



The 83rd Session Opens Today

The 140-day 83rd Session of the Texas Legislature opens today with a swearing-in ceremony at noon followed by a much ballyhooed election of House Speaker. Several Tea Party supporters say they plan to vote for David Simpson, a very conservative Republican from Longview, first elected in 2010. However, almost all political insiders give Simpson little chance to prevail over the more moderate and diversely-supported 4-term incumbent Joe Straus of San Antonio. House members tend to keep their Speaker preferences fairly cryptic. As one Tea-Party legislator put it, "My vote is more pro-David Simpson — not anti-Joe Straus"

[Ft. Worth Star-Telegram, 1-4-13]

Over this last weekend **Senator Larry Taylor** and Representative Greg Bonnen settled into new offices at the Austin Capitol complex. Sen. Taylor's Austin office is now directly under the "Pink Dome" in the east wing of the ground floor (new room # GE.5 and phone # 512-463-0111). Taylor will be keeping his familiar home office in the Calder Road North County Annex manned by Teri Goodman in Ste. 116 but he plans a second office in Friendswood. As part of the celebrations Sen. Taylor is planning a brunch in his new office at 10am and a luncheon at Serrano's on Red River Street at 2:30pm. I plan to join with supporters of Sen. Taylor and Rep. Bonnen who are traveling from Friendswood by bus to attend the events.

Rep. **Greg Bonnen**, our new representative for District 24 (Larry Taylor's old district) is now settled along the second floor east side of the Capitol Extension (room #E2.714 and phone # 512-463-0729). Some may notice that Rep. Bonnen phone number is the same as Taylor's old number. Rep. Davis (Dist. 129) has moved to the first floor of the main building in room CAP 1N.10 and phone number 512- 463-0734.

House and Senate members have pre-filed over 535 bills prior to the opening of the 83rd Legislature. But only a quarter of these bills have a chance of surviving to the final day of May 27.

Several dozen of those bills filed so far have dealt

with education. Retired teachers may think that providing a 13th check or setting up a COLA for education retirees ought to be paramount on the minds of legislators; however, far more bizarre ideas are more likely to capture public attention. "Senate Education Chairman Dan Patrick, R-Houston, says that he plans a bill that would provide tax credits for companies that donate money to send some public school students to private schools and under HB 223 by Rep. Dan Huberty, R-Houston, school board members or superintendents who are licensed to carry handguns could bring their guns to school board meetings without fear of prosecution under a state law that bans other people with guns from those meetings." [Ft. Worth Star-Telegram, 12-31-12]

Senator Taylor Comments on Legislative Priorities for the 83rd

Lindsay Peyton, *Houston Chronicle* 12-31-12

Along with several Pearland political leaders State Senator Larry Taylor, R-Friendswood, was interviewed by the Chronicle's Lindsay Peyton at the end of December seeking to get a sense of priorities for the 83rd Legislature. The following is an edited version focusing only on the comments by Sen. Taylor.

"Our first priority of every session is obviously to get a balanced budget passed." Taylor is optimistic that a stronger economy in the state will prevent the budget shortfall and resulting issues from last session, but he also said there will be several topics of debate in the session.

"Our economy is doing better than it was, but we are still facing a lot of challenges," he said. "There are a lot of hard decisions ahead."

Taylor said his second priority after creating a balanced budget is education reform. "We are in the process of transforming our educational system for the 21st century," he said. Among the changes he hopes to see are increased use of technology and more focus on career training.

"We should be reaching out to people with different talents and gifts," he said. "Not everyone needs to attend a four-year university. We have people gifted with their hands, and we need to reach out to them and help them get good jobs."

.... "Transportation is a huge issue particularly in our area," he said. "We have to get more dollars to our roads and highways, and how we do that is up for debate." He said fuel taxes and increased

registration fees are possible options. "To build roads and maintain what you have, you need to have funds," Taylor added. "And the system we have is not doing the job. We need additional funding."

...Taylor said that the recent drought will make water conservation a key topic. "The drought has been a foreshadowing of what our future looks like," he said. "If we don't develop our resources, that will be our new norm."

The "S" Word for the 83rd May be "Surplus"

By Paul Weber, AP, 1-1-13

The new budget s-word this time around? Surplus. But when lawmakers next week begin the 83rd legislative session with a potentially record amount of unspent revenue - more than \$8 billion, according to many observers - that money won't last long or go far. Nor has Texas' far rosier economic picture put budget-writers in the mood to spend more or reverse historic cuts. The battle in 2013 will be over how much bigger - not smaller - the budget will get.

"The basic needs look like they can be taken care of," said Dale Craymer, president of the Texas Taxpayers and Research Association and former state official who has worked in the budget offices of both the governor and comptroller. "It's just going to be a fight for the icing."

The Texas economy is humming. Unemployment is at a four-year low of 6.2 percent, sales tax receipts are skyrocketing and money is pouring in to state coffers behind a new energy boom, fueled by oil gushing in West Texas and a fracking frenzy from North Texas to San Antonio. Even the Rainy Day Fund, the state's emergency piggybank, has replenished most of the \$3.2 billion borrowed during the last session after much hand-wringing by reluctant conservatives....

