanced Research Program.** Combines the Norman Hackerman Advanced Research Program and the Advanced Technology Program to support basic and applied research in Texas.

SB 307 by Huffman/Guillen--Relating to the transfer of adult education and literacy programs from the Texas Education Agency to the Texas Workforce Commission. SB 307 authorizes the transfer, not later than January 1, 2014, of the administration of adult education and literacy programs from the Texas Education Agency (TEA) to the Texas Workforce Commission (TWC).

The legislation requires adult education programs to be provided by public school districts, public junior colleges, regional education service centers, nonprofit agencies, and community-based organizations approved in accordance with state statutes and rules adopted by TWC. The bill sets out provisions relating to the design of adult education programs with respect to available resources and to the related standardized assessment mechanism required under the bill's provisions for those programs. The bill requires TWC to establish an adult

education and literacy advisory committee, provides for the committee's composition and functions, and exempts the committee from state laws applicable to state agency advisory committees.

SB 414 by Ellis/Davis, Sarah--Relating to authorization by the Texas Higher Education Coordinating Board for certain public junior colleges to offer baccalaureate degree programs. The legislation requires THECB to study regional workforce needs in nursing and applied sciences and determine if community colleges could address baccalaureate needs in certain regions of the state.

SB 497 by Seliger/Branch--Relating to the number of semester credit hours required to earn an associate degree at public institutions of higher education. SB 497 prohibits a student from being required by an institution of higher education, in order to earn an associate degree, to complete more than the minimum number of semester credit hours required for the degree by the Southern Association of Colleges and Schools. An exception is made if institutions determined there is a compelling academic reason.

SB 498 by Seliger/Guillen--Relating to applying credit earned by a student at a general academic teaching institution to an associate's degree at a lower-division institution of higher education previously attended by the student. Last session, the legislature required four-year institutions of higher education to notify a public community college, public state college, or public technical institute when a transfer student has achieved more than 90 semester credit hours so that the community college, state college, or technical institute can award the student an associate's degree.

SB 498 reduces the number of semester credit hours required for notification of associate's degree eligibility from 90 semester credit hours to 66 semester credit hours.

SB 1158 by Van de Putte/Menendez – Relating to higher education for veterans and their families. SB 1158 makes important changes regarding the Hazlewood exemption program, particularly with regard to Hazlewood legacy. Highlights of the legislation include:

- Transfers the administration of the Hazlewood program from the Texas Higher Education Coordinating Board to the Texas Veterans Commission.
- Hazlewood legacy applicants currently have one year to claim the exemption. SB 1158 changes that time frame to the last class date of the semester to which the exemption applies, except that the Texas Veterans Commission may encourage submission of an application and evidence by the official day of record for the semester or term to which the exemption applies.
- Requires a Hazlewood legacy (graduate or undergraduate student) to maintain a grade point average that satisfies the grade point average requirement for making satisfactory academic progress as determined by the institutions.
- Requires a Hazlewood legacy applicant to be 25 years or younger on the first day of the semester or other academic term for which the exemption is claimed.
- Creates the Permanent Fund Supporting Military and Veterans Exemptions under the Texas Treasury Safekeeping Trust Company, which is a permanent fund supporting military and veteran's exemptions.
- Requires the Texas Veterans Commission to promulgate rules to coordinate the federal and state benefits of a Hazlewood legacy beneficiary.
- Requires the Texas Veterans Commission to promulgate rules governing the total number of credit hours that a legacy beneficiary may apply to an individual degree or certificate program as "consistent with the standards of the appropriate recognized regional accrediting agency and for which the institution of higher education does not receive state funding."
- Changes certain Hazlewood reporting requirements to make them more consistent with institutional needs.

SB 1159 by Van dePutte/Menendez—Relating to higher education for certain military personnel and their dependents. This act is also known as Andrew’s Law. SB 1159 addresses military personal that are admitted to or enrolled in a graduate program at an institution. If that person did not enroll or withdrew because of deployment serving active duty for combat service outside the US and seeks readmission, then they must be readmitted. Institutions must also apply credit for any previously completed courses in their program and accept standardized test scores previously taken.

The legislation also tasks the LBB in consultation with THECB and the TVC to study and evaluate federal education benefits and the Hazlewood Act. The LBB is required to consider any historical and projected data regarding recipients and the exemptions disaggregated by veteran, dependent, spouse and legacy recipient in several categories outlined in the bill. The LBB shall assess the sustainability of state and federal benefits to veterans. The report is due no later than December 1, 2014.

SB 1312 by Schwertner/Aycock--Relating to the regulation and practice of veterinary medicine. SB 1312 requires the State Board of Veterinary Medical Examiners to adopt rules to provide for the licensing and regulation of licensed veterinary technicians. It removes a provision authorizing rulemaking regarding the work of a person who fulfills the requirements established by a board-approved organization for registered veterinary technicians. The bill requires the board to issue a veterinary technician license to a qualified person and sets out provisions relating to the qualifications, the application process, certain actions that require a license, use of the title, and the display of the license. The bill requires the board by rule to establish a minimum number of hours of required continuing education in order to renew the license.

SB 1312 requires decisions relating to the diagnosis, treatment, management and future disposition of an animal patient to be made by a supervising veterinarian and sets out provisions relating to the delegation and supervision of animal care tasks to a licensed veterinary technician, certified veterinary assistant, or a veterinary assistant. The bill prohibits the operation of a satellite office or mobile facility without a supervising veterinarian. The bill sets out the scope of practice of a licensed veterinary technician, a certified veterinary assistant, and a veterinary assistant.

SB 1312 expands the conditions under which a person is subject to denial of a license under the Veterinary Licensing Act or to disciplinary action by the board to include the following. The bill authorizes the board to appoint advisory committees to perform advisory functions as assigned by the board and to provide independent expertise on board functions and policies.

SB 1531 by Seliger/Branch--Relating to providing information to entering undergraduate students at general academic teaching institutions to promote timely graduation. SB 1531 requires general academic teaching institutions to provide first-time entering undergraduate students, including transfer students, a statement that compares the average total academic costs of graduating in four, five, and six years. The bill also requires the institutions to provide an estimate of the average earnings lost by a recent graduate as a result of graduating after five or six years instead of four years. Finally, SB 1531 requires institutions to include steps students can take to graduate on time, including institutional offices they can contact for assistance

FINANCE / TUITION / FINANCIAL AID/ RELATED LEGISLATION

HB 29 by Branch/Seliger – Relating to requiring certain general academic teaching institutions to offer a fixed tuition price to undergraduate students. HB 29 requires the governing board of a general academic teaching institution to offer entering and transferring undergraduate students the opportunity to participate in a fixed tuition price plan by the 2014 fall semester.

The institution must not increase tuition for any student who participates in the fixed price plan for at least the first 12 consecutive semesters that occur after the date of the student’s initial enrollment at any public or private institution of higher education. The fixed price plan is subject to any restrictions or qualifications adopted

by the institution's governing board and do not require an institution to offer a variable tuition price plan or other tuition payment options.

HB 1752 by Patrick/Seliger--Relating to creating the Texas Teacher Residency Program. Under HB 1752, the commissioner of higher education, through a competitive selection process, would establish a Texas Teacher Residency Program at a public institution of higher education. The public institution selected would form a partnership with an area school district or open-enrollment charter school to provide employment to residents in the program. The program would be designed to award teaching residents participating in the program a master's degree and lead to certification for participating teaching residents who are not already certified teachers. The bill includes specific components for the teacher residency program, including rewarding teachers that participate in the program, providing a livable stipend for the teaching residents and requiring a monetary or in-kind contributions provided by the public institution of higher education, partner area school district, or open-enrollment charter school to demonstrate that the program may be sustained in the absence of grant funds or state appropriations.

HB 2473 by Deshotel/Williams--Relating to use of sales and use tax proceeds by economic development corporations in connection with housing facilities for certain institutions of higher education. Currently funds under local control for an economic development corporation are restricted for use related to certain college or university functions. This legislation allows for expenditures to be used for housing on a campus or adjacent to the campus for a public state college.

SB 31 by Zaffirini/Patrick – Relating to formula funding for certain semester credit hours earned for dual course credit. SB 31 prohibits the Texas Higher Education Coordinating Board from including any semester credit hours in its instruction and operations formula earned for dual course credit by a high school student and college credit at an institution of higher education unless those credit hours are earned through: A course in the core curriculum of the institution providing the credit; a career and technical education course that applies to any certificate or associate's degree offered by the institution providing the course; or a foreign language course.

SB 398 by Hancock/Patrick--Relating to conforming the eligibility under a major events trust fund of a National Collegiate Athletic Association Division I Football Bowl Subdivision postseason event with the changes to the Bowl Championship Series system. SB 398 adds to the eligible events for funding from the major events trust fund to include a game of a successor to the National Collegiate Athletic Association Bowl Championship Series and a National Collegiate Athletic Association Division I Football Bowl Subdivision postseason playoff or championship game. The NCAA recently created a playoff for college football to determine a national champion.

SB 435 by Duncan/Cortez--Relating to the payment of tuition for public high school students who participate in college credit programs. SB 435 removes the expiration date of September 1, 2013, for the statutory provision exempting a school district from being required to pay a student's tuition or other associated costs for taking a course in a college credit program.

SB 620 by Van de Putte/Allen--Relating to student loan repayment assistance for speech-language pathologists or audiologists employed by a public school or as faculty members of certain graduate programs at public institutions of higher education. The bill creates a new student loan repayment assistance program for speech-language pathologists or audiologists employed by a public school or as faculty members of certain graduate programs at public institutions of higher education. The program would be administered by the THECB. The program would be funded solely from gifts, grants, and donations solicited and accepted by the board.

SB 1210 Zaffirini/Branch--Relating to conditions on the receipt of tuition and fee exemptions and waivers at public institutions of higher education. SB 1210 adds various conditions to recipients of student waivers for tuition

and fees. It requires satisfactory academic progress for both undergraduates and graduates to continue to receive the benefit. For undergraduates, students cannot have an excess of 30 hours over a respective degree program or as in statute (54.014). SB 1210 adds stipulations relating to the determination of excessive hours for purposes of this section—it excludes credit by examination, dual credit, and developmental course work.

If a student does not meet the criteria and is no longer eligible for the waiver, they may become eligible if the student completes the semester and subsequently meets the new criteria laid out in this legislation. The bill also outlines hardship situations in which an institution may consider in determining application of this condition.

SB 1720 Patrick/Clardy--Relating to the Texas Teach Corps Loan Repayment Assistance Program for undergraduate students who agree to teach in school districts in this state that have shortages of teachers in mathematics or science. SB 1720 establishes a math and science scholars loan repayment program at the THECB for teachers who agree to teach mathematics or science in certain school districts.

STUDENT AFFAIRS RELATED LEGISLATION

HB 1284 by Johnson/Huffman--Relating to the offense of making or causing a false alarm or report involving a public or private institution of higher education. HB 1284 creates the penalty (Class A misdemeanor) for false alarms on campuses of institutions of higher education in line with the penalty for false alarms in similarly crowded places, such as public schools and places of public transportation. HB 1284 requires public and private institutions of higher education to notify all incoming students of the penalty for making a false alarm or report as soon as practicable, but not required if deemed not feasible. Not later than October 1, 2013, institutions shall notify all enrolled students of the penalty of making a false alarm.

SB 62 Nelson/Laubenberg--Relating to the vaccination against bacterial meningitis of entering students at public and private or independent institutions of higher education. SB 62 lowers from 30 to 22 years the minimum age at which an entering student at a public or private institution is exempt from providing a certificate that the student has received a bacterial meningitis vaccine dose or booster during the five-year period preceding the compliance date.

The bill requires the Department of State Health Services (DSHS) to develop and implement a secure, Internet-based process to be used exclusively at public junior colleges that elect to use the process to allow an entering student to apply online for an exemption from the bacterial meningitis vaccination requirement for reasons of conscience.

SB 62 requires an affidavit signed by a student stating that the student declines the vaccination for reasons of conscience to be on DSHS's immunization exemption affidavit form and be submitted to the appropriate admitting official not later than the 90th day after the date the affidavit is notarized.

SB 62 amends the Health and Safety Code to exempt a person claiming an exemption from a required immunization using the Internet-based process from the requirement that a person claiming the exemption complete DSHS's immunization exemption affidavit form.

SB 62 applies its provisions to entering students on or after January 1, 2014.

SB 146 by Williams/Kolkhorst--Relating to access by a public institution of higher education to the criminal history record information of certain persons seeking to reside in on-campus housing. SB 146 entitles a university to obtain from the state the criminal history information relating to a student or applicant for admission who applies to reside on campus. The information can only be used for evaluation for housing. Institutions shall notify students who are subject to the use of this information and denied housing. Also in the legislation are protections relating to release and maintenance of the information.

SB 1525 by Zaffirini/Patrick--Relating to including disability awareness training in risk management programs required for members and advisors of student organizations at postsecondary educational institutions. SB 1525 amends current law (relating to risk management for student programs) to include disability awareness training. This includes a review of federal and state law and institutional policies that address needs and access.

SB 1590 Zaffirini/Branch--Relating to requirements for personal financial literacy training offered by public school districts and public universities. SB 1590 includes insurance in the list of topics to be considered for financial literacy training in institutions of higher education and the financial literacy pilot program in Texas public schools.

RESEARCH RELATED LEGISLATION

HB 800 by Murphy/Deuell--Relating to a sales and use tax exemption and a franchise tax credit related to certain research and development activities. HB 800 will provide either a sales tax exemption or a franchise tax credit to entities performing qualified research and development activities in Texas. The bill would use the definitions for "research," and "qualified research" that appear in the Internal Revenue Service federal code with the qualification that the research is performed in this state.

The bill would exempt from sales taxes the sale, storage, or use of depreciable tangible personal property used in qualified research if the property was sold to, stored, or in some way used by a person engaged in qualified research. "Depreciable tangible personal property" would be defined as personal property with a useful life greater than one year and which can be depreciated according to generally accepted accounting principles. The person who bought, stored, or used the property could not claim a franchise tax credit for research and development activities under HB 800.

The bill would provide for a franchise tax credit to entities performing qualified research. Entities that claimed a sales tax credit could not also claim a franchise tax credit for the same tax period. With some exceptions, the franchise tax exemption would equal 5 percent of the difference between an entity's qualified research expenses during the period on which the tax report was based and 50 percent of the average amount of qualified research expenses over the three previous tax reporting periods. Another franchise tax credit would be available to entities that contracted with a public or private higher education institution to perform qualified research.

The effective date is January 1, 2014.

