



## December *Voice* presents Critical Analysis of the TRS-Care Interim Report

Tim Lee, *The Voice*, December 2016

TRTA has said for years that TRS–Care is in trouble, and this report confirms it. The report states “continuing to fund (TRS–Care) on a biennial basis is no longer feasible because costs continue to rise at an alarming rate.” TRTA retirees are very grateful for the health care program provided by the Teacher Retirement System of Texas (TRS). The partnership between all involved parties is what has made this important benefit available for retirees. However, if this partnership is unable to find agreement during the legislative session, the report suggests that the burden of change will fall on retirees. While this conclusion is not final, it is alarming. The two solutions presented in the study do not utilize the “share the pain” approach that resolved funding deficiencies with the program in the past. The report was created under the assumption that no new revenue will be available from the state to support TRS–Care. As you will read, neither option presented in the report puts more revenue into the program from an contributing group (the state, school districts, active employees) other than retirees. The report also does not make recommendations to address the inadequacy of TRS–Care’s current funding mechanism. All stakeholders coming to an agreement will be necessary in order to avoid an outcome where retirees carry the entire burden of the shortfall. The report suggests two options for the Legislature to consider: provide a \$400 monthly stipend to non–Medicare eligible retirees to purchase health insurance, or create a high–deductible plan for non–Medicare eligible retirees. Each option would require all Medicare eligible participants, retirees who are 65 and older, to go into Medicare Advantage or choose another plan

outside of TRS–Care. The proposed plans would shift an additional \$600 million in health costs onto retirees. These costs would increase every year.

## One Interim Committee member refused to sign TRS-Care Report

Most members have likely read last month’s *Voice* but for those who have not I am reprinting below the letter from the lone dissenter, **Rep. Justin Rodriguez**, who did not sign the report:

“I know we all agree that this is an important issue—one that requires this body’s full commitment and attention. However, I do not believe the solution requires a significant shifting of the burden onto our TRS retirees and active public education employees who have sacrificed and worked tirelessly to develop the next generation of Texans. I would hope that any proposed solution—both short and long-term—would entail a shared, and meaningful, contribution of state resources.”

## 85<sup>th</sup> Lege Opens Today with Speaker Straus unopposed for 5<sup>th</sup> Term

Patrick Svitek of the *Texas Tribune* noted last week that “it would be a notable departure from the past three sessions, when Straus faced challengers from his right.” Even ultra-conservative Empower Texans chief Michael Quinn Sullivan had to concede, “No challenge to the status quo appears forthcoming.” Locally, Reps. Bonnen, Paul, Faircloth & Thompson are all Straus supporters. Of the 19 Republicans who voted against Straus last session only 14 are in the current House. And all of them have been “relatively quiet” but as Svitek put it, “there will be intra-party drama this session... , especially as Lt. Gov. Dan Patrick tees up a host of conservative proposals in the Senate.” [*Texas Tribune*, 1-4-17]

Democrats represent just over one-third of the 150-member House. But even minority Democrats are clearly engaged in that their unified support for Speaker Straus in the last four sessions provided the incumbent Speaker some security in his election and continued support of his agenda for 2017.

In the 31-member Senate there are just 11 Democrats. Attention will be focused on Lt. Gov. Dan Patrick who as leader of the social conservatives must yet accommodate both majority moderate Republicans and minority Democrats.

**Democrats are fearful of two critical decisions to come from Lt. Gov. Patrick:**

- #1 How many Democrats will chair Senate committees and**
- #2 How hard will he push his right-wing social agenda and ignore more important issues?**

Reps Bonnen, Paul and Faircloth remain in same Capitol offices but Senator Taylor moves to the 3<sup>rd</sup> floor

**Dr. Greg Bonnen** (Dickinson/League City/Friendswood) is in E2.504 (phone: 512-463-0729); **Rep. Dennis Paul** (north of Clear Creek) is in E2.814 (phone: 512-463-0734) **and Rep. Wayne Faircloth** (Bacliff/Texas City) is in E2.812 (phone: 512-463-0502). **Rep. Ed Thompson** (Pearland/Alvin) is in E2.506 (phone: 512-463-0707).

