

# Kirk Watson



COMMITTEES:  
BUSINESS & COMMERCE  
FINANCE  
HIGHER EDUCATION  
NOMINATIONS  
JOINT OVERSIGHT  
ON GOVERNMENT FACILITIES

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## *Dear Friends:*

*The 84th Legislature brought some major changes to the Texas Capitol.*

*We had changes in leadership with a new governor and lieutenant governor, and almost one-third of the 31-member Senate was new. The Senate also ended a long-standing tradition — known as the two-thirds rule — that had ensured that members of the minority party and their constituents had a voice in the upper chamber. That tradition had been in place for several decades and had served the Senate and Texas very well through deeply divided times.*

*I worked hard to represent the people of Senate District 14. We began shoring up our state employee pension; provided the necessary tools for the Dell Medical School at The University of Texas to get up and running; and championed ways to improve affordability in Austin and beyond.*

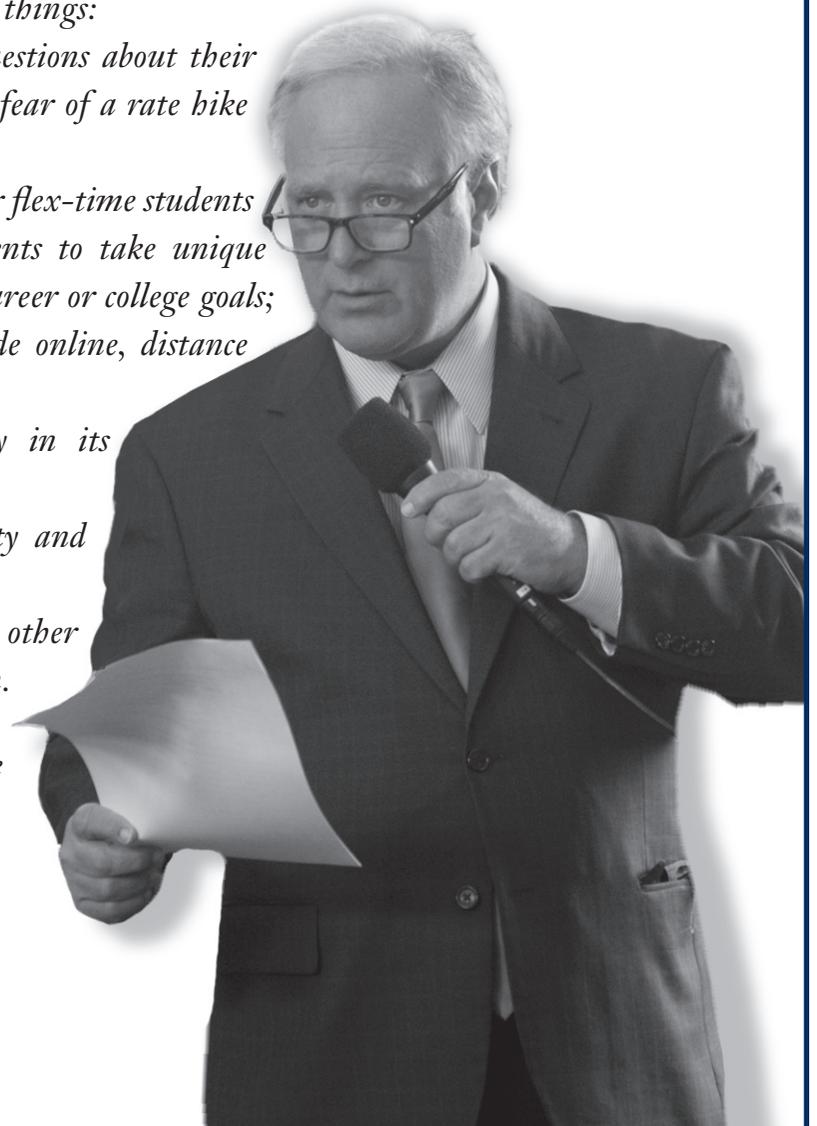
*And I passed legislation that, among other things:*