HB 2051 by Villalba/Carona--Relating to the authority of public institutions of higher education to make certain investments to support technology commercialization. Current law allows public institutions of higher education to make investments in certain newly created companies through centers for technology development and transfer established by the institutions, with the purpose of further developing intellectual property. Often this process can be unyielding, in part because newly created companies are difficult to value in their early stages. HB 2051 seeks to improve the process by allowing institutions to accept convertible promissory debt instruments, which they then can convert into shares of common stock of the issuing company or cash of equal value at an agreed-upon price, either in exchange for certain intellectual property rights or as consideration for the provision of monetary, business, scientific, or engineering services, thus delaying the task of assigning value to a newly created company. The bill also amends current law relating to the authority of public institutions of higher education to make certain investments to support technology commercialization.

HB 2103 by Villarreal/Seliger—Relating to education research centers and data sharing among cooperating state agencies. This bill relates to student data collected by the TEA, the THECB, and the TWC. It seeks to make data more accessible to researchers. HB 2103 aims to provide for this increased accessibility, establish an education research center advisory board, and set limits on who can request research. HB 2103 amends current law relating

to education research centers and the sharing of educational data between state agencies, and re-designates certain fees as charges.

SB 67 by Nelson/Branch--Relating to reporting requirements for institutions of higher education conducting human stem cell research. SB 67 requires institutions to report annually human embryonic stem cell and adult stem cell research to the THECB. It requires the amounts spent by the institution on research during the year covered by the report and the source of the funding for that research.

GENERAL OPERATIONS RELATED LEGISLATION

HB 194 by Farias/Hinojosa - Relating to the consideration of ownership interests of disabled veterans in determining whether a business is a historically underutilized business for purposes of state contracting. HB 194 adds disabled veterans who have suffered at least a 20 percent service-connected disability to the definition of an "economically disadvantaged person" for the purpose of identifying a historically underutilized business (HUB). The bill would require the Comptroller of Public Accounts to adopt rules to provide goals for increasing the contract awards for purchases by state agencies from HUBs owned or owned, operated, and controlled, as applicable, wholly or partly by disabled veterans. The bill would also require the categorization of HUBs included in a report under Subchapter C of Chapter 2161 to include businesses owned or owned, operated and controlled by disabled veterans, in addition to existing categorizations by sex, race and ethnicity.

HB 535 by Davis, Y./Zaffirini - Relating to the preference given by state agencies to goods offered by bidders in this state or manufactured, produced, or grown in this state or in the United States. HB 535 amends the Section 2155 of the Government Code to require the Comptroller of Public Accounts and all other state agencies making purchases to give preference to goods manufactured in this state under certain criteria. The change in law made by the bill applies only to a contract for goods that is entered into on or after the effective date of the bill.

VETOED

HB 768 by Howard/Watson - Relating to the application of the public and private facilities and infrastructure contracting requirements to technology facilities. HB 768 amends Government Code, Chapter 2267, relating to public and private facility and infrastructure, to add technology facilities as a qualifying project for public-private agreements. Chapter 2267 is applicable to institutions of higher education that elect to participate in such agreements.

HB 796 by Thompson, S./Garcia --Relating to the licensing of a journeyman lineman. Electricians in Texas are required to have a license to do electrical work. Journeyman linemen who work for utilities are not required to have a license to do lineman work as long as they work for the utility because utilities are exempt from these licensing requirements. Some institutions of higher education generate their own electricity and have their own substation, distribution and/or transmission facilities. The bill clarifies that a license is not required for those that are employed by institutions of higher education.

HB 1487 by Harper-Brown/Rodriguez - Relating to the searchable state expenditure database maintained by the comptroller. HB 1487 requires that state agencies and institution of higher education that make a grant in an amount greater than \$25,000 to make available to the public on the agency/institutions' Internet website information regarding the purposes for which the grant was awarded. The bill requires that those reporting provide to the Comptroller of Public Accounts a link to the information and would require the Comptroller to maintain the information on the Comptroller's Internet website through a central portal.

HB 1726 by Bohac/Zaffirini - Relating to shipping logistics and coordination services for state agencies. HB 1726 authorizes the Comptroller of Public Accounts to contract with a vendor to provide shipping coordination services

to all state agencies and would be required to pay the vendor from anticipated savings realized under the contract. The bill amends Chapter 2172 of the Government Code, which does not directly apply to institutions of higher education, per delegated purchasing authority in Section 51.9335 of the Education Code.

HB 1864 by Wu/Estes -Relating to certain energy security technologies for critical governmental facilities. The bill would amend Chapter 2311 of the Government Code to include institutions of higher education to the list of facilities designated as a "critical governmental facility." This designation would place institutions of higher education under the purview of Section 2311.002, which requires an evaluation to determine if equipping a critical governmental facility with a combined heating and power system would result in expected energy savings that would exceed the expected costs of purchasing, operating, and maintaining the system over a 20-year period. If the expected energy savings exceeds the expected costs, the institution of higher education would be authorized to equip the facility with a combined heating and power system. The bill would also require the State Energy Conservation Office to establish guidelines for evaluating the cost effectiveness of equipping a critical governmental facility with a combined heating and power system.

HB 2422 by Gonzales, L. / Schwertner - Relating to consideration of advanced Internet-based computing service options in state purchasing and to the use of advanced Internet-based computing services by state agencies. The bill would amend the Government Code, Chapter 2157, to require state agencies to consider advance internet-based computing options when making purchases for major information resources projects. The internet-based computer options must meet or exceed the required state standards for cyber-security. This bill should have no impact on institution of higher education since higher education is not subject to Chapter 2157 as it relates to purchasing.

HB 2472 by Cook/Birdwell - Relating to the continuation and functions of the Department of Information Resources (DIR) and certain procurement functions of the comptroller of public accounts. HB 2472 is the sunset bill for DIR which continues the agency for eight years. Section 4 of the bill creates a customer advisory committee that will include a representative from higher education.

Section 15 of the bill requires that the Sunset Advisory Commission evaluate the state's overall procurement system and report to the Legislature on its findings and recommendations by January 1, 2021.

HB 2472 requires DIR and the Comptroller to establish a procurement coordination committee composed of the agencies' staff to formally coordinate, share best practices and develop common methodologies for collecting and measuring cost savings and efficiencies of the agencies' respective procurement programs. The committee would report findings in separate reports filed on September 1, 2015 and September 1, 2017 and in reports filed by DIR and the Comptroller under Government Code, Sec. 325.007 to the Sunset Advisory Commission. The bill would require DIR and Comptroller to enter into a memorandum of understanding by March 1, 2014 to facilitate the implementation of this committee.

Section 17 requires DIR to negotiate specific pricing for commonly purchased IT commodity items to the greatest extent practicable. In the instances when DIR selects a vendor based on a percentage discount from the list price of commodity items, the bill would require DIR to document in writing how that arrangement obtains the best value for the state.

HB 2473 by Deshotel/Williams - Relating to use of sales and use tax proceeds by economic development corporations in connection with housing facilities for certain institutions of higher education. Currently funds under local control for an economic development corporation are restricted for use related to certain college or university functions. This legislation allows for expenditures to be used for housing on a campus or adjacent to the campus for a public state college.

HB 3093 by Elkins/Zaffirini - Relating to the powers and duties of the Department of Information Resources and the Legislative Budget Board regarding information resources technologies of state agencies. HB 3093 requires

DIR, in consultation with the quality assurance team, the Information Technology Council for Higher Education, and the Legislative Budget Board (LBB) to review existing statutes, procedures, data, and organizational structures to identify opportunities to improve efficiency, customer service, and transparency in IR technologies. A report of the findings would be provided to the governor, lieutenant governor, speaker, Senate Committee on Government Organization and House Technology Committee, not later than December 1, 2014.

The bill also requires the (LBB) to work with DIR and the Information Technology Council for Higher Education to establish criteria to evaluate state agency biennial operating plans.

HB 3648 by Harper-Brown/Zaffirini - Relating to the award and performance of certain state contracts. HB 3648 amends the Government Code, Chapter 2155 to require the performance of a contract for goods or services awarded under this chapter to substantially comply with the terms in the written solicitation for the contract and the terms considered in awarding the contract. The bill also requires the governing body of a state agency to hold a meeting after awarding a contract to consider a material change to the contract and why that change is necessary if applicable. The bill would amend the Government Code, Chapter 2252 relating to a governmental entity awarding a contract to a non-resident bidder.

SB 59 by Nelson/Callegari - Relating to required reports and other documents prepared by state agencies and institutions of higher education. This is a follow-up bill from last session regarding reporting requirements. SB 59 preserves from repeal various reports on which there was general agreement. For higher education in particular, the following reports are repealed:

- Single source reduction and hazardous waste minimization plans to the Texas Commission on Quality covering all campus facilities is no longer required.
- 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 the Information Technology Council of Higher Education of all DIR reports and sunsets those not re-adopted.

SB 146 by Williams/Kolkhorst - Relating to access by a public institution of higher education to the criminal history record information of certain persons seeking to reside in on-campus housing. SB 146 entitles a university to obtain from the state the criminal history information relating to a student or applicant for admission who applies to reside on campus. The information can only be used for evaluation for housing. Institutions shall notify students who are subject to the use of this information and denied housing. Also in the legislation are protections relating to release and maintenance of the information.

SB 215 by Birdwell/Anchia – Relating to the continuation and functions of the Texas Higher Education Coordinating Board, including related changes to the status and functions of the Texas Guaranteed Student Loan Corporation. SB 215 requires the THECB to adopt standards to guide a review of new construction and the repair and rehabilitation of all building and facilities regardless of proposed use. The bills allows the THECB to review purchases of improved real property added to an institution’s education and general buildings and facilities inventory and to determine whether the property meets certain standards, including space need. This determination by the THECB will be provided to the governing board of the applicable institution. However, the purchase of improved property by the institution is not contingent upon THECB review. Auxiliary projects are no longer subject to review or approval by the Coordinating Board.

SB 215 requires each institution of higher education to annually report to the governing board of the institution the condition of the building and facilities of the institution, including information concerning deferred maintenance of those facilities.

SB 279 by Watson/Elkins - Relating to certain information about high-value data sets provided by state agencies to the Department of Information Resources. SB 279 would amend the Government Code, Section 2054.1265 to require that state agencies posting high value data sets to their agency websites provide to the Department of Information Resources (DIR) a description of and link to the data set; DIR is then required to post it on the state internet portal.

SB 531 by Duncan/Smithee - Relating to self-insurance funds established by governmental units. SB 531 amends Chapter 2250 of the Government Code to allow governmental units to purchase reinsurance for a risk covered through a self-insurance fund and permit certain legal and regulatory requirements to be satisfied either by coverage provided through a self-insurance fund or by a certificate of coverage demonstrating that coverage is provided through a self-insurance fund.

SB 533 by Zaffirini/Keffer - Relating to a review of cost savings to state agencies and institutions of higher education under energy savings performance contracts. SB 533 amends Section 51.927 of the Education Code, regarding energy savings performance contracts and guidelines for those contracts established by the Texas Higher Education Coordinating Board, by requiring the Higher Education Coordinating Board to review reports submitted by institutions of higher education that measure and verify cost savings and provide periodic analyses of those cost savings to the institution's governing board and the Legislative Budget Board.

The bill would amend Section 2166.406 of the Government Code, regarding building construction and acquisition and energy savings performance contracts, by requiring the State Energy Conservation Office (SECO) to review reports submitted by state agencies that measure and verify cost savings and provide periodic analyses of those cost savings to the agencies and the Legislative Budget Board.

SB 673 by Carona/Smith - Relating to the requirements for elevators, escalators, and related equipment; providing penalties. SB 673 amends the Health and Safety Code relating to requirements for elevators, escalators, and related equipment. The bill exempts employees of institutions that work on elevators, escalators and other related equipment. The bill also provides that these employees can provide written evidence to meet insurance requirements.

SB 700 by Hegar/Kacal - Relating to energy and water management planning and reporting by state agencies and institutions of higher education. SB 700 directs the State Energy Conservation Office (SECO) to develop a template for state agencies and institutions of higher education to use in preparing their comprehensive energy and water management plans; direct those agencies and institutions to set percentage goals for reducing their use of water, electricity, gasoline and natural gas and include those goals in their comprehensive energy and water management plan; and direct those agencies and institutions to update their plan annually. The bill codifies certain provisions of Executive Order RP49 and integrates it into provisions relating to requirements in Section 447.009 of the Government Code. The bill would direct SECO to submit a biennial report to the Governor and the Legislative Budget Board on the status and effectiveness of the utility management and conservation efforts of state agencies and institutions of higher education, and post the report on SECO's Internet website.

SB 1019 by Estes/Frank - Relating to the investment of funds by the governing boards of certain institutions of higher education. SB 1019 amends the Education Code to authorize the governing board of an institution of higher education that does not have under its control at least \$25 million in book value of endowment funds to contract to pool funds in its control with another institution that meets the \$25 million endowment statutory threshold and have its funds invested by that governing board under prudent person standards.

SB 1061 by Van de Putte/Menedez - Relating to parking privileges of disabled veterans on the property of institutions of higher education. SB 1061 amends the Transportation Code to specify that a vehicle operated by or for the transportation of certain disabled veterans or a vehicle that displays a disabled veterans license plate

issued in this state or another state may be parked for an unlimited period in a parking space or area that is designated specifically for persons with physical disabilities on the property of an institution of higher education regardless of whether a permit is generally required for the use of the space. Exemptions listed in the bill include certain controlled access parking facilities, areas temporarily designated for special event parking and areas where parking is temporarily prohibited for health and safety concerns.

SB 1101 by Van de Putte / Larson - Relating to the Cybersecurity, Education, and Economic Development Council. The Texas Cybersecurity, Education and Economic Development Council, established during the 82nd Legislature, Regular Session, was tasked with making recommendations regarding improving the infrastructure of this state's cybersecurity operations and examining specific actions to accelerate the growth of cybersecurity as an industry in this state. The Council was set to be abolished on September 1, 2013; SB 1101 continues the Council for another two years (September 1, 2015).

SB 1102 by Van de Putte / Larson - Relating to the appointment of a state cybersecurity coordinator. SB 1102 requires the executive director of the Department of Information Resources (DIR) to designate an employee as the state cybersecurity coordinator (coordinator). The bill would authorize the coordinator to establish a council of public and private sector leaders and cybersecurity practitioners to collaborate on matters of cybersecurity affecting the state. The coordinator would be authorized to establish a voluntary program that recognizes private and public entities with exemplary cybersecurity practices and to implement any recommendations made by the Cybersecurity, Education, and Economic Development Council.