**Sen. Larry Taylor's office remains under the "Pink Dome" but now on the third floor (3E.10), phone # 512-463-0111). To get to Senator Taylor's office use the elevator just inside the East lobby entrance to the left. At the third floor it's the first door to the right. For the vigorous try the stairs to the right of the East entrance door: on the third floor it's the second door to the left (3E.10).**

Legislators have district offices. Sen. Taylor's local office is in the Calder Road North County Annex and is manned by Madison Polston in Ste. 151 (phone: 481-332-003). Dr. Bonnen's local office is in the Annex as well and just down the hall in Ste. 116 and is managed by Faye Picard (phone: 281-338-0924). Rep. Dennis Paul has an office at 17,225 El Camino Real Ste.145 (phone: 281-280-0007) and it is handled by Debra Risinger. Ed Thompson has a local Pearland office at 2341 Galveston Ave, Ste. 120 (phone: 281-485-6565).

The following article by the *Austin American Statesman's* chief political correspondent Jonathan Tilove is essentially the second segment of the *Statesman's* "**Guide to the 85th legislative session.**" The first section provides a description of "Top 10 Issues" that will likely challenge the 2017 legislative session.

(Unfortunately, the TRS-Care crisis is not one of them.)

Both sections provide a pithy but first-rate preview of the dynamic drama of the next 140 days of the 85<sup>th</sup> session of the Texas Legislature. For the full article go to [statesman.com](http://statesman.com) and become better-prepared for the sausage-making roller-coaster under the pink dome.

## Big Three offer contrasting brands of Republican legislative leadership

Jonathan Tilove, *Austin American-Statesman*, 1-7-17

They are the Big Three in Texas politics: Gov. Greg Abbott, Lt. Gov. Dan Patrick and House Speaker Joe Straus. The governor and lieutenant governor are elected statewide. The speaker is elected by the members of the House. This will be the second session for Abbott and Patrick, who were first elected in 2014 and are up for re-election in 2018. This will be the fifth session as speaker for Straus, R-San Antonio, tying the record for length of service. In a state with big Republican majorities in the Legislature, and which last elected a Democratic to statewide office in 1994, the Big Three offer very different — sometimes contending and sometimes complementary — brands of Republican leadership.

### Gov. Greg Abbott

The governorship in Texas is by design a weak office, with the powers typically concentrated with governors in other states spread among other statewide officials. But Abbott's predecessor, Rick Perry, the state's longest-serving governor, filled every appointive office with loyalists and, by dint of his swagger, a couple of presidential runs, an indictment and such memorable moments as shooting

a coyote while jogging, commanded center stage during his tenure.

Gov. Greg Abbott speaks at the Convention of States on Tuesday, December 6, 2016 for the legislation filing at the Texas Capitol in Austin.

Ricardo B. Brazziell / American-Statesman

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Abbott is the most popular political figure in Texas. He is the best financed. He has his own powerful personal narrative of overcoming great adversity, in a wheelchair since an oak tree fell on him as he jogged in Houston in 1984, crushing his spine and leaving him a paraplegic. As attorney general, Abbott built his reputation by serially suing President Barack Obama, with some success.

In his public utterances and tweets, Abbott hews to the right. But as governor, he has mostly hewed to the job's prescribed role, which, in the session, means proclaiming at the outset a few emergency items (those that can be voted on in the first 60 days), exercising his veto at session's end, and using the veto threat and behind-the-scenes nudges and negotiation to guide the process along the way.

In his decision-making, Abbott remains temperamentally what he was for many years: a judge — careful, deliberative and, until he renders his final judgment, often inscrutable. As he told reporters in a pre-session roundtable about Patrick's marquee effort to require individuals to use the public restrooms that correspond to their gender at birth, "I think we are in a situation where there are more unknowns than there are knowns."