- *Allows insurance consumers to ask questions about their homeowner and auto policies without fear of a rate hike or cancellation;*
- *Provides school districts full funding for flex-time students and creates incentives to allow students to take unique course schedules that best meet their career or college goals;*
- *Helps colleges and universities provide online, distance education more efficiently;*
- *Assures UT Austin some flexibility in its admissions program;*
- *Ensures funding for motorcycle safety and education; and*
- *Protects law enforcement officers and other public servants from online retaliation.*

*I deeply appreciate the opportunity to serve you in the Texas Senate.*

*Sincerely,*

A handwritten signature in black ink that reads "Kirk Watson".



# HIGHLIGHTS OF THE 84TH LEGISLATURE

## THE BUDGET

Lawmakers began the 2015 legislative session with an unprecedented opportunity to invest in Texas just four years after making historic cuts to key services.

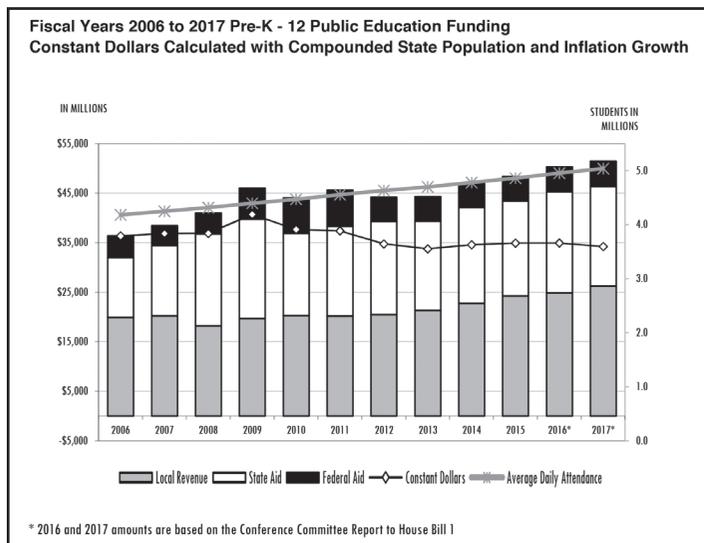
We're helping our higher education campuses build more than \$3 billion in capital infrastructure, support the Legislature has failed to provide for nearly a decade. We've also committed to fixing some long-neglected state facilities, such as the School for the Deaf, where the health and safety of Texas children has been put in peril. State employees can rest assured that the Legislature made significant steps toward shoring up employees' pensions.

In other areas of the 2016-17 budget, particularly public education, the Legislature squandered the opportunity.

### Public Education

Our public schools will be no better off than they are today even as billions of available dollars were left untouched.

With a pending school finance lawsuit, most lawmakers had little appetite for tackling the well-known problems in our state's school funding system. Budget writers put in just enough new money to keep pace with inflation and growing student enrollment. But that level of school funding, when adjusted for population and inflation, remains well below what it was in 2011, according to figures from the Legislative Budget Board.



### Budget Honesty

For years, I've championed — and made good progress on — an Honesty Agenda for budget transparency. I've shed light on the debt, diversions and deceptions that have become commonplace in the Texas budget. This session, we took another step forward by ending the decades-old diversion of gas tax dollars, which frees up \$600 million a year for transportation.

Since 1991, budget-writers have allowed billions of dollars in dedicated taxes and fees to accumulate in hundreds of accounts so that money can be used to certify the budget as balanced. The 2014-15 budget relied on more than \$4 billion in dedicated funds, including those intended to reduce emissions and support trauma care facilities. Working with Gov. Greg Abbott, I filed a proposed constitutional amendment that would have weaned the state off that deceptive budgeting practice. The companion to my legislation won unanimous approval from the Texas House but the Senate Finance Committee was never given the opportunity to vote on it.



Senator Watson welcomes students from Fulmore Middle School who served as pages.