"We're in a very different place than we were two years ago," said John Heleman, the chief revenue estimator for the state comptroller's office.

That may be true, but still in place from two years ago are expensive IOUs the state needs to settle.

Medicaid is the biggest one. Lawmakers must pay a \$4.7 billion tab on the state's health program for its poorest residents and the disabled before writing a new budget for 2014-15. They'll write that check in a supplemental spending bill that will also need to pay for the \$600-million cost of fighting devastating wildfires of 2011. Once those bills are paid up, lawmakers can begin writing the budget for the next

two years....

Exactly how much money lawmakers will have at their disposal won't be known until... [Jan. 7], when Comptroller Susan Combs releases a two-year revenue estimate. Republicans - who don't have the House supermajority they enjoyed in 2011, but will still be calling the shots - already want new restraints on how much lawmakers can spend.

Gov. Rick Perry and other top GOP leaders want to limit spending increases to a formula of population growth plus inflation. That would be less than the \$77.9 billion cap set by the Legislative Budget Board, which is a 10% increase over current levels.

Democrats and others view such self-imposed restrictions as unnecessary. The Center for Public Policy Priorities, a progressive-leaning think tank in Austin, said the state has enough money on the table now to undo the steep cuts in 2011 and retain current services if the lawmakers were willing to exhaust the Rainy Day Fund that now has a balance of about \$8.1 billion.

But there is little appetite to do so.

"That's a tough, tough challenge for the makeup of the new legislature," said Eva DeLuna Castro, a senior budget analyst for the CPPP. "And it's also not letting us undo all the other smoke and mirrors the legislative leadership has said is a priority."

Republican House Speaker Joe Straus, who has pledged to pump money back into schools this session, is signaling more optimism than two years ago.

"I don't want to be misleading and say 'Oh we're back to complete blue skies,'" Straus said. "But certainly our economy has recovered nicely. But you need to keep it in perspective that we were in a serious hole."

Two State Newspapers Anticipate Some Texas Surplus Clatter

From a Dec. 30th article written by Robert Garrett in the *Dallas Morning News*:

"The budget chiefs acknowledged that a recent surge in sales tax and energy production tax revenue has been impressive, leaving lawmakers with as much as \$8 billion more in the current cycle than they planned to spend. Still, they noted that money largely will disappear if, as expected, lawmakers pass a huge supplemental spending bill early in the session.... Leaders say that is needed to patch the existing budget's \$4.7 billion

Medicaid IOU, reverse a planned delay of the \$2 billion August 2013 school payment, and cover smaller, unexpected costs, such as fighting wildfires in fall 2011.

From a Jan 4th editorial in the Corpus Christi *Caller-Times*:

It didn't take any economic genius to figure out that Texas was drilling and fracking its way out of a recession. Ignoring this inevitability in 2011 while slashing public education and health care for the poor took no small amount of what we, for lack of a better word, can only call dishonesty on the part of Gov. Rick Perry and the vast majority of legislators who tagged along....

This surplus is an opportunity, but not just to spend. It also presents the opportunity to look seriously at how much damage the \$5.4 billion in cuts did, how public education has managed to survive in its aftermath, and how much of the cut funding needs to be restored....

Garcia/Alvarado Race set for Jan. 26

Julián Aguilar, *Texas Tribune*, 1-3-13

Eight contenders — five Democrats, two Republicans and a member of the Green Party — filed paperwork to be on the ballot for the Jan. 26 special election....

Two Democratic veterans in Harris County politics emerged early on as the front-runners: state Rep. Carol Alvarado, 45, who also served six years on the Houston City Council, and Sylvia Garcia, 62, a former Harris County commissioner and city of Houston controller. Republican R.W. Bray, 37, who lost to Gallegos in November, also announced his intentions early on to run for the seat, and Republican Dorothy Marie Olmos, 54, an educator who ran for the State Board of Education in November, filed Dec. 14.

Also in the mix is Democrat Susan Delgado, 48, who lists her occupation as real estate broker. She had previously challenged Gallegos, losing in 2004 and 2008. Democrats Rodolfo M. Reyes, 59, a business consultant and former member of the League City City Council, and Joaquin Martinez, 32, a self-described “silent community leader in the East End,” filed to run on Dec. 27, the last day candidates could file. Green Party candidate Maria Selva, 52, has also filed. She lists her occupation as a community

organizer.

The district leans Democratic; Gallegos won posthumously with 71 percent of the vote.

Following the Jan. 26 election, the county has 10 days to canvass the results, while Perry's office has 14, said Alicia Phillips Pierce, the secretary of state's deputy communications director. The governor's canvass can't take place until the county finishes its own, and Perry has five days after his canvass to order the runoff election. The runoff would have to be set on a date between the 12th and 25th day after Perry ordered it, and it must take place on a Tuesday or a Saturday.

