



2012

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THE SENATE OF TEXAS
JUAN "CHUY" HINOJOSA

Dear Friend,

Investment. That word dominated the legislative discussion when it came to funding transportation and water infrastructure projects. A colleague of mine from the Houston area made a compelling point during a Senate Finance Committee hearing. Sixty years ago, policy makers committed to investing in the infrastructure and highway system that makes commerce possible today.

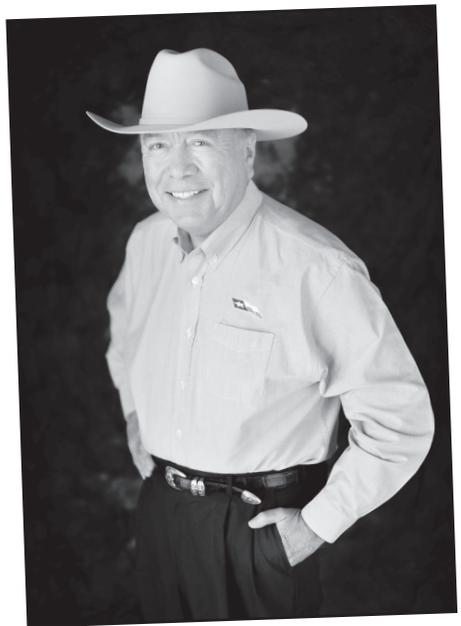
Education is the single most important investment we can make. The budget cuts have hurt our future educators, business owners, and civic leaders. An uneducated workforce is not competitive. To be globally successful, we have to invest in Texas schools. I have always said education is the best equalizer, but it is also one of the strongest economic engines.

Last session, I authored S.B. 975, the Dropout Recovery Act, investing in children to keep them in school. Today, South Texas College - and all Texas colleges starting in 2013 - can partner with school districts to recover dropouts under the age of 26 who lack three or fewer credits or failed a portion of the exit exam. That model has reduced the 4-year dropout rate from 20% to 5% in three years in the Pharr-San Juan-Alamo Independent School District.

We must invest in Texas's next generations.

This session, we need to be creative and identify inefficiencies in the way Texas collects revenue. In 2009, I changed the way Texas taxes smokeless tobacco, creating a \$100 million savings. Those savings helped me increase the franchise tax exemption, giving small businesses throughout Texas some much needed tax relief.

We will have similar opportunities next session to streamline taxes and improve our state's economy. We need to invest the time and money to boost our state's economy and pave the way for future success.



Semper Fi,

Senator Juan "Chuy" Hinojosa
State Senator, District 20

P.S. If you would like to subscribe for electronic updates from me, please visit www.hinojosa.senate.state.tx.us

how to

Contact SENATOR HINOJOSA

ESTAMOS EN CONTACTO

AUSTIN

P.O. Box 12068
Capitol Station
Austin, Texas 78711
(512) 463-0120
Fax: (512) 463-0229

McALLEN

612 Nolana, Suite 410B
McAllen, Texas 78504
(956) 972-1841
Fax: (956) 664-0602

CORPUS CHRISTI

2820 South Padre Island Drive
Suite 291
Corpus Christi, TX 78415
(361) 225-1200
Fax: (361) 225-0119

Economy on the Rebound

Texas weathered the worst of the recession better than most states. Due in large part to the diversity of Texas's economic landscape, our fiscal picture shows robust indicators of an upswing.

- The Texas Comptroller reported a rise in June sales tax collections of 15.2 percent compared to the same month last year: sales tax revenues for that month hit \$1.98 billion.
- That increase is the 27th consecutive uptick in sales tax receipts, according to the Comptroller's office.
- Texas has also added 264,000 jobs, leading the nation in job creation, during the economic downturn, thanks to continued investment in projects like the Barnett and Eagleford Shales.
- Our unemployment rate is lower than the national average -- as of June it was 7.0 percent, and the U.S. rate was 8.2 percent.

State Revenue - Major Tax Categories (Amounts in millions of dollars)			
Tax	June 2012	FY 2012 Year to Date Total	Percent Change from Last Year
Sales Tax	\$1,994.8	\$19,799.5	12.1%
Motor Vehicle Sales/Rental Taxes	\$321.0	\$2,867.8	18.6%
Motor Fuel Taxes	\$277.1	\$2,630.2	1.9%
Franchise Tax	\$49.9	\$4,328.6	15.3%
Insurance Taxes	\$36.2	\$934.0	13.4%
Natural Gas Production Tax	\$104.7	\$1,364.3	52.6%
Cigarette and Tobacco Taxes	\$124.3	\$1,169.6	-6.1%
Oil Production/Regulation Taxes	\$198.3	\$1,737.0	46.6%

Affordable Care Act Implications for Texas

The federal Affordable Care Act (ACA), recently upheld by the U.S. Supreme Court, gives Texans more control in their healthcare choices, improves their access to quality care while also holding insurance companies accountable.

What does the ACA do?

- Requires all individuals to purchase health insurance.
- Gives affordable coverage to all low and moderate income families by 2014.
- Creates state health insurance "exchanges" to help residents research and purchase affordable insurance.
- Allows states to expand Medicaid coverage to all individuals under age 65 with low and moderate incomes.
- Medicaid expansion - 100% funded by the federal government for the first 3 years and 90% thereafter.

What does the ACA mean for Texas?

- Brings federal funds and creates new provisions so Texas can improve quality, delivery and access to care.
- Texas has 6.2 million uninsured people (25% of our entire population) and is the highest in the nation. Texas could insure 2 million people through Medicaid expansion and millions more through a state "exchange."

\$76 Billion in federal funding is on the table for Texas over the next 10 years. Although there are concerns that expanding Medicaid will only multiply the budget pressure the program puts on Texas, we need to look at all options and carefully study the Medicaid expansion to minimize the cost to taxpayers.