### Additional Priorities

The 2016-2017 biennial budget added more funding to the following priority areas:

- \$244 million for mental health programs that will expand services for veterans, eliminate waiting lists for outpatient services and increase the number of psychiatric beds;
- \$768 million bond authorization for new state facilities in the Capitol Complex as well as North Austin;
- \$167 million for air quality programs; and
- \$768 million in the supplemental appropriations bill to cover the shortfall for TRS Care and ensure that healthcare for retired teachers is fully funded over the next biennium.

## PUBLIC EDUCATION

Improving early childhood education across Texas brought together a broad bipartisan coalition. Gov. Abbott made early childhood education a priority issue and emergency item at the start of the session. Ultimately, the members approved House Bill 4, which promotes high-quality prekindergarten by increasing available funds, recommending better student/teacher ratios, and expanding teacher certification and continuing education requirements.

Efforts to privatize public education through vouchers or tax credits failed to gain traction in the House. Proposals to turn over struggling campuses or school districts to alternative management also fell short. These debates over how to improve public education and student outcomes will likely continue for years to come.

Despite the lack of will to address the big school finance issues, the Legislature did approve legislation I carried with Rep. Donna Howard to provide full funding for flex-time students. Our aim is to encourage school districts to allow students to take unique course schedules that best meet their career or college goals.

## HIGHER EDUCATION

On the whole, this was a good legislative session for higher education in Texas.

The Legislature made critical investments in higher education infrastructure and increased formula funding for research and academics at both general academic and health-related institutions. New capital construction had not been authorized since 2006, leaving many campuses in dire need of additional facilities or renovations. The 84th Legislature took this responsibility seriously and authorized funding for more than \$3 billion in new projects, including the restoration of Welch Hall at UT Austin.

# HIGHLIGHTS OF THE 84TH LEGISLATURE

Financial aid at public and private colleges and universities got a bump in funding. Ensuring affordability in higher education is paramount for Texas and much more must be done to help, but the additional funding is an improvement. Rising tuition will remain an issue and the debate over how to control it will continue.

I'm also heartened that the efforts to repeal the Texas Dream Act, which allows certain immigrants to receive in-state tuition rates at Texas universities, were unsuccessful.

Beginning in 2016, two new medical schools in the University of Texas System will enroll their first students. Medical education is an important statewide issue, and expanded medical education has the potential to improve healthcare outcomes, educational attainment, and job opportunities across Texas. Two of my bills – SB 1466 and SB 2031 – lay the groundwork for new medical schools in the state. Finally, the Legislature approved increased funding to support and expand graduate medical education, also known as residency programs.

UT Austin will maintain its current flexibility under the statewide automatic admissions policy, commonly known as the Top 10% Rule. I sponsored the bill to assure this flexibility. The bill continues the current practice of capping automatic admissions at UT Austin to 75 percent of an entering class, leaving the institution with some discretion over its admissions pool.

Guns on campus garnered a lot of attention during the legislative session. Senate Bill 11 by Senator Birdwell allows license holders to carry concealed handguns on college campuses, with a few exceptions. First, private colleges may completely ban handguns. Second, the presidents at public universities may ban handguns on specific and limited parts of campuses. Separate legislation that allows license holders to carry handguns openly in a secure holster does not apply to college campuses.

## PUBLIC EMPLOYEES

The Legislature provided full funding for the healthcare and retirement costs for both active and retired state employees. Budget writers also committed early on