SB 1134 by Ellis / Elkins - Relating to the duties of the Department of Information Resources regarding cybersecurity. SB 1134 would direct the Department of Information Resources (DIR) to develop strategies and a framework for the securing of cyberinfrastructure by state agencies and cybersecurity risk assessment and mitigation planning. DIR would be required to assist state agencies, upon request, regarding the strategies and framework developed. DIR would be required to provide training to state agencies and promote public awareness on cybersecurity issues.

SB 1597 by Zaffirini / Smithee – Relating to the development of state agency information security plans. The bill would amend the Government Code, Chapter 2054 to require all state agencies to develop and update an information security plan, which would be submitted to the Department of Information Resources every two years. The submitted plan will be exempt from disclosure under Chapter 552 of the Government Code.

SB 1604 by Zaffirini/Howard--Relating to asset management and acquisition by institutions of higher education. This legislation is a cleanup bill to SB 5 from last session, a bill to streamline administrative costs at institutions. SB 1604 amends the law relating any contract for goods and services into which M.D. Anderson Cancer Center enters. It excludes institutions of higher education from certain laws applying to the co-owners of residential property. The bill also makes certain changes to composition the board of directors of The University of Texas System Permanent University Fund. It repeals an obsolete provision of law relating to component institutions of The University of Texas Medical Branch at Galveston. SB 1604 amends provisions of law related to the authority of the board of regents of the Texas A&M University System to grant, sell, lease, or otherwise dispose of certain lands (this was adopted separately in HB 2892). The bill authorizes the board of regents of The University of Texas System to acquire certain lands.

SB 1610 by Schwertner / Kolkhorst - Relating to the notification of individuals following a breach of security of computerized data. SB 1610 amends the Business & Commerce Code to remove language limiting the application of a notification requirement regarding a breach of security of computerized data that includes sensitive personal information to circumstances in which the individual whose sensitive personal information was or is reasonably believed to have been acquired by an unauthorized person is a Texas resident or a resident of another state that

does not require such notification. The bill removes language establishing that, if an individual whose information was or may have been acquired by a unauthorized person is a resident of a state that requires notification of such a breach, notice provided under that state's law satisfies that notification requirement and instead authorizes notice to be provided to such an individual under that state's law or under Texas law. SB 1610 specifies that written notice of a security breach must be provided to the last known address of the individual.

SB 1907 by Hegar/Kleinschmidt - Relating to the transportation and storage of firearms and ammunition by concealed handgun license holders in private vehicles on the campuses of certain institutions of higher education. SB 1907 prohibits a public or private institution of higher education from adopting or enforcing any rule, regulation or other provision, or taking other certain actions prohibiting individuals with a valid concealed handgun license, including students enrolled at the institution, from storing a legal firearm or ammunition in their locked vehicle while parked on campus.

EMPLOYMENT / BENEFIT RETIREMENT RELATED LEGISLATION

HB 480 by Alvarado/Ellis - Relating to the use of sick leave by state employees who are attending educational activities of their children. HB 480 amends Section 661.206 of Government Code and allows state employees up to eight hours of sick leave per fiscal year to attend educational activities of the employee's children. Currently employees may use 8 hours of sick leave for parent-teacher conferences; the bill would expand this to include tutoring, field trips, and volunteer, classroom, athletic, music, or theater programs. Effective June 14, 2013.

HB 1869 by Price/Duncan - Relating to contractual subrogation rights of certain insurers and benefit plan issuers. HB 1869 amends current law relating to contractual subrogation and other recovery rights of certain insurers and benefit plan issuers. The bill creates sets forth certain limitations on the amount that can be recovered through the process of subrogation which is commonly used by health insurers to recover payments made on behalf of a covered individual when a third party is responsible for the injury.

The bill would also exempt workers' compensation insurance policies, Medicare, Medicaid, the state child health care plan or any self-funded plan subject to the Employee Retirement System Income Security Act from the requirements of the chapter.

HB 2020 by Crownover/Deuell - Relating to the adoption of wellness policies and programs by state agencies. HB 2020 permits state agencies, including institutions of higher education, to develop a wellness program that would increase productivity and reduce health insurance costs. The bill permits institutions to offer financial incentives for participation, offer onsite clinic or pharmacy services in accordance with the Occupations Code, and adopt additional wellness policies determined by the agency. In awarding a contract for onsite clinic services, agencies would be permitted to consider whether applicable businesses are based in Texas.

HB 3276 by Simmons/Deuell - Relating to the coverage by certain health benefit plans for the screening and treatment of autism spectrum disorder. HB 3276 amends the Insurance Code relating to the coverage by certain health benefit plans for the screening and treatment of autism spectrum disorder. The bill requires health benefit plans to provide coverage for screening for autism spectrum disorder at the ages of 18 and 24 months. The bill would apply to a health benefit plan delivered, issued for delivery, or renewed on or after January 1, 2014.

HB 3357 by Callegari/Duncan - Relating to the administration of, membership in, and benefits payable by the Teacher Retirement System of Texas. HB 3357 amends the Government Code regarding benefits paid to retirees under the TRS system to allow certain retirees to change their annuity selection post-retirement. The bill stipulates the conditions under which a retiree would be eligible to change their annuity selection.

The legislation also addresses privacy for TRS members and the types of information TRS or another governmental agency, including the comptroller, would be required to make public regarding TRS members.

SB 251 by West/Carter - Relating to an unsworn declaration made by an employee of a state agency or political subdivision in the performance of the employee's job duties. Current law prescribes the format for an unsworn declaration, which requires the declarant to list his or her date of birth and home address. SB 251 provides an alternate format for an unsworn declaration made by an employee of a state agency or of a political subdivision in the performance of the employee's job duties that allows the employee to provide relevant job-related information in lieu of the individual's date of birth and home address.

SB 328 by Carona/Gonzales L. - Relating to entrepreneurs-in-residence at state agencies. SB 328 amends the Government Code to authorize a state agency to hire from available funds an entrepreneur-in-residence or to contract with an individual, chamber of commerce, or nonprofit entity to do the following: improve outreach by state government to the private sector, including historically underutilized businesses; strengthen coordination and interaction between state government and the private sector; facilitate the understanding and use of technological advances to make state government more transparent and interactive; and implement the best private sector practices to make state government programs simpler, easier to access, more efficient, and more responsive to users. The bill requires such an individual hired or contracted for those purposes to be successful in the individual's field.

SB 644 by Huffman/Zerwas - Relating to the creation of a standard request form for prior authorization of prescription drug benefits. The bill would require the Texas Department of Insurance (TDI) to develop an authorization form to be used for prescription drug benefit and establish rules requiring health benefit plan issuers to use the form and penalties for failure to accept the approved forms. It would also require TDI and health benefit plan issuers to make the form available electronically. The bill would also create a new advisory committee to assist the insurance commissioner in the development of the form.

SB 443 by Birdwell/Orr – Relating to leave for reserve law enforcement offices for required training. SB 443 amends the Government Code to entitle a state employee who is a reserve law enforcement officer to a leave of absence without a deduction in salary to attend training required under Section 1701.351 of the Occupations Code, provided the leave does not exceed five working days every fiscal biennium.

SB 939 by West/Parker--Relating to reporting child abuse and neglect and to training regarding recognizing and reporting child abuse and neglect at schools, institutions of higher education, and other entities. SB 939 addresses child abuse training at various state related entities. For each institution of higher education, it requires adoption of a policy governing the reporting of child abuse and neglect, as required by Family Code provisions relating to investigations of child abuse or neglect, for the institution and its employees. The bill requires the policy to require each employee of the institution to report child abuse and neglect in the manner required by those Family Code provisions. The bill requires each institution of higher education to provide training for employees who are professionals, as defined under Family Code provisions relating to persons required to report child abuse or neglect, in prevention techniques for and the recognition of symptoms of sexual abuse and other maltreatment of children and the responsibility and procedure of reporting suspected occurrences of sexual abuse and other maltreatment. The bill sets out the required content of the training.

SB 1216 by Eltife/Davis, S. –Relating to the creation of a standard request form for prior authorization of medical care or health care service. SB 1216 amends the Insurance Code relating to the creation of a standard request form for prior authorization of medical care or health care services. The bill would establish requirements relating to the use of a standard request form for preauthorization of health care services.

SB 1458 by Duncan / Callegari - Relating to contributions to, benefits from, and the administration of systems and programs administered by the Teacher Retirement System of Texas. SB 1458 makes revisions to TRS contributions and benefits to ensure the long-term soundness of the pension plan.

SB 1458 amends the current provision of Section 824.202 of the Government Code to require members hired on or after September 1, 2014, to achieve age 65 with five years of service credit or age 62 with five years of service credit if the sum of the member's age and service is 80 to retire with unreduced benefits. Otherwise their benefits would be reduced by 5% for each year they retire before age 62. **Members who have earned 5 years of service on or before August 31, 2014 are exempt from the change in retirement eligibilities.**

SB 1458 sets the member's (employee's) contribution rate at 6.4 percent in 2014, 6.7 percent in 2015, 7.2 percent in 2016, and 7.7 percent in 2017. For service rendered after 2017, the member contribution would be 7.7 percent, which would be reduced if the state lowered the contribution rate below the level the state paid in 2015. The state contribution rate for 2014 and 2015 is 6.8%.

SB 1458 provides for a one-time cost of living adjustment (COLA) to retirees who have been retired since August 31, 1999. The amount of the COLA is the lesser of 3% of the retiree's monthly benefit or \$100 per month. The COLA may only be paid if the funding period of TRS does not increase above 30 years by one or more years.

The bill requires employers, excluding institutions of higher education, whose members do not participate in the federal Old Age, Survivors, and Disability Insurance Program (Social Security) to contribute 1.5 percent of each member's minimum salary into the pension trust fund beginning in fiscal year 2015.

SB 1458 amends Section 825.307(b) of the Government Code to reduce the amount of interest credited to a member's contribution account from 5% per annum to 2% per annum, prospectively.

The bill also makes changes to TRS-Care for retirees to help stabilize the health care fund.

SB 1484 by Watson/Gonzales - Relating to health benefit plan coverage for enrollees diagnosed with autism spectrum disorder. SB 1484 amends the Insurance Code to limit the applicability of the requirement that a health benefit plan provide certain coverage to an enrollee who is diagnosed with autism spectrum disorder from the date of diagnosis to cases in which the diagnosis was in place prior to the child's 10th birthday. The bill removes language specifying that such coverage must be provided until the enrollee completes nine years of age and specifying that upon becoming 10 years of age or older such coverage is not precluded. SB 1484 establishes that a health benefit plan is not required to provide such coverage for an enrollee 10 years of age or older for applied behavior analysis in an amount that exceeds \$36,000 per year. The bill specifies that to the extent that the required coverage would otherwise require Texas to make a payment under certain federal law, a qualified health plan, as defined by federal law, is not required to provide a benefit that exceeds the specified essential health benefits required under federal law.

HEALTH RELATED LEGISLATION

HB 6 by Otto / Williams – Relating to the creation and re-creation of funds and accounts in the state treasury, the dedication and rededication of revenue, and the exemption of unappropriated money from use for general governmental purposes. This legislation purports to abolish all general revenue-dedicated accounts on August 31, 2013; however, most dedicated accounts were exempted for the current biennium. It will allow the Comptroller to put funds in general revenue-dedicated accounts that exceed the amount needed to certify the budget at the end of the 2014-15 biennium into the general revenue fund. The section of the bill that allows the Comptroller to begin drawing down general revenue-dedicated accounts contains a sunset provision of Sept. 1, which will require legislative action in the 84th Regular Session.

HB 7 by Otto / Williams – Relating to the amounts, availability, and use of certain statutorily dedicated revenue and accounts. Among other things, this legislation will allow funding in the Designated Trauma Facilities and Emergency Medical Services Account (Account 5111) to be used in future state budgets for graduate medical and

nursing education. The account has previously only been used to help fund uncompensated trauma care at designated trauma hospitals.

HB 15 by Kolkhorst / Nelson – Relating to level of care designations for hospitals that provide neonatal and maternal services. The bill builds on HB 2636 passed in 2011 to create a neonatal intensive care unit (NICU) council to study the utilization of the units and increase in Medicaid costs. HB 15 establishes a process to designate levels of care for hospitals providing neonatal and maternal services. The Health and Human Services Commission is tasked with establishing levels of care, prescribing criteria designating the levels of care and minimum qualifications, and dividing the state into neonatal and maternal care regions. In addition, a Perinatal Advisory Committee is created to make recommendations on the designations and updates to designations of levels of neonatal and maternal care are hospitals. Creation of the levels of care is intended to improve outcomes for patients and reduce costs for the state.

HB 746 by Ashby / Schwertner – Relating to allowing health care providers to provide services across state lines in catastrophic circumstances. The bill addresses licensure of voluntary health practitioners to provide health or veterinary services in Texas while an emergency declaration is in effect. This addresses differences between states in terms of licensure or scope of practice of health practitioners. The Department of State Health Services is to administer a system for volunteer health practitioners to register with the state. The Volunteer Health Practitioner Registration System must be capable of confirming whether a practitioner is licensed and in good standing and must include information regarding the results of a criminal history record check performed on volunteer practitioners in the system. The Division of Emergency Management can limit, restrict, or otherwise regulate how long and where volunteer health practitioners may practice, what types may practice, or any other issue to coordinate services during the emergency. Volunteer health practitioners are not liable for damages when providing services under the law.

HB 3201 by Kolkhorst / Nelson – Relating to the practice of dentistry.

This legislation made a number of changes to statutes governing the practice of dentistry, including:

- Raising licensure and licensure renewal fees to help fund the Board of Dentistry's enforcement program;
- Amending the Board's powers related to confidentiality of records and testimony during a civil action;
- Creating in statute definitions for dental service agreement and dental service organization, and requiring the Board to collect certain information related to these agreements and organizations from licensed dentists;
- Adding criteria to the Board's complaint procedures;
- Creating an expert panel to assist with complaints and investigations relating to professional competency and granting the Board rulemaking authority for composition of the panel;
- Giving the Board delegation authority to other Board employees to issue licenses;
- Allowing parents or guardians of children under 18 to be in the room during certain dental procedures unless the dentist determines that their presence would have an adverse impact on the child or treatment;
- Allowing the Board to delegate to a committee of Board employees the ability to enter into a settlement agreement or dismiss a complaint if it does not relate directly to patient care;
- Setting in statute notice requirements for informal settlement conferences; and
- Allowing the Board to issue remedial plans to resolve investigations of complaints that do not involve a patient death, commission of a felony, inappropriate sexual or financial behavior, restrictions on the practice of dentistry, or an individual who has previously been subject to a remedial plan.

