Dear Friends:

This was my sixth legislative session and it was unlike any that I’d experienced before.

Filled with tension and conflict, the 85th legislative session was intensely personal for many, many people. That intensity translated into an unprecedented level of engagement from Texans. Thank you to everyone who got involved.

Unfortunately, those in control of the Capitol chose to focus much of their efforts on divisive legislation while ignoring Texas’ biggest challenges. That approach continued into the so-called “special” session in July.

My priority was you and the policies that do the most good for Texans — protecting children, supporting public education, improving access to health care and ensuring equal rights for everyone.

As a member of the Senate Finance Committee, I served on special working groups that influenced funding for Child Protective Services and higher education, including UT-Austin. I also helped to secure more funding for our state mental health hospitals.

And I passed legislation that, among other things:

- Supports survivors of campus sexual assault by reducing the barriers to reporting sexual assault and strengthening university sexual assault policies;
- Fosters the work of Foundation Communities, Habitat for Humanity and other non-profits to create affordable housing;
- Allows more adult students to earn a high school diploma through the Goodwill Excel Center; and
- Honors the service and sacrifice of law enforcement officers killed in the line of duty by ensuring all who are eligible are included in the Texas Peace Officers’ Memorial Monument.

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

Sincerely,

[Signature]
THE BUDGET

Coming into the regular legislative session, the biggest challenge was the budget.

You probably heard a lot about how the decline in oil and gas prices was hurting state revenue. There’s some truth to that, but that narrative ignores this fact: two years ago, the Legislature made short-sighted tax cuts and other decisions that significantly reduced the revenue needed to pay for education, health care and other basic state functions.

Among those decisions were a $2.6 billion reduction in the franchise tax and the dedication of $5 billion of sales tax revenue to transportation, which voters approved in 2015. We absolutely needed to invest in our transportation infrastructure, but this plan didn’t generate any new money to do so. As Speaker Straus said at the time, we just moved existing state dollars from one pocket to the other and called it new money. This session, we faced a huge hole as a result.

At the same time, the state had some extraordinary problems, including a foster care system in crisis. A federal judge has declared Texas’ foster care system unconstitutional because children under the care of the state face an unreasonable risk of harm. This is unconscionable.

I was heartened by the bipartisan commitment to address this crisis. The Legislature put an additional $500 million into Child Protective Services to hire more caseworkers, improve foster care rates, increase prevention services, and help relatives step up to care for children who’ve been removed from their homes.

We also maintained a strong commitment to behavioral health. The state is making a $300 million down payment toward overhauling our state hospitals. A portion of that money is anticipated to be used for planning the future of the Austin State Hospital on the current campus, where we have a vision to create the Texas Brain Health Center that will improve access to mental health care for everyone in Central Texas.

In the end, we adopted a $217 billion budget for the next two years that is basically flat even as the state’s population grows. The budget also relies on accounting maneuvers that create a $3 billion IOU for the Legislature come 2019.

Typically, the state has been able to come back after a tough budget cycle and right the ship once the economy rebounds. This time, I think the situation is different, and our budget difficulties, unfortunately, will continue to affect our ability to invest in the people of Texas.

Additional Priorities

The 2018-2019 biennial budget also provided funding for several priority areas:

✦ Dell Medical School at the University of Texas at Austin received first-time formula funding from the state, bolstering the investment our community has made to create the new medical school;

✦ Continuation of emergency funding for flood monitoring and early warning systems.

SCHOOL FINANCE & PROPERTY TAXES

Everyone knows that our school finance system is broken. The Texas Supreme Court admitted as much last year when it concluded the system was minimally constitutional. To fix it, we need to confront two major challenges: many of the funding formulas haven’t been updated in more than 30 years; and the state has steadily decreased its funding contribution for years — shifting more and more of the burden to local property taxpayers.

The House confronted these challenges head-on by passing HB 21, which would have simplified and injected more state money into the system. Unfortunately, the Senate added a poison pill to HB 21 and refused to offer its own legitimate proposal.

The Legislature’s failure to address the school finance system hurts students and taxpayers. In Austin ISD, for example, more than 50 percent of our students are economically disadvantaged and 28 percent are English-language learners. These kids are succeeding, but they need a little extra support, which costs money. Our outdated school finance system does not take these costs into account.