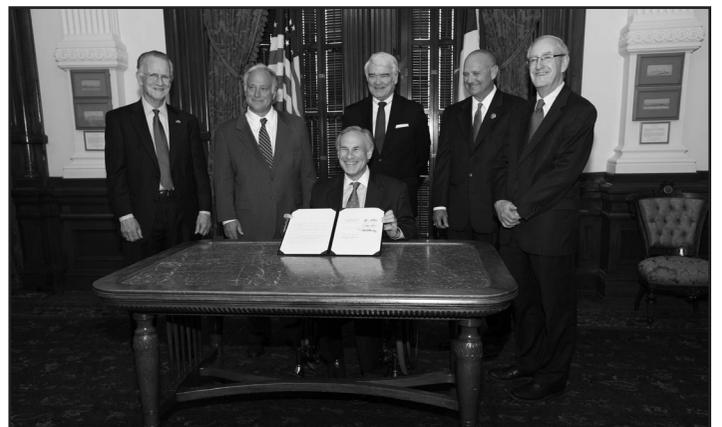
to finding all necessary funds to pay for TRS Care, the healthcare program for retired school employees. Additionally, the Legislature approved House Bill 9, laying the groundwork for the ERS pension to move toward actuarial soundness. Lawmakers also maintained their commitment to the TRS pension and kept that pension financially sound.

This session, the Legislature also approved protections for government employees, including teachers, who breastfeed and required public employers to make reasonable accommodations for such employees.

Following the regular session, the U.S. Supreme Court ruled in favor of marriage equality. As a result, state employees who receive benefits are now eligible to enroll a same-sex spouse for dependent benefits.

## TAXES

While tax cuts dominated the headlines during the legislative session, the debate between the House and the Senate was never whether to cut taxes; it was about what taxes to cut and by how much. The end result was a \$3.8 billion package aimed at reducing taxes for businesses and homeowners over the next two years.



*Gov. Abbott signs one of Senator Watson's bills, SB 534, which adds integrity and civility into the attorney's oath.*

## Property Tax

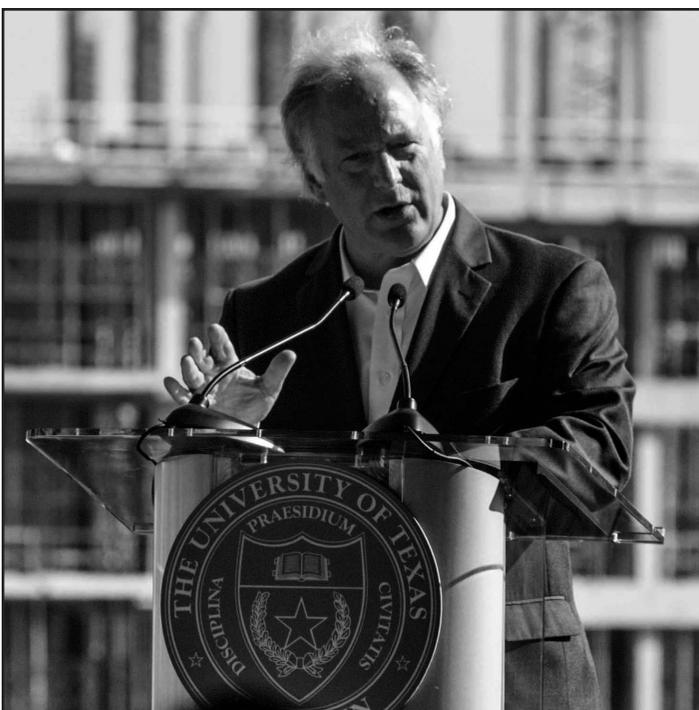
In November, voters will consider a constitutional amendment to increase the homestead exemption from \$15,000 to \$25,000 for school property taxes. A higher homestead exemption would reduce the taxable value of a home and, in turn, trim a homeowner's property tax bill by about \$125 per year. Homeowners will see the effect of this higher homestead exemption on the tax bill they receive in October, as lawmakers expect voters to approve the amendment.

The state will bear the \$600 million annual cost to ensure that school districts do not lose revenue as a result of the higher homestead exemption.

But if Texas is going to significantly reduce local property taxes, the state will have to pick up a greater share of the cost of public education because local property taxpayers are shouldering more than half the burden.

## Franchise Tax

The franchise tax, which is paid by businesses, is the second largest source of state revenue and was overhauled in 2006 to bring in more money specifically for our public schools. That's why I opposed legislation that ultimately lowered the franchise tax rate by 25 percent and is expected to reduce state revenues by almost \$1.3 billion a year.