HB 3536 by Otto / Hinojosa – Relating to the imposition of a fee on the sale of cigarettes and cigarette tobacco products manufactured by certain companies. This legislation imposes new fees on cigarettes and cigarette and tobacco products manufactured by “non-settling” entities, which were not a part of the original 1998 tobacco settlement. Although there was a discussion in the Senate about appropriating funds from this fee to institutions of higher education, the final version of the budget contained no such appropriation, as the bill’s fiscal note stated that revenue gain was “indeterminate.”

SB 7 by Nelson / Kolkhorst – Relating to the provision and delivery of certain health and human services in this state, including the provision of those services through the Medicaid program. Senate Bill 7 implemented a number of quality measures for long-term care services and services provided to individuals with intellectual and developmental disabilities. These measures had previously been applicable only to hospitals, and include pilot projects to deliver services to certain populations via managed care organizations, statewide rollout of Medicaid managed care for long-term care, disallowing payment for potentially preventable events, development of a comprehensive assessment instrument and resource allocation process for individuals with intellectual and developmental disabilities, providing behavioral supports to family members, providers, and caregivers for individuals with intellectual and developmental disabilities, promoting coordination of care and local service delivery reform.

SB 8 by Nelson / Kolkhorst – Relating to the provision and delivery of certain health and human services in this state.

This legislation aimed to reduce fraud and waste in the state Medicaid program by implementing a number of measures, including:

- Creating a data analysis unit to improve contract management;
- Limiting certain marketing activities by Medicaid and Children’s Health managed care plans;
- Requiring the Department of Motor Vehicles and Department of Public Safety to obtain drivers’ license and vehicle registration information for all providers in the Medicaid medical transportation program;
- Requiring HHSC to periodically review prior authorization and utilization review processes in the Medicaid managed care plans;
- Requiring the Office of Inspector General to employ and commission peace officers to assist with fraud and waste investigations;
- Requiring HHSC to contract with medical transportation organizations for services provided in the Medicaid medical transportation program;
- Updating licensure requirements for emergency medical service providers;
- Requiring HHSC to revoke a provider’s enrollment in the Medicaid program if they have been convicted of fraud or other financial misconduct; and
- Requiring Medicaid managed care plans that administer prescription drug benefits to exchange prior authorization requests electronically by the second anniversary of national standard adoption.

SB 24 by Hinojosa / Oliveira – Relating to the creation of a new university in South Texas within the University of Texas System. The bill creates a new South Texas university within the UT System by merging the University of Texas at Pan American and University of Texas at Brownsville. It also incorporates the Rio Grande Health Center (RAHC), which has been operating as a branch of the UT Health Science Center at San Antonio.

The new institution is declared to be eligible to participate in the Permanent University Fund. However, the UT Board of Regents retains the authority to operate “The University of Texas Health Science Center –South Texas,” which shall consist of a medical school and other health-related degree programs as the board considers appropriate. The legislation establishes the medical school as a component of the HSC and a component institution of the UT System. The new university is defined as a general academic institution that contains the two academic campuses and the medical school, which also is defined in pre-existing statute as the UT HSC-South

Texas, retaining the status granted it as a stand-alone health-related institution under legislation passed in 2009. Thus, the medical school is defined as part of the general academic institution in the new language and also as a component of the health-related institution and a component of the UT System. The medical school also is referred to in the category of “other institutions and entities of the university.”

The bill calls for the RAHC to transition to a stand-alone medical school, with the undergraduate medical education program (along with years 1-2 of medical school) anchored in Hidalgo County and the graduate medical education program (along with years 3-4 of medical school) anchored in Cameron County, to build on the existing locations of the RAHC but also with the expectation of new facilities being built. However, the UT System recently announced plans to build a new facility in San Antonio to accommodate the first two years of medical education, indicating that the transition to a full medical school in the valley will be an incremental process. In addition, GME programs are to be conducted “throughout the region.” Interdisciplinary education across the health professions is a requirement for the new university.

The board is required to create a Center for Border Economic and Enterprise Development at the university, which is required to “cooperate fully with similar programs operated by Texas A&M International University, the University of Texas at El Paso, and other institutions of higher education. The board also must establish the Texas Academy of Mathematics and Science.

The bill provides procedures for the abolishment of UT-Brownsville and UT-Pan American and other transition activities.

SB 62 by Nelson / Laubenberg – Relating to the vaccination against bacterial meningitis of entering students at public and private or independent institutions of higher education. The Centers for Disease Control and Prevention recommend that students ages 21 and below should be vaccinated against bacterial meningitis. Current law requires all Texas college students under the age of 30 to show proof of vaccination. SB 62 lowers the age from 30 to 22 years at which time a student becomes exempt from the requirement. The Department of State Health Services is required to develop an online system to allow students at junior colleges to apply for an exemption from the requirement. The bill provides additional methods for a student or parent or guardian to decline the vaccination, if applicable to the student. The legislation applies to students enrolling on or after January 1, 2014.

SB 64 by Nelson / Zerwas – Relating to a policy on vaccine-preventable diseases for licensed child-care facilities. The bill provides requirements for a policy on vaccine-preventable diseases for certain licensed child-care facilities. The requirements follow the recommendations of the Advisory Committee on Immunization Practices of the Centers for Disease Control and Prevention. Compliance procedures are outlined, and a facility employee may be exempted from the required vaccines based on reasons of conscience, including a religious belief.

SB 67 by Nelson / Branch – Relating to reporting requirements for institutions of higher education conducting human stem cell research. There has been for some time legislative interest in the types of human stem cell research being conducted in Texas, and SB 67 creates reporting requirements for institutions of higher education. The report of all research conducted at an institution of higher education during the preceding year as submitted to the Texas Higher Education Coordinating Board must now include the amounts spent by the institution on human embryonic stem cell research and adult stem cell research. The Coordinating Board is required to submit to the legislature information on human stem cell research based on the required reports. The information will be used to make future funding and policy decisions, according to the bill analysis.

SB 120 by Rodriguez / N. Gonzalez – Relating to the creation of the Texas Tech University Health Sciences Center at El Paso as a component institution of the Texas Tech University System. The bill establishes a freestanding health-related institution in El Paso, to be called Texas Tech University Health Sciences Center at El Paso as an independent component institution of the Texas Tech University System. The new institution is composed of the Paul Foster School of Medicine at El Paso and other components assigned by law or by the board of regents.

SB 348 by Schwertner / Kolkhorst – Relating to a utilization review process for managed care organizations participating in the STAR + PLUS Medicaid managed care program. The bill addresses an increase in inappropriate utilization by managed care companies in the STAR + PLUS Medicaid managed care program of home and community-based services for patients not needing those services. Additional controls are put in place to lower the level of unnecessary cost being paid by the state for frivolous services.

SB 406 by Nelson / Kolkhorst – Relating to the delegation and supervision of prescriptive authority by physicians to certain advanced practice registered nurses and physician assistants. This was an agreed-to piece of legislation to make changes in scope of practice for advanced practice nurses and physician assistants. The bill simplifies the supervision process for physicians delegating authority to advanced practice nurses and physician assistants. It would allow advanced practice nurses and physician assistants to prescribe and order drugs and devices, including certain controlled substances, under a physician's supervision.

SB 566 by Eltife / Clardy – Relating to the establishment of a pharmacy school at the University of Texas at Tyler. This legislation creates a self-supporting pharmacy school at the University of Texas at Tyler, with the goal of admitting the first class in 2015.

SB 872 by Deuell / Coleman – Relating to county expenditures for certain health care services. SB872 amends the Health and Safety Code to authorize a county to credit an intergovernmental transfer to the state toward eligibility for state assistance under the Indigent Care Act, if the transfer was made to provide health care services as part of the Texas Healthcare Transformation and Quality Improvement Program waiver.

SB 895 by Davis / Alvarado – Relating to access to records of a nonprofit organization supporting the Cancer Prevention and Research Institute of Texas under the public information law. SB895 amends the Health and Safety Code to establish that the records of a nonprofit organization established to support the Cancer Prevention and Research Institute of Texas are public information subject to state public information law.

AGRICULTURE RELATED LEGISLATION

General Agriculture

HB 912 by Gooden/Estes - Relating to images captured by unmanned vehicles and aircraft. The bill adds Chapter 423 to the Government Code to define "image" captured by unmanned aircraft, and will create a class C misdemeanor offense if a person uses an unmanned aircraft to capture an image of a person or privately owned real property captured in the image. The bill will create a Class B misdemeanor for the disclosure, display, distribution or other use of certain related images. The bill will also create defenses to prosecution for images captured under specific circumstances as defined by the provisions of the bill. A Class C misdemeanor is punishable by a fine of not more than \$500. A Class B misdemeanor is punishable by confinement in county jail for a term not to exceed 180 days and/or a fine not to exceed \$2,000. Worked with Representative Gooden's office on language to exempt all higher education institutions for scholarly research and teaching purposes.

HB 1494 by Tracy King/Hinojosa - Relating to certain regulatory programs administered by the Department of Agriculture. The bill will amend the Agriculture Code relating to certain regulatory programs administered by the Texas Department of Agriculture (TDA). The bill will amend statute pertaining to administrative penalties issued by the agency. The bill will also amend the Agriculture Code pertaining to weights and measures as well as licensing requirements for various regulatory programs. Additionally, the bill will amend the Agriculture Code pertaining to

citrus producers voting in a referendum concerning a pest management zone. Under provisions of the bill, the imposition of criminal and administrative penalties will be permissive, and fees from licenses will be set by TDA.

HB 1521 by Clardy/Nichols - Relating to the slaughter of certain domestic or exotic fowl infected with or exposed to disease and compensation of owners of fowl infected with or exposed to disease. Currently, certain Agriculture Code provisions relating to the disposal of non-commercial diseased or exposed livestock and the compensation of their owners do not include domestic and exotic fowl. Most non-commercial fowl are responsible for the transmission of disease in fowl operations, and the fowl industry will benefit from non-commercial owners taking similar precautions regarding the disposal of diseased and exposed fowl. These precautions and measures will also avoid risks to human health due to the consumption of fowl. HB 1521 establishes provisions relating to the slaughter of certain domestic or exotic fowl infected with or exposed to disease and the compensation of owners provided state funding is available. HB 1521 amends current law relating to the slaughter of certain domestic or exotic fowl infected with or exposed to disease and compensation of owners of fowl infected with or exposed to disease.

HB 1807 by Tracy King/Hinojosa - Relating to fever tick eradication. HB 1807 amends the Agriculture Code to broaden the scope of statutory provisions relating to tick eradication by providing for the treatment of animals, rather than for the dipping of livestock, in such provisions, which include provisions relating to general provisions, quarantines and the regulation of the movement of animals and commodities, treatment, stockyard regulation, enforcement, and penalties and which affect the rulemaking authority of the Texas Animal Health Commission (TAHC).

The bill defines "animal" as any domestic, free-range, or wild animal capable of hosting or transporting ticks capable of carrying Babesia, including livestock; zebras, bison, and giraffes; and deer, elk, and other cervid species. The bill defines "treatment" as a procedure or management practice used on an animal to prevent the infestation of, control, or eradicate ticks capable of carrying Babesia.

HB 1807 removes the requirement that a certificate for movement of goats, hogs, sheep, exotic livestock, or circus animals accompany the movement to the final destination in Texas or so long as the animals are moving through Texas. The bill requires each animal submitted for movement from a quarantined enclosure to be treated as prescribed by TAHC rules before a certificate or permit for movement is issued if ticks are found on any of the animals, rather than require each head of livestock submitted for such movement to be dipped at certain intervals and found free from ticks at the last dipping before such a certificate or permit is issued if ticks are found on any of the livestock. HB 1807 amends current law relating to fever tick eradication and creates a penalty.

HB 2051 by Villalba/Carona - Relating to the authority of public institutions of higher education to make certain investments to support technology commercialization. Current law allows public institutions of higher education to make investments in certain newly created companies through centers for technology development and transfer established by the institutions, with the purpose of further developing intellectual property. Interested parties assert that this process can be unyielding, in part because newly created companies are difficult to value in their early stages.

HB 2051 improves the process by allowing institutions to accept convertible promissory debt instruments, which they then can convert into shares of common stock of the issuing company or cash of equal value at an agreed-upon price, either in exchange for certain intellectual property rights or as consideration for the provision of monetary, business, scientific, or engineering services, thus delaying the task of assigning value to a newly created company. HB 2051 amends current law relating to the authority of public institutions of higher education to make certain investments to support technology commercialization.

HB 2311 by Kacal/Schwertner - Relating to a state animal identification program and the identification of animals vaccinated for or infected with brucellosis. Over the last three years, the Texas cattle industry has placed a renewed emphasis on controlling foreign animal diseases of concern. Intrastate and interstate animal

identification plans have recently been developed and implemented at the federal and state levels for the purpose of establishing a means to enable the cattle industry and state and federal animal health officials to more rapidly and effectively respond to animal health emergencies.

Upon review of the state statute that gives the Texas Animal Health Commission (TAHC) the authority to implement an intrastate program for Texas, it was discovered that there were references to a program at the federal level that no longer exists. HB 2311 deletes reference to this program.

HB 2311 clarifies that any state animal disease traceability program cannot be more stringent than any federal animal disease traceability program; repeals the penalty provisions that gave the TAHC Class C misdemeanor authority for violations relating to animal identification; and repeals the subsection that references the use of specific identification numbers that TAHC may consider in implementing an animal identification program. Additionally, the bill requires a two-thirds vote of the TAHC Board to adopt any program more stringent than federal law.

HB 3569 by Kleinschmidt/Uresti - Relating to activities conducted in connection with a state or federal disease control or eradication program for animals. Since Texas was declared a brucellosis-free state, the quality of veterinarians and those authorized to participate in a disease control and eradication programs through the Texas Animal Health Commission (TAHC) has decreased. This is because TAHC has certification authority solely with respect to brucellosis, but disease and eradication programs include at least six other dangerous diseases. Additionally, TAHC is having some quality control problems in these disease control and eradication programs including improperly submitted tests, samples, and incorrect certificates of veterinary inspection. HB 3569 amends current law relating to activities conducted in connection with a state or federal disease control or eradication program for animals.

SB 186 by Carona/Giddings - Relating to the abatement of mosquitoes in stagnant water located on certain uninhabited residential property. During the summer of 2012, Texas saw a record number of cases of the West Nile virus, a disease spread to humans by a bite from infected mosquitoes. It was determined that homes that had been abandoned or foreclosed and that contained water features or pools were a breeding ground for mosquitoes carrying the disease. Research has shown that one of the most effective treatments to eradicate mosquitoes carrying the disease is to treat stagnant water with larvicide. In order to prevent the spread of this disease, counties and municipalities need authority to treat properties that have been abandoned or foreclosed. SB 186 gives counties and municipalities the authority to treat stagnant water with a mosquito larvicide in properties that have been abandoned or foreclosed. SB 186 amends current law relating to the abatement of mosquitoes in stagnant water located on certain uninhabited residential property.