Following the runoff election, the county has 10 days to canvass the results and the governor's office has 14. The winner cannot take office until the governor's canvass, which means the district could be without representation until spring.

A Simple Fact: Texas Has Enough Money On-Hand to Undo All the School Budget Cuts

Robert Garrett, *Dallas Morning News*, 12-17-12

Texas' continuing surge in state tax collections means it can afford to undo last year's cuts to public schools — if lawmakers want to, according to retired state fiscal analyst Stuart Greenfield....

It should have “more than enough funds” to restore \$5.4 billion of formula funding cuts and reduced grants to public schools that the Legislature approved last year, and plug the \$4.7 billion hole that lawmakers deliberately left in this year's Medicaid budget, he said....

Greenfield worked for three comptrollers, including the late Bob Bullock, whom he served as chief revenue and economic analyst. He has created a website, on which he posts lots of numbers. He noted that in September, October and November, the state collected nearly \$1 billion — or 11 percent — more than it did in the previous fiscal year's first quarter. “Two taxes, sales tax (63.4 percent) and oil production tax (25.2 percent) accounted for almost 90 percent of the increase in state tax collections,” he noted.

We said here last Wednesday that sales tax is such a gusher that the state could end its two-year budget cycle in August with about \$8 billion in uncommitted state revenue, on top of at least \$8 billion in rainy-day dollars that should be available to budget writers next session.

Greenfield anticipates nearly \$9 billion of state

revenue will be available, in addition to \$10 billion in the rainy day fund.

Among the Republicans who run the place, there's not much enthusiasm for undoing the \$5.4 billion in school cuts. Even though they may agree to reverse a planned delay of next August's \$2 billion state payment to public schools and put in some extra money to cover student enrollment growth, GOP leaders' balking on the cuts restoration is sure to fuel the wrath of school groups and Democrats.

Larry Gonzales Tapped for Today Show on Jan. 18

Roundrock Leader, 1-4-13

We know Larry Gonzales [R-Round Rock] as the representative who has filed **HB103** which would set up a one-time \$2400 supplemental payment for TRS retirees in 2013. His wife teaches for Round Rock ISD.

Representative Gonzales is scheduled to be featured on NBC's "The Today Show" on January 18 and in Parade magazine January 20, as part of a panel discussion examining the role of Hispanics in American politics....

The panel - which also included San Antonio Mayor Julian Castro - discussed topics ranging from politics and economics to education, immigration and culture....

"Parade magazine was looking to do a feature on what impact the Hispanic community had on the presidential election and what impact it will have going forward," Gonzales said.

For the second session in a row 5-term Democrat **Rep. Mando Martinez** of Weslaco has filed a "cost-of-living" bill (**HB175**). However, the passage of such a bill would be meaningless if the legislature fails to ensure that the TRS fund is "actuarially sound" by the October, 2013. **HB175** clearly states that such a benefit cannot be allowed, "unless the [TRS] finds that the retirement system is actuarially sound and has money available to pay increased benefits in that year." According to the **HB175** a prorated benefit would be possible if some of the money were available. **HB175** allows the computation of "the largest rate of adjustment possible for the amount of money available while maintaining the actuarial soundness of the system." The full text of both **HB 175** and **HB 103** can be found by googling "Texas Legislature Online" and clicking on "Bill Lookup."

A word on Steve Stockman from the Austin Am. Statesman

Jonathan Tilove, Austin American-Statesman, First Reading, 1-3-13

This is the second trip to Congress for Stockman, who was first elected in 1994, defeating veteran lawmaker Jack Brooks, and serving one term, before being defeated for re-election. As National Journal notes in its profile of the returning member, "Stockman caused plenty of controversy during his brief stint in Congress in the mid-1990s. But his strong opinions and unabashed conservatism suit the heavily Republican, southeast Texas district just fine. Of the four new congressional seats Texas gained from redistricting, the 36th is the most conservative and is tailor-made for Stockman." National Journal notes that his first go-round, "Stockman antagonized House Speaker Newt Gingrich by opposing the U.S. bailout of the Mexican peso, which had been delicately crafted in a high-level bipartisan deal."

Now, Todd Gillman reports on the Dallas Morning News Trail Blazers blog, Stockman "wants (John) Boehner removed as Speaker and will oppose his bid to keep the post — almost certainly a symbolic gesture, since there is no announced GOP challenger, though one that Boehner won't quickly forget. "We cannot tolerate betrayal of conservative principle and economic reality," Stockman wrote on his blog, calling Boehner a "decent man" who has mishandled his post.

[Follow up on Congressman Stockman's vote from *The Texas Tribune*, 1-4-13]

During the roll-call vote for House Speaker [January 3] Freshman Rep. Steve Stockman of Friendswood voted "present," saying Boehner had "signed our country onto a fiscal suicide pact" by supporting the recent fiscal cliff deal.

TRTA Lobby Day: March 20

It's time to pay up if you are going to go with us on the bus to Austin on March 20. Make your check payable to CCART and give it to our treasurer. District IV is paying half the cost of the buses including bottled water and sandwiches from Jason's Deli.