*Senator Watson speaks at a press conference for the Dell Medical School at The University of Texas at Austin. Photo credit: Marsha Miller*

# HIGHLIGHTS OF THE 84TH LEGISLATURE

The Legislature has a constitutional responsibility to Texas schoolchildren and we won't know what it costs to fulfill that responsibility until the Texas Supreme Court rules in the ongoing school finance litigation. Cutting the franchise tax limits the options for the Legislature to respond to the high court decision.

## TRANSPORTATION

Lawmakers came into the legislative session committed to finding additional money for transportation after voters overwhelmingly approved Proposition 1, a 2014 constitutional amendment that directed some oil and gas production taxes to road construction and maintenance.

The Texas Department of Transportation estimates it needs an additional \$5 billion per year to keep congestion at current levels. And that number assumes ongoing partnerships with local governments and the continuation of tolls to help construct and maintain roads. Proposition 1 is expected to produce about \$1 billion. So where do we find the rest?

Budget-writers helped by ending the \$600 million annual diversion of gas tax revenue to pay for other non-transportation items, which allows that money to be used now for transportation. And voters will consider another constitutional amendment this coming November, Proposition 7, that will dedicate \$2.5 billion in sales tax revenue each year to transportation. That measure includes important protections for other budget priorities, such as education, if sales tax revenues drop below a certain level.

Even with all these changes, we are still short of the \$5 billion needed just to maintain the current levels of congestion, never mind reduce it.

### *Interstate 35*

To fix our transportation system, Texas must embrace an "everything AND the kitchen sink" approach. And that is especially true for the section of Interstate 35 that passes through Senate District 14. I-35 is the transportation spine of our state and essential for ensuring a healthy economy and a good quality of life.

As a member of the Senate Finance Committee, I was able to include funding in the budget to encourage long-haul trucks to use SH 130 instead of I-35. We also passed legislation to encourage state agencies to support employee teleworking and keep them off Central Texas highways at rush hour. Unfortunately, the governor vetoed the teleworking bill and the funding source for the SH 130 program is not certain. We're making progress on other I-35 projects thanks to the foresight of the 82nd Legislature, which allocated \$300 million to advance transportation projects on the most



*Senator Watson and a page work on important state business on the Senate floor.*

congested roads. In Central Texas, there were six eligible roads and \$31 million allotted. A working group I created and chaired allocated more than half of the funds to I-35.

Through partnerships with the City of Austin and local governments in Williamson and Hays counties, we're seeing the fruits of this investment in projects designed to improve traffic flow and reduce congestion.

We recently announced a 10-year plan to significantly improve I-35 through Hays, Travis and Williamson counties. Rather than one large project, the plan is broken up into bite-sized projects that each improve your commute. The plan includes a substantial rework, and in some sections complete reconstruction, from US 183 to Woodland Drive plus separate projects north and south.

This announcement coincided with completion of a preliminary environmental study that identified express lanes, like those going in on MoPac, as the recommended method of adding an additional lane from SH 45 North to SH 45 SE. This project is also included in the 10-year plan.

Solving the funding puzzle for each independent project is an ongoing effort. Funds from the constitutional amendment approved by voters in 2014 are helping with some of the smaller projects, including some underway right now. Local partnerships will be key, but additional state funds are essential.

## CONSUMER PROTECTION

Several bills I passed this session should give consumers a little peace of mind.

As companies such as Uber and Lyft have taken off in recent years, auto insurance policy requirements haven't kept up. Under-insured drivers endanger the drivers themselves as well as passengers and other folks who share the road. Under HB 1733, both the companies and drivers are required to carry auto insurance adequate to protect the drivers and passengers on Texas roadways.

Insurance consumers will also be protected from price hikes or cancellation simply for asking questions about their home or auto insurance coverage. It's a common-sense protection that costs the insurers nothing but will help Texans better understand their policies.

And I worked diligently to defeat several bills that would have significantly reduced the ability of policyholders to challenge an insurance company's denial of a claim and to hold insurance companies accountable.