SB 1095 by Hinojosa/Tracy King - Relating to fever tick eradication. SB 1095 amends the Agriculture Code to broaden the scope of statutory provisions relating to tick eradication by providing for the treatment of animals, rather than for the dipping of livestock, in such provisions, which include provisions relating to general provisions, quarantines and the regulation of the movement of animals and commodities, treatment, stockyard regulation, enforcement, and penalties and which affect the rulemaking authority of the Texas Animal Health Commission. The bill defines "animal" as any domestic, free-range, or wild animal capable of hosting or transporting ticks capable of carrying Babesia, including livestock, zebras, bison, giraffes, and deer, elk, and other cervid species. The bill defines "treatment" as a procedure or management practice used on an animal to prevent the infestation of, control, or eradicate ticks capable of carrying Babesia.

SB 1095 removes the requirement that a certificate required for movement of goats, hogs, sheep, exotic livestock, or circus animals accompany the movement to the final destination in Texas or so long as the animals are moving through Texas. The bill requires each head of the animals submitted for movement from a quarantined enclosure to be treated as prescribed by commission rules before a certificate or permit for movement is issued if ticks are found on any of the animals, rather than require each head of livestock submitted for such movement to be dipped at certain intervals and found free from ticks at the last dipping before such a certificate or permit is

issued if ticks are found on any of the livestock. S.B. 1095 requires the commission to adopt rules as required under the bill's provisions not later than December 1, 2013.

SB 1427 by Hinojosa/Tracy King - Relating to the administration of the citrus budwood certification program and the creation of the citrus nursery stock certification program. Citrus greening disease is a bacterial disease spread by an insect vector known as the Asian citrus psyllid and is regarded as the most devastating citrus disease worldwide, killing citrus plants and slashing citrus production, with no applicable cure or treatment for an infected tree. Since the disease was first discovered in Florida several years ago, it has negatively impacted that state's citrus industry and that the disease recently was discovered in Texas. Three internationally accepted solutions for controlling the disease are vector control, removal of infected trees, and provision of clean, disease-free trees. In order to avoid the challenges the Florida citrus industry recently faced, the state must ensure that a clean source of nursery stock is maintained. SB 1427 addresses this issue by establishing provisions relating to the administration of the citrus budwood certification program and the creation of the citrus nursery stock certification program in order to grant the Department of Agriculture certain authority to regulate the propagation of citrus budwood in a manner that will minimize the threat posed by the Asian citrus psyllid.

Water

HB 4 by Ritter/Fraser - Relating to the creation and funding of the state water implementation fund for Texas to assist the Texas Water Development Board in the funding of certain water-related projects.

The bill will provide that the Texas Water Development Board (TWDB) be composed of three full-time members rather than six part-time members and meet certain requirements. The bill creates the State Water Implementation Fund for Texas (SWIFT) and the State Water Implementation Revenue Fund for Texas (SWIRFT), each as a special fund in the state treasury outside the General Revenue Fund to be used without further legislative appropriation by TWDB to finance projects in the state water plan. The bill includes various provisions related to the funds and to special accounts that could be established by TWDB. The funds could consist of money transferred or deposited by law; the proceeds of any fee or tax imposed by the state; other revenue dedicated by the Legislature; and investment and interest earned on the balance of the funds. The SWIFT may receive money transferred to the fund under a bond enhancement agreement (BEA). The SWIRFT may receive the proceeds from the sale of certain bonds, repayments of loans made from the fund, money from the sale, transfer or lease of certain projects, and money disbursed to the fund from the SWIFT. TAMUS AgriLife personnel worked with various stakeholders on this legislation throughout the legislative process.

HB 677 by Geren/Eltife - Relating to the regulation and enforcement of dam safety by the Texas Commission on Environmental Quality. Current law exempts certain owners from costly dam safety regulatory requirements. To qualify for this exemption a dam must have a hazard classification of low or significant, impound less than 500 acre-feet of water, and be located outside of the corporate limits of a municipality in a county with a population of less than 215,000. These dams still must meet Texas Commission on Environmental Quality operation and maintenance requirements. HB 677 changes the county population threshold to 350,000. HB 677 amends current law relating to the regulation and enforcement of dam safety by the Texas Commission on Environmental Quality.

HB 2615 by Johnson/Fraser - Relating to reporting and information availability requirements for persons impounding, diverting, or otherwise using state water. The Texas Commission on Environmental Quality (TCEQ) has general jurisdiction over water and water rights, including the issuance of water rights permits and enforcement of water rights. Under current law, a water rights holder is required to submit an annual water use report to TCEQ. Interested parties note, however, that a review of water use data revealed that only about 60 percent of water rights holders outside of watermaster areas report their annual water use by such deadline each year. The parties contend that because this information is used for various purposes in the administration of water rights, including responses to priority calls during a drought, having more complete data is essential to the

effective administration of water rights by TCEQ. HB 2615 amends current law relating to the use of state water and provides a penalty.

HB 2781 by Fletcher/Campbell - Relating to rainwater harvesting and other water conservation initiatives. Texas has a history of promoting the use of rainwater, beginning more than a decade ago with the exclusion of rainwater collection equipment from the state sales tax. Efforts to promote the use of rainwater by private citizens was also advanced by recently enacted legislation allowing individual rainwater harvesting systems to be used within a dwelling serviced by a public water supply. A significant feature of this legislation was the indemnification of the public water supply from liability arising from waterborne illnesses at such a dwelling. However, interested parties contend that, because the task of rulemaking related to rainwater treatment for those dwellings was assigned to the Texas Commission on Environmental Quality (TCEQ), this made the implementation of rainwater harvesting unworkable for most homeowners, as the required tests administered by TCEQ could cost tens of thousands of dollars per dwelling per year.

The parties assert that treatment of rainwater for potable use has been practiced for hundreds of years and that modern treatment allows the quality of the water in some cases to surpass the quality of water supplied by the public water supply. However, outside of a public water supply service area, these rainwater systems are considered private water systems. The differences between public water supply and private water are well articulated in state rules and regulations, with a requirement that all public water supplies be protected by appropriate cross-connection control devices when rainwater is used for potable purposes in areas serviced by public water supply. HB 2781 amends current law relating to rainwater harvesting and other water conservation initiatives.

SB 198 by Watson/Dukes - Relating to restrictive covenants regulating drought-resistant landscaping or water-conserving turf. SB 198 removes a barrier that prevents some property owners from reducing their water use by protecting a homeowner's right to install a drought-resistant landscape or water-conserving turf. The drought of 2011 ranked as the most intense one-year drought in recorded history in many parts of Texas. Maintaining a green lawn and a lush landscape becomes particularly water-intensive and expensive in times of drought. Bans and limits on outdoor watering, while necessary and often mandatory in times of drought, only add to the difficulty. In response to these challenges, many Texas homeowners have become increasingly interested in landscape alternatives that require less water to maintain.

Despite some progress, many property owners' association covenants and restrictions continue to present a barrier for homeowners who wish to transition to a drought-resistant and less water-intensive landscape and lawn. While not precluding the ability of a home owners' association or property owners' association to approve or establish parameters for a homeowner's landscape plan, SB 198 clearly establishes that an association's covenant or restriction cannot prohibit or restrict a homeowner's use of drought-resistant landscaping or water-conserving turf. As proposed, SB 198 amends current law relating to restrictive covenants regulating drought-resistant landscaping or water-conserving turf.

Family and Consumer Science

HB 970 by Rodriguez/Deuell - Relating to regulation of cottage food products and cottage food production operations. HB 970 expands the types of foods allowed to be produced by a cottage food production operation and the locations at which such an individual can sell the products, establishes additional regulations regarding the sale of cottage food products, and amends current law relating to a local government authority's authority to regulate cottage food production operations. HB 970 amends current law relating to regulation of cottage food products and cottage food production operations.

HB 1382 by Simpson/Deuell - Relating to the regulation of food prepared, stored, distributed, or sold at farms and farmers' markets; limiting the applicability of a fee. The bill will amend Chapter 437 of the Health and Safety Code, related to the regulation of food prepared, stored, distributed, or sold at farms and farmers' markets;

limiting the applicability of a fee. The bill will prohibit local governments from requiring a permit fee for sale of food at a farm, farmers' markets, farmers' market vendors, or cooking demonstrations at farmers' markets.

SB 441 by Birdwell/Davis, J. - Relating to the establishment of the Texas Fast Start Program to promote rapid delivery of workforce education and development. SB 441 amends the Labor Code to require the Texas Workforce Commission (TWC), in partnership with the Texas Higher Education Coordinating Board, to establish and administer the Texas Fast Start Program to identify and develop methods to support, and to provide support for, competency-based, rapid-deployment education delivery models for use by public junior colleges, public state colleges, and public technical institutes. The bill requires the models to be designed to assist students in maximizing academic or workforce education program credit from public junior colleges, public state colleges, and public technical institutes to expedite the entry of those students into the workforce. The bill requires TWC to work collaboratively with the coordinating board, public junior colleges, public state colleges, and public technical institutes to accomplish the program's purposes. The bill authorizes those colleges and institutes to use the competency-based, rapid-deployment education delivery models in developing or expanding a fast start program at the college or institute.

SB 441 requires a fast start program offered by a public junior college, public state college, or public technical institute to be designed for rapid deployment statewide and to do the following: focus on the current and future needs of employers in Texas; enable students to obtain postsecondary certificates and degrees at an accelerated pace in high-demand fields or occupations, as identified by local employers; incorporate competency-based learning techniques; and feature a variety of access channels that are uniquely designed to maximize job preparedness for identified groups such as veterans, high school graduates, and current workforce members seeking retraining.

SB 441 authorizes TWC, through the collaboration with the coordinating board, public junior colleges, public state colleges, and public technical institutes, to award grants to those colleges and institutes for the expansion of existing fast start programs, the development of new fast start programs, and any other activities related to the purposes of the program. The bill limits the use of such a grant to the following: supporting a course or program that prepares students for career employment in fields or occupations that are identified as high-demand by local employers; financing the initial costs of developing a fast start program, including the costs of constructing or renovating facilities, purchasing equipment, and other associated expenses; financing the development or expansion of a fast start program leading to a postsecondary certificate or degree; or offering a new or expanded dual credit fast start program jointly with a public high school.

SB 441 requires TWC and the coordinating board to administer the program using money appropriated to TWC or the coordinating board, money received from federal or other sources, or money from holding accounts that may be used by TWC for the purpose of skills development. The bill authorizes TWC and the coordinating board to adopt rules as necessary for the administration of the bill's provisions.

Emergency Response

HB 712 by Murphy/Patrick - Relating to the responsibility for keeping fire-fighting equipment furnished to a volunteer fire department by a county in good working order. Current state law authorizes certain counties to provide fire-fighting equipment to volunteer fire departments and municipalities that petition to receive the equipment but requires a county providing such equipment to keep the equipment in good working order and to make all necessary repairs or replacements. Interested parties contend that this requirement places a continuing burden on the county for the service life of the equipment, and since there is no defined end to equipment service life, the county obligation could extend far beyond the equipment's originally anticipated service life. Furthermore, parties contend that a question of county liability may arise if a repair is not made and damage results from the lack of repair.

HB 712 lines up current law with historical practice by making the entity that petitions for and receives the donated equipment responsible for all repairs and maintenance, including parts and labor. Other entities

could benefit from this change by allowing a county to procure equipment for those other entities without the burden of responsibility for the equipment's maintenance and repair. HB 712 amends current law relating to the responsibility for keeping fire-fighting equipment furnished to a volunteer fire department by a county in good working order.

HB 3813 by Howard/Watson - Relating to wildfire prevention in certain urban areas. HB 3813 allows certain municipalities to adopt an ordinance to require sufficient water pressure and water flow standards adequate for fire suppression. The City of West Lake Hills in Travis County is an area particularly susceptible to threat from fire because of the area's urban density, its forested nature, and the impact of recent drought. Furthermore, recent fires in Travis County and surrounding counties have alerted residents to the increasing threat wildfires pose to Central Texans and their property.

In 2011, the City of West Lake Hills conducted a study to determine the water pressures and water flow rates for every fire hydrant located within the city. Several fire hydrants did not meet the required minimum specified by the International Fire Code. The International Fire Code requires a minimum of 1,000 Gallons Per Minute (GPM) at 20 pounds per square inch for emergencies and upward to 1,500 GPM for emergencies at larger structures.

Under current law, municipalities cannot require or enforce water flow and pressure standards of a water system that is not owned by the municipality. HB 3813 grants the City of West Lake Hills the authority to require certain flow and pressure standards within their municipal limits. HB 3813 amends current law relating to municipal fire suppression standards in certain municipalities.

SB 194 by West/Coleman - Relating to ingress and egress access by emergency vehicles in certain new residential subdivisions. As a result of the fires in Bastrop and Travis Counties in 2011, it became evident that emergency vehicles and first responders were inhibited from accessing residential subdivisions during evacuations resulting from fires or other natural disasters due to the subdivision having only one entrance and exit road. SB 194 alleviates this problem by authorizing counties to require more than one entrance for large subdivisions as part of their existing platting authority.

Under SB 194, the commissioner's court with jurisdiction over a residential subdivision containing 1,000 or more lots is required to adopt infrastructure standards requiring a minimum of two means for ingress and egress by emergency vehicles and first responders in new residential subdivisions. SB 194 amends current law relating to ingress and egress for access by emergency vehicles and for use during evacuations in certain new residential subdivisions.

SB 1267 by Nichols/Clardy - Relating to the liability of individuals providing labor or assistance to the Texas Forest Service in the performance of certain fire suppression duties. SB 1267 amends the Education Code to grant an individual providing labor or assistance to the Texas A&M Forest Service in the performance of certain fire suppression duties on privately owned land immunity from liability for civil damages, including personal injury, wrongful death, property damage, death, or other loss resulting from any act, error, or omission by the individual in providing that labor or assistance unless the act, error, or omission proximately caused the loss and was performed with malice or constitutes gross negligence, recklessness, or intentional misconduct.

SB 1425 by Hinojosa/Longoria - Relating to the provision of fire prevention or fire-fighting services by certain emergency services districts. A decade ago, legislation converted rural fire prevention districts to emergency services districts, which assumed all obligations and outstanding indebtedness of the predecessor rural fire prevention districts. SB 1425 clarifies district powers and duties with regard to the provision of fire prevention or fire-fighting services by certain emergency services districts.