As a member of the Senate Finance Committee, Sen. Watson was able to influence spending on Child Protective Services, higher education and more.

for with state tax revenue rather than funding from a private insurance company; and

✦ Continuation of emergency funding for flood monitoring and early warning systems.

State and Local Spending on Education Per Student in Constant Dollars
Higher Education

It was a roller-coaster ride for institutions of higher education, which initially faced the potential of losing most of the $1.1 billion that state universities use for “special items” — specific projects that universities and colleges have that are funded outside the standard funding formula, such as UT’s McDonald Observatory. Such a cut would have been devastating to many universities and could have led to closures.

In the final days of the session, the House and Senate agreed to put most of the special item funding back in the budget. Budget writers also called for a study of special items and recommendations to improve higher education funding.

Overall, the Legislature provided higher education institutions slightly more in the next two-year budget than in the current biennium, and UT Austin and Austin Community College each received about the same amount of funding as last biennium. While the state’s main source of financial aid, TEXAS Grants, received about a 10% increase, the state continues to underfund its fair share of student financial assistance.

An important priority for me was legislation allowing ACC to offer a 4-year baccalaureate degree in nursing. ACC has an excellent nursing program and is a real asset to Central Texas. I negotiated and worked hard for this bill since it will enhance the ACC program and help us with the nursing shortage we face.

Ending Campus Sexual Assault

Sexual assault is shockingly common on college campuses. One recent survey revealed that 15 percent of female undergraduate students reported being raped since enrolling at one campus. That frightening finding is consistent with national research on the prevalence of sexual assault, which illustrates that this crisis is affecting all our institutions of higher education.

To stop sexual assault on campus, it’s clear we need to take concrete steps to change the culture. We need to better educate all students about consent and respecting sexual intimacy. And we need to protect survivors and empower them to come forward.

This session, I passed several bills that tackle different facets of the sexual assault crisis — at both public and private universities:

✦ SB 968 ensures that private institutions of higher education meet the same requirements as public institutions regarding sexual assault policies. It also requires...
institutions of higher education to have an electronic reporting option to allow students or employees of the institution to report an incident of sexual violence. This electronic option must also include the ability to report anonymously, allowing institutions to identify repeat offenders as well as gauge systemic campus climate issues.

✦ SB 969 requires public and private institutions of higher education to provide amnesty to student victims or witnesses of incidents of sexual violence for violations of the student conduct code that may have occurred ancillary to the incident. For example, if a victim of a sexual assault had been drinking while underage, the institution would be required to provide amnesty to the victim for such underage drinking, allowing victims to come forward without fear of repercussions.

✦ SB 966 creates a defense to criminal prosecution for underage drinking and consumption of alcohol if someone reports a sexual assault that occurred at the same time of the alcohol offense. This should provide further reassurance for young people who survive sexual assault and want to come forward to seek help.

**RETIRED TEACHERS**

TRS-Care faced a projected shortfall of $1.1 billion in the coming biennium, and that shortfall was set to balloon in the subsequent biennium. Unfortunately, there were no easy answers to this problem.

I worked closely with the Texas Retired Teachers Association throughout the session to craft a solution that increased the State’s funding and reduced the burden for retirees under the age of 65. With the passage of HB 3976, we averted a death spiral but have not solved our problem. I will continue to push for a long-term solution that will protect retired school employees’ access to affordable health care.

**BEHAVIORAL HEALTH**

Mental illness is common. Often hidden but common. One out of every five adults in Texas has experienced some form of mental illness. Brain health, in concept, is no different than heart health, and it should be integrated in the health care system for the rest of the body. Yet we deal with it differently — and poorly at that.

For most of us, what we have is a public system that mostly helps people in crisis, either in emergency rooms or jails — the most expensive and ineffective places to provide care. The result is less than half of people with psychiatric conditions receive effective treatment.

What we’re missing is preventative care that helps day to day to keep folks out of crisis. Our hope is to create the Texas Brain Health Center on the campus of the Austin State Hospital that will provide a full continuum of care and help to fill that gap in Central Texas.

**Texas Brain Health Center**

The Austin State Hospital, parts of which date back to the 1850s, must be replaced. It’s falling apart and isn’t suited for providing behavioral health care in the 21st century.