*Senator Watson discusses matters with Finance Committee Chairwoman Jane Nelson and other colleagues.*

# HIGHLIGHTS OF THE 84TH LEGISLATURE



*Senator Watson honored members of the Special Operations Detachment-Africa (Airborne) unit of the Texas Army National Guard.*

## STATE FACILITIES

Texas has a backlog of more than \$1 billion in deferred maintenance at state buildings because lawmakers have failed to invest in our facilities for well over a decade. The result can be seen in the deplorable condition of some of the buildings and infrastructure at the School for the Deaf in Austin, which the State Fire Marshal nearly shut down last year because of safety concerns.

Buildings constructed two decades ago are experiencing serious structural problems and pest infestations because of a lack of maintenance. Fixing these problems is costing significantly more today than if the state had funded and implemented industry maintenance standards for the past two decades.

The 2016-17 budget takes a meaningful step toward addressing these needs by allocating \$250 million, which the Joint Oversight Committee on Government Facilities will oversee. Lt. Gov. Dan Patrick appointed me to serve on that committee.

Texans are all incredibly proud of our beautiful Capitol and its grounds. But the state hasn't adopted a new vision for the Capitol environs since the 1950s. We're working to complete a Capitol Complex Master Plan, which will be available for review and formal input this fall.

It's exciting to consider the possibilities of extending the majestic look and feel of the Capitol grounds throughout the rest of the Capitol Complex. Of immediate import, the recommendations in this plan will influence the exterior of the new buildings approved in the current budget. This process is an opportunity to define the look and feel of our Texas Capitol for generations to come.

## ETHICS

Gov. Abbott declared ethics a priority issue but the 84th Legislature failed to pass meaningful ethics reform. I was able to advance important ideas about the need to increase transparency and disclosure regarding lobbying activity. Many good ideas were debated, but ultimately, little progress was made.

In fact, some of the ethics bills that did pass were a setback for transparency and accountability because late in the session they included "spousal loophole" language that would have allowed elected and appointed officials to hide financial interests of their spouse. Ultimately, Gov. Abbott vetoed two bills out of concern for the late-added language.

## PROPOSED CONSTITUTIONAL AMENDMENTS

Texans will go to the polls Nov. 3 to consider several proposed amendments to the state Constitution.

### PROPOSITION 1

Increases from \$15,000 to \$25,000 the amount of the homestead exemption used to determine a homeowner's property tax for public school purposes. Also freezes existing homestead exemptions for cities, counties and other local governments for five years and prohibits a real estate transfer tax.

### PROPOSITION 2

Provides for a property tax exemption for the surviving spouse of a 100 percent or totally disabled veteran who died before the law authorizing a residence homestead exemption for such a veteran took effect.

### PROPOSITION 3

Repeals the requirement that state officers elected by voters statewide reside in the state capital.

### PROPOSITION 4

Authorizes the legislature to permit professional sports team charitable foundations to conduct charitable raffles.

### PROPOSITION 5

Authorizes counties with a population of 7,500 or less to perform private road construction and maintenance.

### PROPOSITION 6

Recognizes the right of the people to hunt, fish, and harvest wildlife subject to laws that promote wildlife conservation.

### PROPOSITION 7

Dedicates certain sales and use tax revenue and motor vehicle sales, use, and rental tax revenue to the state highway fund to provide funding for nontolled roads and the reduction of certain transportation-related debt.