ENGINEERING RELATED LEGISLATION

Unmanned Autonomous Systems

HB 912 By Gooden/Estes - Relating to images captured by unmanned vehicles and aircraft. The bill defines "image" captured by unmanned aircraft, and creates a class C misdemeanor offense if a person uses an unmanned aircraft to capture an image of a person or privately owned real property captured in the image. The bill creates a Class B misdemeanor for the disclosure, display, distribution or other use of certain related images. It also creates defenses to prosecution for images captured under specific circumstances as defined by the provisions of the bill.

We worked to exempt unmanned aerial systems used for the purposes of professional or scholarly research and development by a person acting on behalf of an institution of higher education, as defined by Section 61.003, Education Code, including a person who: (A) is a professor, employee, or student of the institution; or (B) is under contract with or otherwise acting under the direction or on behalf of the institution. We were also able to get an exemption for airspace designated as a test site or range authorized by the Federal Aviation Administration for the purpose of integrating unmanned aircraft systems into the national airspace.

Border Crossings

HB 1777 by Moody / Rodriguez – Relating to a study regarding the effects on international trade of wait times of ports of entry between the United States and the United Mexican States. HB 1777 calls for Border Trade Advisory Committee to conduct a study of the effects of wait times at points of entry on international trade, and consult with the Transportation Commission to further the study. The bill requires the study to make recommendations regarding intergovernmental initiatives to reduce wait times and promote international trade.

HCR 80 by Anchia / Carona - Requesting the lieutenant governor and the speaker of the house of representatives to create a joint interim committee to study the effects on international trade on wait times at points of entry between the United States and Mexico. HCR 80 requests the Lieutenant Governor and Speaker to create a joint interim committee to study the effects on international trade of wait times at Texas ports of entry between the U.S. and Mexico; and that the joint interim committee submit a full report, including findings and recommendations, to the 84th Legislature.

Cybersecurity

SB 1101 by Van de Putte/Larson - Relating to the Cybersecurity, Education, and Economic Development Council. Sb 1101 extends the Texas Cybersecurity, Education, and Economic Development Council for an additional two years.

SB 1102 by Van de Putte/Larson - Relating to the appointment of a state cybersecurity coordinator.

SB 1102 directs the executive director of the Department of Information Resources to designate an employee of the department as the state cybersecurity coordinator to oversee cybersecurity matters for the state.

Energy/Air Quality

HB 788 by Smith/Hinojosa - Relating to regulation of greenhouse gas emissions by the Texas Commission on Environmental Quality. The bill would require the Texas Commission on Environmental Quality (TCEQ) to establish a permitting program by adopting rules and issuing permits to regulate greenhouse gas (GHG) emissions to the extent that greenhouse gas emissions require authorization under federal law.

HB 1864 by Wu/Estes - Relating to certain energy security technologies for critical governmental facilities. This bill adds institutions of higher education to the list of facilities designated as a "critical governmental facility." The designation requires institutions to conduct an evaluation to determine if equipping a critical governmental facility with a combined heating and power system would result in expected energy savings that would exceed the

expected costs of purchasing, operating, and maintaining the system over a 20-year period. If the expected energy savings exceeds the expected costs, the institution of higher education would be authorized to equip the facility with a combined heating and power system.

HB 2148 by Hilderbran/Williams - Relating to the motor fuel tax on compressed natural gas and liquefied natural gas. HB 2148 shifts the collection of taxes on LNG and CNG to dealers (with some exceptions). In the new framework, a tax of 15 cents per gasoline gallon or diesel gallon equivalent is charged at the point of purchase. Users exempted from paying at dealership include federal government, public schools, commercial transportation companies or metropolitan rapid transit authorities providing public school services, volunteer fire departments, counties, non-profit electric coops, and non-profit telephone coops, as well as off-road LNG/CNG users.

SB 533 by Zaffirini/Keffer - Relating to a review of cost savings to state agencies and institutions of higher education under energy savings performance contracts. The bill requires the Higher Education Coordinating Board to review reports submitted by institutions of higher education that measure and verify cost savings and provide periodic analyses of those cost savings to the institution's governing board and the Legislative Budget Board. The bill also requires the State Energy Conservation Office (SECO) to review reports submitted by state agencies that measure and verify cost savings and provide periodic analyses of those cost savings to the agencies and the Legislative Budget Board.

SB 700 by Hegar/Kacal - Relating to energy and water management planning and reporting by state agencies and institutions of higher education. The bill would implement a recommendation in the report "Improve Utility Reporting To Ensure State Entities Are Effectively Managing Water Use" in the Legislative Budget Board's Government Effectiveness and Efficiency Report, submitted to the Eighty-third Texas Legislature, 2013. The bill directs the State Energy Conservation Office (SECO) to develop a template for state agencies and institutions of higher education to use in preparing their comprehensive energy and water management plans; directs those agencies and institutions to set percentage goals for reducing their use of water, electricity, gasoline and natural gas and include those goals in their comprehensive energy and water management plan; and directs those agencies and institutions to update their plan annually. It requires SECO to submit a biennial report to the Governor and the Legislative Budget Board on the status and effectiveness of the utility management and conservation efforts of state agencies and institutions of higher education, and post the report on SECO's Internet website.

SB 1727 by Deuell / Issac - Relating to the use of the Texas emissions reduction plan fund. SB 1727 establishes new programs and deletes the energy efficiency grant program. The bill allows TCEQ to make changes in emission reduction calculation formulae. SB 1727 places priority on reduction of NOX and PM at port facilities in nonattainment areas and reduction of emissions from oil and gas production drilling equipment and related heavy-duty non-road equipment. Creates new Drayage Truck Incentive Program including rebate-type funding to replace pre-2007 trucks with 2010 or newer models. Changes the NTIG program, Texas Clean Fleet program, Texas Natural Gas Vehicle program, Clean Transportation Triangle Program and Alternative Fueling Facilities Program, and revises various TERP-related reporting requirements.

Emergency Management

HB 487 by Bell/Nichols - Relating to liability of certain persons assisting in hazardous or dangerous situations. State law provides immunity from civil liability for a person responding to a disaster at the request of an authorized representative of a local, state, or federal agency, except in a case of reckless conduct or intentional, willful, or wanton misconduct. A recent court case has been interpreted to affirm that immunity, but there is concern that despite such protections, local officials resist accepting volunteer services while responding to hazardous or dangerous situations because of a fear of being exposed to liability suits based on a volunteer's actions. This bill addresses those concerns by clarifying existing law with regard to a local official's authority to request or accept

assistance in a hazardous or dangerous situation and with regard to a person's immunity from liability in providing such assistance.

SB 1010 by Taylor/G. Bonnen - Relating to access to certain facilities by search and rescue dogs and their handlers. In an effort to make traveling and lodging more convenient for search and rescue teams, this bill prohibits discrimination against search and rescue dogs and their handlers by public facilities. The bill provides that a person may ask to see proof that the handler is a peace officer, firefighter, or a certified member of a nationally recognized search and rescue agency.

HB 3178 by Phillips/Estes - Relating to emergency management. When a natural disaster occurs, part of the recovery process may include seeking disaster relief assistance from the Federal Emergency Management Agency (FEMA). However, interested parties report that FEMA has cited parts of current Texas law regarding the statewide mutual disaster aid system as a reason to decline disaster relief to some jurisdictions. Under the law, local governments may enter into mutual aid agreements to assist one another when response needs exceed an individual jurisdiction's capabilities. While the law was originally intended to encourage local governments in a planning region to work together within the region, critics assert that local governments and others involved in emergency management have found that certain procedures and requirements for regional mutual aid overstep local control of emergency management planning and thus have not endorsed or adhered to the policies. FEMA has identified this situation as a reason to decline federal funding. This bill remedies this situation.

Manufacturing

HB 2482 by Alvarado/Taylor - Relating to a study to determine the reasons major manufacturers have chosen to invest in other states after considering development in this state. Requires the Comptroller to conduct a study to determine the reasons major manufacturers have chosen to invest in other states after considering development in this state.

Research & Development Tax Credits

HB 800 by Murphy/Deuell - Relating to a sales and use tax exemption and a franchise tax credit related to certain research and development activities. HB 800 provides a franchise tax credit for businesses that conduct research and development activities in Texas. The bill provides an enhanced credit for research done with institutions of higher education. The credit equals 6.25 percent of the difference between all qualified research expenses incurred during the period on which the report is based versus 5 percent for research not done with a university and 50 percent of the average amount of all qualified research expenses incurred during the three tax periods preceding the period on which the report is based.

School Safety

HB 1009 by Villalba/Patrick - Relating to the creation of a new category of law enforcement officer who shall be designated a school marshal. HB 1009 establishes a new law enforcement officer category of school marshal. An appointed school marshal must be licensed by the Texas Commission on Law Enforcement Officer Standards and Education (TCLEOSE) and can carry or possess a handgun on the physical premises of a school only in accordance with district or charter school written regulations and at the school specified by the district or charter school. The bill requires TCLEOSE to establish and maintain a school marshal training program.

SB 17 by Patrick/Fletcher - Relating to the training in school safety of certain employees of a school district or an open-enrollment charter school authorized to carry a concealed handgun on school premises. Provides for the free participation in a school safety training program for certain employees of a school district or charter school that does not have a peace officer or security personnel assigned full-time to the campus.

VETOED

Space

HB 278 by Craddick/Seliger - Relating to the liability of a municipality for certain space flight activities.

Interested parties note that private companies are relocating to Texas to research, develop, and launch commercial space flights and that some local governments are partnering with these commercial space flight companies in an effort to diversify economic development. HB 278 seeks to promote the development of a commercial space launch industry in Texas by addressing municipal liability under the Texas Tort Claims Act.

HB 1791 by Davis/Deuell - Relating to the facilitation and operation of space flight activities in this state. The bill amends current law to clarify limited liability for the space flight entity.

In addition, it amends definitions of launch, reentry, spacecraft, space flight activities, space flight entity, space flight participant, space flight participant injury, and spaceport.

Technology Commercialization

HB 2051 by Villalba/Carona - Relating to the authority of public institutions of higher education to make certain investments to support technology commercialization. Seeks to improve the process of technology commercialization by allowing institutions to accept convertible promissory debt instruments, which they then can convert into shares of common stock of the issuing company or cash of equal value at an agreed-upon price, either in exchange for certain intellectual property rights or as consideration for the provision of monetary, business, scientific, or engineering services, thus delaying the task of assigning value to a newly created company.

SB 328 by Carona/Gonzales - Relating to the hiring of entrepreneurs-in-residence by state agencies.

Authorizes an entrepreneur-in-residence program for state agencies in Texas to enable and encourage the transfer of state-of-the-art knowledge from the private sector to the public sector and to provide an accessible private sector perspective for the leaders of state agencies.

Transportation Finance

HB 1198 by Raymond / Zaffirini - Relating to authorizing an optional county fee for vehicle registration in certain counties. HB 1198 allows Cameron, El Paso, Hidalgo, and Webb Counties to impose an optional county fee of up to \$10 for transportation projects for registering vehicles in those counties. This is in addition to any existing optional county road and bridge fees. The additional fee is credited to the county road and bridge fund with 100 percent allocated to the county's regional mobility authority to fund long-term transportation projects.

HB 1573 by McClendon / Van de Putte - Relating to authorizing an optional county fee on vehicle registration in certain counties. This bill allows Bexar County to optionally charge an additional \$10 vehicle registration fee. Fees are to be deposited into a special account in the county general fund to be used for transportation projects.

HB 2202 by Pickett / Williams - Relating to the disposition of fees collected by or on behalf of the Texas Department of Motor Vehicles. HB 2202 provides the new legal framework for processing funds generated by the DMV, (eliminating funds flowing through Fund 6 for DMV administration) and appropriation of funds to DMV administration. Creates a new Texas Department of Motor Vehicles Fund (TxDMV Fund). Includes fees related to titling and registration of vehicles, issuance of license plates, registration/regulation of commercial vehicles, and issuance of disabled parking placards. Authorizes DMV to collect a fee set by its board to cover the expenses of collecting registration fees. Also allows county tax assessor-collector or private contractor to retain a portion of the fee as well, as determined by the board. Specifies transfer on 09/01/13 of \$59 million in existing fee revenues into the new TxDMV Fund. Allows counties to retain 100 percent of the optional county road and bridge fee, resulting in an LBB estimated revenue gain of \$7 million to counties beginning in FY 2014.

HB 2300 (Keffer, Uresti) – Relating to funding and donations for county transportation projects, including projects of county energy transportation reinvestment zones. HB 2300 authorizes the creation of County Energy Transportation Reinvestment Zones (CETRZs) and provides process for establishment. CETRZs to be created by order or resolution of commissioners courts designating a contiguous geographic area in the county that has been affected by oil and gas exploration and production activities. Can be in one, two, or more counties. Establishes a property tax increment amount for the zone to be used for transportation project(s), but not to back bonding. However, allows a road utility district to assist the county in developing a transportation project(s) and the RUD can issue bonds to pay all or part of the cost of the project(s) and pledge and assign money in the tax increment account to secure those bonds if the county pledges all or a specified amount of the increment to the RUD. If the CETRZ isn't used in 10 years it is terminated. Commissioners Court may accept donations of labor, money, or other property to aid in building or maintaining infrastructure.

HB 2741 (Phillips, Nichols) - Relating to the regulation of motor vehicles by counties and the Texas Department of Motor Vehicles. This legislation Increases fines and penalties for offenses relating to vehicle size and weight, and relating to permitting of certain vehicles. The fines prescribed by the bill would vary depending on the amount by which a vehicle exceeds the allowable gross weight or axle weight. Authorizes the DMV to issue a permit that authorizes the operation of a ready-mixed concrete truck with three axles. Establishes an annual fee of \$1,000 for the permit and requires 50 percent of each fee to be deposited to the State Highway Fund (Fund 6) and requires the Comptroller to distribute the remainder to the counties designated in the permit application. Authorizes the DMV to issue annual permits for vehicles transporting unrefined timber, wood chips, or biomass at an annual fee of \$1,500. The bill would require 50 percent of the fee to be deposited to Fund 6 and the remaining 50 percent to be divided equally among all counties designated on the permit application. The bill would authorize the Texas Department of Transportation (TxDOT) or a county to inspect and document the condition of a highway or road identified in the notification to establish a baseline condition for any assessment of damage sustained by the financially responsible party's use of the highway or road. Authorizes the DMV to issue a special permit during a major disaster declared by the President of the United States to an overweight or oversize vehicle or load that will be used only to deliver relief supplies. The bill would authorize the board of the DMV to adopt rules to establish the fee and requirements for the special permit.