**Lt. Gov. Dan Patrick**

At his inauguration as lieutenant governor in 2015, Patrick declared himself a Christian first, a conservative second and a Republican third. His political persona is that of a crusader. Befitting his background as a talk radio host, he speaks swiftly and quotably, free of hesitation or doubt, leaving no controversy behind.

Texas Lt. Gov Dan Patrick announces two initiatives for first responders he will make a priority during the legislative session.

Ralph Barrera / American-Statesman

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In his first session, he consolidated his power, eliminating the rule that required a two-thirds vote to bring a bill to the floor and setting the legislative pace in the Capitol. This session he has already upped the ante, developing a comprehensive agenda of 30 legislative priorities — including property tax reform, reducing the franchise tax and such hot buttons as school choice, sanctuary cities, photo voter ID and the "women's privacy act" (his bathroom bill).

Of the Big Three, Patrick is also the Donald Trump loyalist, having chaired the Trump campaign in Texas, while Abbott endorsed Trump but kept his distance, and Straus just kept his distance.

**House Speaker Joe Straus**

Straus is a cool customer, patrician in bearing, indifferent to the spotlight or the sound bite, while keeping the naturally fractious House functioning as the effective speed governor on Patrick's Senate, slowing or stopping the edgiest elements of the lieutenant governor's agenda.

Texas Speaker of the House Rep. Joe Straus talks with Evan Smith of the Texas Tribune as they preview the 85th Legislature on November 29, 2016.

Ralph Barrera / American-Statesman

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Ralph Barrera / American-Statesman

Like Patrick, Straus enters the session at the top of his game. First elected speaker in 2009 on the strength of Democratic support in a House with a razor-thin GOP edge, Straus this session will preside over a House with an enormous Republican advantage (95-55), and without even a symbolic Tea Party challenge to his holding the gavel in sight.

Straus is mostly unknown to Texas voters. He probably could not survive a statewide Republican primary. But, of the Big Three, he might be closest to the state's political center of gravity.

"I believe in limited government. I also believe in functional government, that public services should be delivered well, with efficiency and accountability," Straus said just after the November election.

"Emotional, divisive issues get the attention, and they get the television ratings, but remember, state government is really about basics — education, public safety, infrastructure."

The item below is a summary of an editorial from the Houston Chronicle's Outlook section last Sunday. Explanatory detail has been deleted but the critical ideas could be useful in discussing the looming TRS-Care crisis.

### The time is right for lawmakers to use state's 'savings account'

DeLuna Castro, *Houston Chronicle*, 1-8-17

....Since 1989, the Texas Constitution has required that a portion of oil and gas production taxes go into the Rainy Day Fund. Many states have a cash reserve, but Texas has the largest in the country.... So, when does it make sense to use the Fund? The Legislature has used the Fund frequently, for both one-time and ongoing budget items. Legislative approval by a two-thirds vote in the House and Senate is required to spend money from the Fund in most circumstances.

In the past, the Legislature has tapped the Fund for everything from public schools to criminal justice to closing shortfalls in Medicaid and the Children's Health Insurance Program. The Fund has been used for new budget items such as the State Water Plan or the Enterprise Fund.

It would be common sense for legislators to use the Fund when the only other choice would be state budget cuts that further destabilize the economy by, for example, triggering teacher layoffs or nursing home closures. Strategic, one-time uses of the Rainy Day Fund could also prevent larger costs in the

future, such as those caused by underfunded state pensions.

Just as many households would do, dipping into savings can be part of a plan to get the state through a temporary shortfall. That's why the Rainy Day Fund was created. It is not designed to correct chronic underfunding of state services, and we don't advocate for such uses. If something needs additional funding in general, the Legislature should devise a way to provide permanent additional funding....

### Stay in Contact with Your State Legislators

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Just scroll to the bottom of his website and email a letter under:

"CONTACT THE LIEUTENANT GOVERNOR."