To develop a vision for replacing the Austin State Hospital, I pulled together experts from UT’s Dell Medical School, Meadows Mental Health Policy Institute, Integral Care and Central Health, among others. The objective was to lay the groundwork for creating a brain health center of excellence — akin to MD Anderson for cancer care or the Cleveland Clinic for cardiac care — that will improve access to care for everyone in Central Texas, regardless of their ability to pay. We’re calling it the Texas Brain Health Center.

A priority of mine in this legislative session was funding to help realize that vision. I’m pleased that the budget we passed made a $300 million down payment toward overhauling our state psychiatric hospitals. Some of that money is anticipated to be used for planning the future of the Austin State Hospital campus while respecting its history.

**Screenings for Children**

Nearly half of all mental illnesses manifest before age 14, but children on Medicaid only received a single screening after the age of 12. I passed legislation that allows children on Medicaid to receive an annual mental health screening, enabling doctors to spot these issues early on and provide more effective treatment.

**Guns in Mental Hospitals**

Our state mental hospitals provide some of the most complex inpatient psychiatric care in the state. Last session, I pressed the Senate to close a major loophole in our handgun laws that allowed handgun license holders to carry guns into our state mental hospitals, even though they can’t carry a handgun into regular hospitals. My colleagues weren’t willing to address this issue two years ago. This session, I successfully added an amendment to HB 435 that allows our 10 state hospitals to ban the carrying of handguns on their premises. Closing this loophole should enhance the safety of some of our most vulnerable Texans.

**GOVERNMENT TRANSPARENCY**

In recent years, Texas courts have issued several rulings that have dramatically weakened the state’s Public Information Act (PIA) — reducing the public’s access to vital information about what state and local governments do in the name of taxpayers.
I responded by filing or sponsoring seven bills that would have strengthened the public’s right to public information. My colleagues in the Texas Senate embraced most of these reforms, passing several of them as stand-alone bills and as amendments onto another PIA bill I sponsored. Unfortunately, special interests who benefit from spending taxpayer money in the dark worked hard to keep these bills bottled up in the House. In the end, only one of these pro-transparency bills became law this session.

I’m incredibly frustrated with the Legislature’s failure to restore and improve our open government laws. But I’m prepared to continue the effort, and we have a path forward thanks to a last-minute victory. On the second-to-last day of the session, we had a small breakthrough when the House passed Senate Concurrent Resolution 56, which I had already passed out of the Senate. The resolution calls upon the Lieutenant Governor and the Speaker to appoint a joint interim committee to study opportunities to improve our open government laws, including the PIA.

Ensuring access to public information was — and still is — simply too fundamental and important to let this issue fade away. That’s why I will continue to advocate to strengthen the public’s right to know.

**DISASTER PREPARATION AND RECOVERY**

Over the past few years, it’s become terribly clear why many call Central Texas “Flash Flood Alley”.

In the 11th hour of the 84th Legislative Session, I secured over $3 million per year to help communities prepare for flooding. This session we were able to continue the work we started by allocating $7.8 million over the biennium.

Using the money secured in 2015, the Texas Water Development Board has installed over 20 new flood gauges, sending critical information to weather forecasters regarding the levels of our rivers and streams. We passed my legislation this session to ensure that the money in the Floodplain Management Account can be used for flood gauges to continue their maintenance and installation across Texas.

**Bastrop State Park**

Bastrop State Park sustained serious damage during the 2015 flooding. With a $6 million appropriation, the Texas Parks and Wildlife Department will be able to cover dam reconstruction and the necessary road work to re-open parts of the Bastrop State Park that have been closed since the floods.
HB 287 designates the University of Texas at Austin's Lady Bird Johnson Wildflower Center as the state botanical garden and arborutum. The center is the largest all-native garden in the State of Texas with more than 800 native plant species and over 70 Texas native trees. It is also home to the Millennium Seed Bank Project, which holds 6 million seeds for conservation purposes.

Senate Bill 769 authorizes specialty military license plates to recognize recipients of the Combat Medic Badge who provided life-saving medical care on the battlefield.

Many of the roads in Tahitian Village in Bastrop County are in need of major repairs. SB 749 provides the Bastrop County Water Control and Improvement District #2 the authority to raise revenue to complete the necessary road work in a timely manner.

HB 3647 ensures that all eligible law enforcement officers are included on the Texas Peace Officers’ Memorial Monument.

SB 1221 improves the transparency of the hotel occupancy tax by requiring cities that levy the tax to report to the comptroller basic information about the collection and use of the tax.