HB 3126 by Lucio / Lucio - Relating to optional fees imposed on vehicles registered in certain counties to fund transportation projects. HB 3126 allows the Cameron County Commissioners Court to impose an optional county fee for registering a vehicle, not to exceed \$20, in addition to the existing optional county road and bridge fee, if approved by the voters. The fee proceeds are required to be credited to the county road and bridge fund.

SB 971 by Williams / Deshotel - Relating to projects for which a transportation reinvestment zone may be created. SB 971 Authorizes creation of transportation reinvestment zones for port projects. The port reinvestment zones are authorized to obtain local revenues from property tax increment financing. Proceeds may be used to repay loans or other debts incurred to finance a port project.

SB 1110 by Nichols / Pickett – Relating to the purposes and designation of a transportation reinvestment zone. SB 1110 amends the Transportation Code so that county transportation reinvestment zones are created and administered like municipal TRZs. Expands the purposes of both municipal and county TRZs to enhance the local entity's ability to sponsor a transportation project with RMAs, rather than pass-through tolls. Allows municipality or county to create TRZs to promote one or more transportation projects. Removes authority for a county TRZ to be created to abate property taxes or grant other relief from taxes on real property in the zone. Permits designation of a TRZ outside the entity if certain conditions are met. Repeals county authority to issue bonds secured by increment funds to pay all or part of the cost of a transportation project(s).

SB 1730 by Nichols / Phillips - Relating to comprehensive development agreements of the Department of Transportation or a regional mobility authority. SB 1730 puts forth the list of eligible projects for development by TxDOT and RMAs under the comprehensive development agreement (CDA) process. Also adds the ability for TxDOT to use the CDA process to develop non-tolled state highway improvement projects authorized by the legislature. Extends the deadline dates for previously authorized projects to have environmental clearance and financing plans (until 2017 for most), clarifying boundaries of some. Adds more than 10 new projects. Allows the benchmark approval to be based on the initial or base scope of the project if there is phased construction. Adds new detailed CDA termination for convenience process.

SB 1747 by Uresti / Keffer - Relating to a fund for certain county transportation infrastructure projects and the creation of County Energy Transportation Reinvestment Zones. This legislation provides a state grant program to assist with CETRZ projects on a matching basis of 80/20 (or 90/10 for economically disadvantaged counties). Establishes a Transportation Infrastructure Fund (TIF) inside the Treasury outside the General Revenue Fund with TIF monies appropriated to the Texas Department of Transportation. TxDOT develops policies/procedures to administer a grant program for the transportation infrastructure projects located in the CETRZs. Grants are to be awarded based on calculations in the bill that include weight tolerance permits issued, oil/gas production taxes, well completions, and volume of oil/gas waste injection. Also includes language on establishment and operation of a CETRZ and RUD similar (but not identical) to HB 2300. Requires counties to produce road condition reports to include the primary cause of any road, culvert, or bridge degradation if reasonably ascertained.

Transportation Safety

HB 347 by Pitts / Nichols – Relating to prohibiting using a wireless communication device while operating a motor vehicle on school property. HB 347 prohibits the use of wireless communications devices while operating motor vehicles on the property of a public or private elementary or middle school during the time a reduced speed limit is in effect for the school crossing zone, unless the vehicle is stopped or the device is being used hands-free. Preempts all local ordinances, rules, or regulations inconsistent with specific provisions of the bill, except that a political subdivision may by ordinance or rule prohibit the use of devices throughout their jurisdictions. Provides affirmative defenses to prosecution of an offense under the law if the wireless device was used to make emergency calls as well as two other exemptions (EMS on official calls and operator of FCC licensed radio frequency device other than a wireless communications device).

HB 1741 by Naishtat / West - Relating to requiring child safety alarms in certain vehicles used by child-care facilities to transport children. HB 1741 requires licensed day-care centers to install electronic safety alarms in all vehicles owned or leased by the centers that are designed to seat eight or more people and used to transport children in their care. The bill also requires that the alarms be properly maintained.

HB 2204 by Pickett / Watson - Relating to the authority of the Texas Transportation Commission to establish variable speed limits. This bill directs the Transportation Commission to establish a variable speed limit pilot program to study effectiveness of temporarily lowering speed limits to address inclement weather, congestion, road construction, or any other condition affecting safe and orderly movement of traffic on a roadway. The Commission shall select up to 3 locations for the test sites. Speed limits set under the program must be based on an engineering/traffic investigation.

SB 510 by Nichols / Mando Martinez – Relating to passing certain vehicles on a highway; providing a penalty. SB 510 applies the “move over/slow down” existing law protections to TxDOT vehicles not separated from the roadway by a traffic control channelizing device and using visual signals that comply with standards and specifications. Requires vacating the lane nearest the stopped vehicle or reducing speeds 20 mph less than the posted speed limit if in the near lane.

SB 763 by Watson / Phillips - Relating to motorcycle training and the license requirements for a three-wheeled motorcycle. Requires the Department of Public Safety to issue a restricted license for eligible applicants who have completed a training course that is specific to a three-wheeled motorcycle and by creating an offense regarding unauthorized motorcycle operation training.

Other Bills of Interest that Passed

HB 6 by Otto/Williams - Relating to the creation and re-creation of funds and accounts in the state treasury, the dedication and rededication of revenue, and the exemption of unappropriated money from use for general governmental purposes.

HB 7 by Darby/Williams - Relating to the amounts, availability, and use of certain statutorily dedicated revenue and accounts.

HB 13 by Callegari/Duncan - Relating to the State Pension Review Board and public retirement systems.

HB 138 by Raymond/Zaffirini - Relating to funding for certain commercial service airport projects

HB 150 by Larson/Van de Putte - Relating to the display of flags at half-staff at state buildings to honor service members killed in action.

HB 346 by Deshotel/Carona - Relating to the electronic storage of personal identification information obtained from driver's licenses or personal identification certificates.

HB 407 by King, P./Birdwell - Relating to the Weatherford College District service area.

HB 437 by Davis/Seliger - Relating to career and technical education programs.

HB 474 by Munoz/Hinojosa - Relating to an optional procedure for the issuance of a permit by a certain regional mobility authority for the movement of oversize or overweight vehicles

HB 483 by Aycock/Fraser - Relating to a public hearing held on the issue of making a payment in excess of the compensation contracted for by a political subdivision.

HB 567 by Smith/Nichols - Relating to the definition of an authorized emergency vehicle.

HB 595 by Kolkhorst / Nelson – Relating to the repeal of certain health programs and councils, to the review of certain health programs, panels, councils, systems, foundations, centers, committees and divisions under the Texas Sunset Act.

HB 712 by Murphy/Patrick - Relating to the responsibility for keeping fire-fighting equipment furnished to a volunteer fire department by a county in good working order.

HB 802 by Rose/Carona - Relating to the definition of an authorized emergency vehicle.

HB 939 by J. Davis/Hancock - Relating to repealing the employment and training investment assessment.

HB 1016 by S. Davis/Williams - Relating to legal representation for civil suits against peace officers employed by a school district.

HB 1050 by Callegari/Fraser - Relating to construction-related contracts by governmental entities.

HB 1061 by Branch / Birdwell – Relating to the repeal of the statutory authority for the State Medical Education Board.

HB 1128 by Hererro/Garcia - Relating to posting suggestions and ideas on cost-efficiency on certain state agency websites.

HB 1265 by Guillen/Zaffirini - Relating to providing information to state employees about insurance available to those employees under a group coverage plan.

HB 1296 by Alvarado/Taylor - Relating to providing information to assist postsecondary educational institutions in addressing the state's projected workforce needs for training and education.

HB1394 by S. King / Duncan – Relating to the sunset review of certain powers and duties performed by the Department of State Health Services.

HB 1501 by Raymond/Zaffirini - Relating to the commemoration of September 11, 2001, at public schools and institutions of higher education.

HB 1545 by Allen / Ellis - Relating to the eligibility of persons with disabilities to use certain public transportation services

HB 1600 by Bonnen/Nichols - Relating to the continuation and functions of the Public Utility Commission of Texas, to the transfer of certain functions from the Texas Commission on Environmental Quality to the Public Utility Commission of Texas.

HB 1675 by Bonnen/Nichols - Relating to governmental entities subject to the sunset review process.

HB 1642 by Bonnen/Whitmire - Relating to the Port of Houston Authority.

HB 1753 by Patrick/Hancock - Relating to authorizing the board of regents of The University of Texas System to acquire certain property in the city of Arlington.

HB 1762 by Price/Deuell - Relating to workers' compensation and other remedies available to an injured temporary employee.

HB 1844 by Branch/West - Relating to the official name of The University of Texas Southwestern Medical Center.

HB 1951 by Thompson/Carona - Relating to providing information to assist postsecondary educational institutions in addressing the state's projected workforce needs for training and education.

HB 1965 by Harper-Brown/Zaffirini - Relating to the state contracting duties of the quality assurance team and Contract Advisory Team.

HB 1967 by Deshotel/Williams - Relating to use of sales and use tax proceeds by certain economic development corporations for certain job-related skills training.

HB 1972 by Kleinschmidt/Hancock - Relating to the provision of 9-1-1 services.

HB 1994 by Reynolds/Zaffirini - Relating to the purchase of certain commodity items by a state agency.

HB 2000 by Thompson/Hancock - Relating to career schools and colleges.

HB 2015 by Davis, J./Watson - Relating to the proper classification of workers performing services under certain governmental contracts.

HB 2127 by Howard/Watson - Relating to the eligibility of certain employees of public institutions of higher education to participate in a state group benefits program.

HB 2155 by Callegari/Duncan - Relating to eligibility of certain dependents for coverage under the state employee group benefits program.

HB 2252 by Ashby/Nichols - Relating to eligibility of charitable organizations to participate in a state employee charitable campaign.

HB 2388 by Menendez/Van de Putte - Relating to the application of the public and private facilities and infrastructure law to a defense base development authority.

HB 2446 by Crownover/Estes - Relating to the definitions of advanced clean energy projects and clean energy projects and to franchise tax credits for certain of those projects.

HB 2478 by Alvarado/Watson - Relating to the collection, analysis, and reporting of certain job and skills shortage information by the Texas Workforce Commission.

HB 2536 by Geren/Nelson - Relating to the composition of certain regional transportation authority subregional boards.

HB 2539 by Turner, C./Davis - Relating to requiring computer technicians to report images of child pornography.

HB 2585 by Harper-Brown/Paxton - Relating to the reimbursement of utilities for relocation of utility facilities following improvement or construction of certain tolled highways.

HB 2612 by Flynn/Deuell - Relating to liability for damage to a county road.

HB 2738 by Elkins/Ellis - Relating to a study by the Department of Information Resources regarding state agency technology efficiency.

HB 2760 by Branch/Birdwell - Relating to partnerships between the Texas State Technical College System and public junior colleges.

HB 2781 by Fletcher/Campbell - Relating to rainwater harvesting and other water conservation initiatives.

HB 2873 by Harper-Brown/Zaffirini - Relating to the development of a model contract management process for use with low-risk state procurements

HB 2781 by Fletcher/Campbell -Relating to rainwater harvesting and other water conservation initiatives.

HB 3028 by J. Davis/Birdwell - Relating to the use of the skills development fund to support certain joint credit courses offered by school districts under agreements with public junior colleges.

HB 3031 by Fletcher/Ellis - Relating to fare enforcement officers in certain transit authorities.

HB 3116 by Cook/Schwertner - Relating to the recovery of uniform statewide accounting project costs from state agencies and vendors.

HB 3152 by Giddings/Fraser - Relating to payment of providers by certain entities under contract with a certified workers' compensation network.

HB 3188 by Otto/Williams - Relating to directing payment, after approval, of certain miscellaneous claims and judgments against the state out of funds designated by this Act.

HB 3276 by Simmons/Deuell - Relating to the coverage by certain health benefit plans for the screening and treatment of autism spectrum disorder.

HB 3422 by Lavender/Eltife - Relating to donations of landscape materials and services to the Texas Department of Transportation.

HB 3436 by Cook/Whitmire - Relating to formal action of responsible governmental entities on certain proposals or bids for certain projects.

HB 3662 by Clardy/Seliger - Relating to the Texas Workforce Innovation Needs Program.

HB 3792 by Coleman/Ellis - Relating to an intercollegiate athletics fee at Texas Southern University.

HB 3838 by Phillips/Hancock - Relating to the regulation of motorcycles and motorcycle operators.

HCR 2 by Hildebran/Schwertner - Congratulating Johnny Manziel of Texas A&M University on winning the 2012 Heisman Trophy.

HCR 5 by Hunter - Requesting the speaker and lieutenant governor to create a joint interim committee to study seawater desalination on the Texas coast.

HJR 79 by Branch / Birdwell – Proposing a constitutional amendment to repeal the constitutional provision requiring the creation of a State Medical Education Board and the establishment of a State Medical Education Fund.

HJR 147 by Guerra / Hinojosa – Proposing a constitutional amendment repealing the constitutional provision authorizing the creation of a hospital district in Hidalgo County.

SB 2 by Patrick/Aycock - Relating to charter schools and home-rule charter school districts, including establishment of the Charter School Authorizing Authority.

SB 8 by Nelson /Kolkhorst - Relating to the provision and delivery of certain health and human services in this state.

SB 171 by West/Pickett - Relating to the establishment of a workgroup to study the use by state agencies of a uniform application form following disasters.

SB 176 by Carona/Flynn - Relating to the distribution of certain consultants' reports.

SB 200 by Patrick/Anchia - Relating to the continuation and functions of the State Pension Review Board.

SB 211 by Nichols/Dutton - Relating to the continuation and functions of the Texas Facilities Commission; authorizing fees.

SB 217 by Patrick/Anchia - Relating to the continuation and functions of the state employee charitable campaign.

SB 219 by Huffman/Bonnen - Relating to ethics of public servants, including the functions and duties of the Texas Ethics Commission.

SB 223 by Watson/Cortez - Relating to designation of certain vehicles of the Texas Division of Emergency Management as authorized emergency vehicles.

SB 259 by Carona/Cook - Relating to telecommunications services and markets.

SB 276 by Watson/Crownover - Relating to the authority of certain transportation authorities to create a local government corporation.

SB 307 by Huffman/Guillen - Relating to the transfer of adult education and literacy programs from the Texas Education Agency to the Texas Workforce Commission.

SB 365 by Carona/Parker - Relating to expedited credentialing for certain podiatrists providing services under a managed care plan.

SB 385 by Carona/Keffer - Relating to authorizing assessments for water and energy improvements in districts designated by municipalities and counties.

SB 441 by Birdwell/Davis - Relating to the establishment of the Texas Fast Start Program to promote rapid delivery of workforce education and development.