ACA Facts

- Allows children to stay on their parents' insurance until age 26.
- Stops insurance companies from denying coverage for pre-existing conditions.
- Removes lifetime limits on insurance benefits.
- Gives tax credits to small business owners to offer employees quality healthcare.
- Prevents insurance companies from charging women more than men.

Strengthening Property Rights

Last session we took steps to protect property owner rights. A recent Texas Supreme Court ruling will require us to further protect the rights of landowners while promoting economic development.

- In 2011, I passed H.B. 3422, allowing property owners to qualify for funds from the sale of abandoned vehicles found on their property. The funds would pay for damage to property caused during law enforcement pursuits.
- The Texas Supreme Court ruling limited the power of pipeline companies to take property from a private landowner in order to install a pipe. Pipeline companies and landowners will seek clarification on the issue from the legislature.



Senator Hinojosa with Susan Durham, Executive Director of the South Texans Property Rights Association at the April 12, 2012 Transportation and Homeland Security Committee Hearing in Austin.

Border Security

During the 2011 Legislative Session, I led the Senate Finance Workgroup on Public Safety, appropriating \$2.8 billion for DPS. This is the funding we secured for our border communities and for border security:

- \$134.6 million - Combat organized crime operations
- \$32.1 million - Criminal interdiction
- \$90 million - Statewide and Local Border Security
- \$16.1 million - Counterterrorism and Intelligence Gathering
- \$92.5 million - Criminal Investigations and Security Programs

We also secured \$9 million for High-Altitude Surveillance Aircraft. This aircraft allows DPS to observe drug traffickers along the Texas-Mexico Border. Equipped with high-resolution cameras that can downlink to DPS Troopers on the ground, law enforcement will have up-to-the-minute intelligence during criminal interdiction operations.



Senator Hinojosa pictured with the J.D. Davis Tactical Marine Vessel as part of the Department of Public Safety's (DPS) new Texas Highway Patrol Tactical Marine Unit. Senator Hinojosa secured the funding for this new division of DPS.

Breaking Ground: Vietnam Veterans Monument



(TCVVM Committee members John Miterko and Terry Burkett with Clint Howard of the Heart of Texas Art Foundry, as the Monument maquette is delivered.)

A 14-foot bronze sculpture will soon be installed on the Capitol grounds, honoring Texans who served in Vietnam. The sculpture by artist Duke Sundt features five infantry figures poised in patrol positions and will be dedicated in the fall of 2013.

Thanks to the support of Texas individuals, veteran organizations, foundations, and businesses who donated generously to this cause. I worked to obtain a \$500,000 matching grant from the Texas Historical Commission. We are currently at 90 percent of our fundraising goal.

The monument will feature:

- Bas-relief panels depicting naval, artillery, medical and aviation services that supported the combat patrol.
- "Dog tags" for each of the 3,415 Texans killed in Vietnam will be entombed inside the monument.

- An online "Living Monument" featuring profiles of Texans who served in Vietnam.

Please visit www.buildthemonument.org for more information.

A Vision for Education

My priorities for education during the upcoming session:

- Work on legislation to boost career technology education in Texas high schools
- Increase collaboration between school districts and community colleges
- Restore cuts to education and fund enrollment growth
- Lean toward outcome-based funding as a method of financing education
- Continue to fight for increases in financial aid - access is key

TWIA - Fairness in Policy Pricing

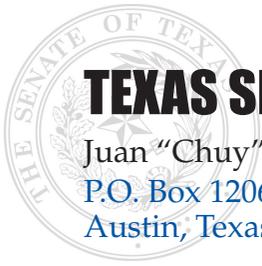
TWIA, Texas Windstorm Insurance Association, provides windstorm and hail coverage to those unable to obtain insurance from the voluntary insurance market in coastal counties.

- TWIA acts as a pooling mechanism to spread risk among insurers.
- This means lower rates and TWIA serves as an insurer of last resort.

The Department of Insurance proposed two rule changes to stabilize the TWIA pool. However, this will only lead to an increase in rates for coastal county residents.

I propose a better solution:

- Implement a statewide catastrophe fund to assist any region that experiences a natural disaster.
 - Position the State to act as a reinsurer, supporting the voluntary insurance market.
 - Remove the State as a competitor in the insurance sector and remove unnecessary bureaucracy.
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TEXAS SENATOR

Juan "Chuy" Hinojosa
P.O. Box 12068
Austin, Texas 78711-2068

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TEXAS SENATOR JUAN "CHUY" HINOJOSA

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Awards - 82nd Session

- ★ Christus Health - "Eagle Award"
- ★ CASA - 2011 "Big Voices for Little Texans Award"
- ★ Robstown Area Development Commission – Appreciation Award for help in developing Robstown and Western Nueces County
 - ★ National Hispanic Professional Organization – Leadership & Commitment Award
 - ★ Boys & Girls Club of America – State Alliance Champion Award/National Award
 - ★ Texas Access to Justice Foundation – Legislative Hero Award
 - ★ Transportation Advocates of Texas - Advocacy Award
 - ★ Capitol Inside - Top 10 Legislators
- ★ Texas Association of Mexican American Chambers of Commerce - 2011 Legislative Champion Award
 - ★ Borderfest Association – 2012 "Border Texan of the Year"
 - ★ RGV Hispanic Chamber of Commerce - "Golden Eagle Award"
- ★ STC Breakfast with the Senator – Recognized as a champion of education as the "Great Equalizer" for all Texans
- ★ Teaching & Mentoring Communities – Recognized for commitment & support of the migrant community in the Rio Grande Valley
 - ★ Women's Business Center - Community Advocacy Award