*Senator Watson reviews an amendment to a Senate bill.*

## OTHER BILLS SENATOR KIRK WATSON PASSED IN 2015

- ◆ **SB 593** aims to foster the timely resolution of lawsuits relating to property appraisals by creating incentives for both the property owners and appraisal districts to engage in settlement discussions.
- ◆ **SB 1470** authorizes the Higher Education Coordinating Board to join a national reciprocity agreement that will help colleges and universities provide online, distance education more efficiently.
- ◆ Goodwill Central Texas operates two innovative charter schools – a dropout recovery high school and a pilot high school serving students ages 19 to 50. State law prohibited these two schools from using the same classrooms and facilities, and **SB 2062** allows them to do so.
- ◆ **HB 3163** provides that an individual board member of Groundwater Conservation District Board Members is immune from a lawsuit for an official act so long as they do not act in their personal interest, abuse their office or violate the state or federal Constitution.
- ◆ **HB 2391** allows a customer to redeem in person the balance of a gift card if less than \$2.50 remains after the purchase.
- ◆ **HB 1670** permits a woman to take home her placenta after giving birth without first obtaining a court order.



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## Senator Kirk Watson

Texas State Senate  
P.O. Box 12068 Austin, Texas 78711



## Useful State Government Contact Information

Information and Referral Hotline.....211	Department of Public Safety	Complains	Information Line .....(800) 558-9368
Secretary of State	Concealed Handgun Licenses .....(800) 224-5744	Complains	Texas Dept. of Transportation
Office of the Attorney General	Drivers Licenses .....(512) 424-2600	Complains	Information Hotline
Child Support Division .....(800) 252-8014	Surcharges, Driver Responsibility	Complains	Complains Against Vehicle Dealers... <a href="http://google.com/KVWVKKA">google.com/KVWVKKA</a>
General Inquiry/Consumer Protection ... (800) 621-0508	Program	Complains	Information Hotline .....(888) 368-4689
Public Information/Open Records.....(877) 673-6839	Texas Veterans Commission	Complains	Information Hotline .....(888) 368-4689
Texas Workforce Commission	Veterans Hotline .....(800) 252-8387	Complains	Information Hotline .....(888) 368-4689
Unemployment and Workforce Solutions... (800) 832-2829	Dept. of Aging & Disability Services	Complains	Information Hotline .....(888) 368-4689
Mortgage & Foreclosure Assistance	Office of Consumer Rights & Services .. (800) 458-9858	Complains	Information Hotline .....(888) 368-4689
Texas Department of Housing and	Dept. of Assistive & Rehabilitative Services	Complains	Information Hotline .....(888) 368-4689
Community Affairs .....(800) 792-1119	Services Information Hotline .....(800) 628-5115	Complains	Information Hotline .....(888) 368-4689
TX Dept. of Savings and	Complaint Hotline .....(888) 973-0022	Complains	Information Hotline .....(888) 368-4689
Mortgage Lending.....(877) 276-5550	Information and Referral Hotline.....(888) 963-7111	Complains	Information Hotline .....(888) 368-4689
Office of Consumer	Teacher Retirement System	Complains	Information Hotline .....(888) 368-4689
Credit Commissioner .....(800) 338-1579	Telephone Counseling Center .....(800) 223-8778	Complains	Information Hotline .....(888) 368-4689
Texas Department of Insurance	Employees Retirement System of Texas .. (877) 275-4377	Complains	Information Hotline .....(888) 368-4689
Workers' Compensation Hotline.....(888) 489-2667	Texas Commission on Environmental Quality	Complains	Information Hotline .....(888) 368-4689
Office of Injured Employee Counsel .....(866) 393-6432	Public Assistance Hotline .....(800) 687-4040	Complains	Information Hotline .....(888) 368-4689
Consumer Helpline/File a Complaint .....(800) 252-5400	Environmental Complains .....(888) 777-3186	Complains	Information Hotline .....(888) 368-4689
Texas Abuse/Neglect Hotline.....(800) 252-5400	Reporting Alcohol-Related Violations ..... <a href="http://google.com/egs5MW">google.com/egs5MW</a>	Complains	Information Hotline .....(888) 368-4689
Foster Care and Adoption Information ....(800) 233-3405	Texas Real Estate Commission	Complains	Information Hotline .....(888) 368-4689
Texas Youth & Runaway Hotline.....(800) 989-6884	Complains ..... <a href="http://google.com/O85iP">google.com/O85iP</a>	Complains	Information Hotline .....(888) 368-4689