SB 466 by Hinojosa/Harper-Brown - Relating to the authority of the Texas Department of Transportation to participate in certain federal transportation programs.

SB 490 by Seliger/Branch - Relating to the expiration of tuition equalization grant requirements for grants awarded before the 2005-2006 academic year.

SB 503 by West/Strama - Relating to the establishment of the Expanded Learning Opportunities Council to study and make recommendations concerning expanded learning opportunities for public school students.

SB 531 by Duncan/Smithee - Relating to self-insurance funds established by governmental units.

SB 581 by Carona/Villarreal - Relating to procedures for securing the deposit of public funds.

SB 583 by Carona/Cook - Relating to the use of and disbursements from the universal service fund.

SB 585 by Hegar/Morrison - Relating to the use of municipal hotel occupancy tax revenue to enhance and upgrade sports facilities in certain municipalities.

SB 628 by Watson/Workman - Relating to the creation of regional emergency communications districts.

SB 632 by Carona/Lozano - Relating to contracts between dentists, optometrists, or therapeutic optometrists and health maintenance organizations or insurers.

SB 655 by Birdwell/King P. - Relating to the exercise of the power of eminent domain by certain authorized entities.

SB 686 by Huffman/Villalba - Relating to the change of the name of the Commission on Law Enforcement Officer Standards and Education to the Texas Commission on Law Enforcement.

SB 822 by Schwertner/Eiland - Relating to the regulation of certain health care provider network contract arrangements.

SB 866 by Paxton/Elkins - Relating to authorizing local governments to participate in statewide technology centers.

SB 894 by Whitmire/Bonnen - Relating to exempting qualifying projects within the Capitol Complex from the public and private facilities and infrastructure contracting requirements.

SB 916 by Estes/Kleinschmidt - Relating to quorums and meetings by teleconference of the Texas Bioenergy Policy Council and the Texas Bioenergy Research Committee.

SB 948 by Nelson/Parker - Relating to management of a coordinated county transportation authority.

SB 974 by Campbell/Isaac - Relating to the name of Texas State University--San Marcos.

SB 976 by West/Branch - Relating to the temporary approval of an institution to participate in the tuition equalization grant program.

SB 1017 by Paxton/Lavender - Relating to the operation of state travel information centers by private and nonprofit entities.

SB 1029 by Campbell/Phillips - Relating to a prohibition on converting a nontolled state highway or segment of the state highway system to a toll project.

SB 1157 by Schwertner/Otto - Relating to the conveyance of certain state property for use by Sam Houston State University.

SB 1165 by Hegar/Miller - Relating to the use of real property by the University of Houston--Sugar Land.

SB 1195 by Ellis/Davis S. - Relating to a contract for the acquisition of goods or services to which The University of Texas M. D. Anderson Cancer Center is a party.

SB 1313 by Schwertner/Otto - Relating to the Correctional Management Institute of Texas at Sam Houston State University.

SB 1322 by Van de Putte/Oliveira - Relating to the provision of ancillary services through limited services networks

SB 1394 by Estes/Pickett - Relating to the statewide critical infrastructure protection strategy.

SB 1425 by Hinojosa/Longoria - Relating to the provision of fire prevention or fire-fighting services by certain emergency services districts.

SB 1430 by Hinojosa/Herrero - Relating to the applicability of certain public works contracting requirements.

SB 1459 by Duncan/Callegari - Relating to the Employees Retirement System of Texas.

SB 1461 by Carona/Harper-Brown - Relating to the addition of certain municipalities to the territory of a regional transportation authority

SB 1489 by Watson/Phillips - Relating to the powers and jurisdiction of a regional mobility authority.

SB 1512 by Ellis/Vo - Relating to the confidentiality of certain crime scene photographs and video recordings.

SB 1536 by Van de Putte/Menedez - Relating to the Texas military.

SB 1557 by Lucio/Villarreal - Relating to business participation in supporting early college high schools.

SB 1632 by Hinojosa / Guerra – Relating to districts in certain counties located on the Texas-Mexico border and amending Chapter 288 of the Health and Safety Code.

SB 1705 by Campbell/Parker - Relating to the administration of certain examinations required to obtain a driver's license.

SB 1792 by Watson/Phillips - Relating to remedies for nonpayment of tolls for the use of toll projects; authorizing a fee; creating an offense.

SB 1810 by Ellis/Coleman - Relating to an intercollegiate athletics fee at Texas Southern University.

SB 1812 by Duncan/Otto - Relating to state contributions for participation by certain junior college employees in the state employees group benefits program, Teacher Retirement System of Texas, and Optional Retirement System.

SB 1892 by Garcia/Menendez - Relating to the composition of the Texas Coordinating Council for Veterans Services and its coordinating workgroups.

SJR 54 by Hinojosa / Guerra – Proposing a constitutional amendment repealing the constitutional provision authorizing the creation of a hospital district in Hidalgo County.

Overview of the 83rd Legislature

First and Second Called Sessions

First Called Session

Immediately upon adjournment of the 83rd Regular Legislative Session, Governor Perry reconvened legislators in a special session to address redistricting legislation. While the call initially only included this issue, the Governor later added transportation funding, revised sentencing guidelines for capital offenses committed by 17 year-olds, and abortion regulations. The addition of the abortion legislation ultimately had profound ramifications on the remaining days of the first called special session.

After Democrats and minority groups sued over the electoral maps passed in 2011, a federal district court drew interim electoral maps for the Texas House, Senate, and Congressional districts for use during the 2012 elections. The Governor asked legislators to permanently adopt those maps. Though Democrats argued some of the court-drawn maps disenfranchised minority voters, all three maps easily passed both chambers and were signed by the Governor on June 26, 2013.

A key priority left unresolved at the close of the regular session was a mechanism for funding critical transportation-related projects. When the issue was added to the call, legislators moved swiftly to put forward a measure asking Texas voters to authorize funding for State road and maintenance projects. SJR 2, by Robert Nichols (R – Jacksonville), would raise nearly \$1 billion by diverting half of the oil and gas severance taxes currently earmarked to go to the State's Rainy Day Fund to instead go directly to the State Highway Fund. The joint resolution passed the Senate unanimously. The House adopted an amendment stating funds could only be diverted in years when the Rainy Day Fund has a balance of at least one-third of its legislatively mandated cap. Because the bill was amended in the House, it had to be returned to the Senate for final approval.

SB 23, by Joan Huffman (R – Houston), would revise the sentencing guidelines for 17 year-olds convicted of capital murder in Texas to comply with a recent U.S. Supreme Court ruling. The bill would amend the maximum sentence to life with the possibility for parole after 40 years, the same punishment as other teens standing trial as adults for capital murder. The bill passed the Senate unanimously days after Governor Perry added the topic to the special session agenda. The House adopted an amendment to allow 17 year-olds to be sentenced to life without parole if judges or juries considered other mitigating factors. The measure passed the House with one day remaining in the special session, but like the transportation funding bill, SB 23 had to be returned to the Senate for final approval because of the House amendment.

Though multiple bills were filed during the special session to address the abortion regulation item added to the special session call, SB 5, by Glenn Hegar (R – Katy) and sponsored in the House by Jodie Laubenberg (R – Rockwall), became the ultimate vehicle. The bill would ban most abortions at 20 weeks, require all medical and surgical abortions be performed at ambulatory surgical centers, require doctors performing the procedure to have admitting privileges at nearby hospitals, and only allow doctors to administer abortion-inducing drugs. Some considered the bill among the strictest abortion regulation measures in the country, and opponents argued the provisions would likely close all but five of the State's abortion clinics. SB 5 and other abortion bills were scheduled for a House State Affairs Committee hearing with less than a week remaining in the special session. The committee passed SB 5 on a party-line vote, and the bill was set for a vote in the House. After more than nine hours of contentious debate and parliamentary delays over two days, the House approved SB 5 the day before the special session ended.

At the beginning of the first special session, Lieutenant Governor Dewhurst did not move to implement the Senate's traditional "two-thirds rule" requiring a two-third majority of Senators to agree to bring any bill to the floor for consideration. This meant SB 5 only required a simple majority to pass, leaving Democrats opposed to the

bill without the traditional means to block its passage. Senator Wendy Davis (D – Fort Worth) indicated she would attempt to filibuster SB 5 in a last-ditch effort to prevent its passage. To be successful, Senator Davis would have to speak for 13 consecutive hours on topics germane to the bill without sitting, eating, drinking, or taking any breaks. Senate precedent established a “three strikes” rule, granting two warnings about straying from the rules before a simple majority could vote to end a filibuster. After several hours, Republicans began using Senate rules to end the filibuster. Ultimately, the Lieutenant Governor ruled Senator Davis had violated the “three strikes” precedent, signaling an end of the filibuster. However, with nearly two hours until the midnight end of the special session, Democrats used parliamentary inquiries to stall a vote on the bill. Throughout the day, thousands of SB 5 opponents had been gathering in the Capitol and filling the Senate gallery to capacity. As midnight neared, the Senate gallery began loudly protesting, causing chaos in the Senate chamber and stalling proceedings. As the midnight deadline passed and the session came to a close, confusion lingered over whether a vote was successfully taken on SB 5 before the end of the special session. The Senate met in a closed-door caucus, and after several hours Lieutenant Governor Dewhurst announced the bill had failed.

Both SJR 2 (the transportation funding bill) and SB 23 (the juvenile justice reform bill) were scheduled on the Senate calendar after SB 5, and were not considered before the midnight deadline. When the special session came to a close, the only bills successfully passed were the three redistricting bills. This prompted Governor Perry to call legislators into a second 30-day special session that began on July 1.

Second Called Session

With an additional 30 days to address the three issues that failed to pass from the first called session, both chambers quickly began working. All three outstanding issues that failed to pass during the first session were added to the call of the second special session. The House and Senate moved quickly this time, posting committee hearings with the expectation of lengthy testimony on the abortion issue. Both sides of the issue rallied their supporters to become involved during the legislative process. However, due to the chaotic end of the first session, strict rules were enforced to ensure that outbursts and proper legislative decorum were followed. The issue and arguments were exactly the same as in the first special session. The House had a lengthy committee hearing and a long day discussing the bill on the floor. The House approved HB 2 by Jodie Laubenberg on July 10th. The Senate, having heard SB 1 by Glen Hegar in a committee hearing on July 8th, voted HB 2 out of the committee on July 11 and passed the bill the following day. The Governor signed HB 2 on July 18th.

Senator Huffman filed SB 2, which was identical to the juvenile justice legislation (SB 23) from the first session. The Senate passed the bill on July 3rd, and the House passed the legislation, minus the mitigating factor amendment, on July 11. It was signed by the Governor on July 22nd.

The only outstanding issue left to address was transportation. However, in the second called session, the House and Senate were still divided regarding transportation. The Senate passed SJR 1, which proposes a constitutional amendment to dedicate 50 percent of all oil and gas severance taxes currently transferred to the Economic Stabilization Fund (ESF) to the State Highway Fund. Use of these funds would be limited to the construction, maintenance, and acquisition of right of way for non-tolled public roadways. The resolution also included a trigger that would restrict funding for transportation until the anticipated balance of the ESF is equal to at least one-third of the constitutional cap of the ESF. The House took a different approach and passed HJR 2, which proposed a constitutional amendment to be voted on in November 2013, to allocate the tax on fuel solely to transportation needs (one quarter currently goes to fund public education) and then use the Rainy Day Fund to replace lost education funds. A conference committee was appointed and a tentative agreement was negotiated. HJR 2, which would be placed on the ballot of November of 2014 would have directed to the State Highway Fund half of the oil and gas severance taxes that now go to the state Rainy Day Fund. It would have generated about \$850 million for roads in 2014 and more going forward. However, no floor for the Rainy Day Fund was placed in the HJR. The companion legislation, House Bill 16, granted authority to the Legislative Budget Board to set the minimum and established House and Senate select committees on Transportation Funding, Expenditures, and Finance. Concerns over provisions related to the Rainy Day Fund caused concern for some members and HJR 2 failed on a vote of 84 to 40, well short of the 100 necessary to pass a constitutional amendment.

Third Called Session

At the time of this writing, the legislature is involved in its third consecutive called session, ordered by Governor Perry within minutes of the end of the second called session. Transportation was the single issue on the call when it was ordered, though several tuition revenue bond bills have been filed, including omnibus bills SB 3 by Senator Seliger and SB 10 by Senator Zaffirini.

Higher Education Issues

During all special sessions, tuition revenue bond bills were filed in both chambers. During the first two called sessions, Chairman Seliger and Senator Zaffirini filed omnibus bills in the Senate, along with Chairman Branch in the House. Even though the issue was not placed on the call, there was hope that if the issues on the call were addressed, the Governor could expand the call to include tuition revenue bonds.

Discussions with university systems took place, but no hearing was ever held during the first special. During the second special session, the House Appropriations Committee held a hearing on HB 5 by Dan Branch. The bill was voted out and placed on the Calendar for July 29, the same day that the transportation conference committee reports were on the calendar. With the failure of the House to pass a transportation bill, HB 5 was not brought up for consideration.

Appendix

Bill Analysis Task Force

The following is a listing of those individuals that served as analysts on the BATF during the 83rd Legislative Session.

Academic Related Issues

Ken Poenisch

Commercialization Related Issues

Brett Cornwell

Engineering Related Issues

Jose Rocha

Bernie Fette

Will Welch

Gali Zilberstein

Facilities/Construction Related Issues

James Davidson

Financial Aid Related Issues

Joe Pettibon

Finance Related/General Operation Issues

Don Barwick

Pierce Cantrell

Wade Wynn

Human Resource Related Issues

Joni Baker

Patti Bonneson

Information Technology Related Issues

Pierce Cantrell

Benefit/Workers Comp Related Issues

Paul Bozeman

Ellen Gerescher

Deanna Holladay

Kevin McKinnis

Legal Related Issues

Trudy Bennett

Ray Bonilla

Brian Bricker

Jerry Brown

Jorge Canales

Nick Chremos

Tim Coffey

Warren DeLuca

Jan Faber

Steve Garrett

Eddie Gose

Gina Joseph

Scott Kelly

Katherine Knight

Brooks Moore

Andrea Pereira

Karen Royal

Kristin Worman

Research Related Issues

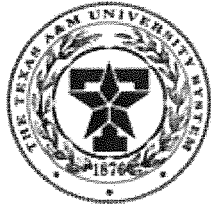
Jon Mogford

Student Service Related Issues

Rusty Jerkins

Treasury/Investment Related Issues

Maria Robinson



THE TEXAS A&M UNIVERSITY SYSTEM

State Relations

