



SENATOR MIKE JACKSON

# CAPITOL UPDATE

## The 81st Legislature



*From the Desk of  
Senator Mike Jackson*

**Dear Friends:**

Thank you for the honor of representing you in the Texas Senate and for the opportunity to update you on important issues from the 81st Session of the Texas Legislature.

For our District 11 constituents, Hurricane Ike played a major role this legislative session, as recovery efforts were a top priority for all coastal legislators. Because of Ike's devastation, the Texas Windstorm Insurance Association (TWIA) saw its reserves depleted, and the association's funding mechanism had to be completely restructured by lawmakers. I am proud of the work we did on TWIA, as well as our success in securing necessary funds to rebuild the University of Texas Medical Branch on Galveston Island.

I considered every piece of hurricane-related legislation to be a potential vehicle for both storm recovery and future prevention possibilities for my constituents, my neighbors and my friends.

As Chairman of the Senate Nominations Committee, I want to direct your attention to Page 4 of this newsletter, to learn more about the work of the Committee and a few of the individuals we confirmed this session. In addition to chairing the Nominations Committee, I worked as a member of the Senate Business and Commerce, State Affairs, Natural Resources, and Agriculture and Rural Affairs Committees. I feel it is important for all constituents to be aware of the critical role each committee plays in the legislative process.

Thank you for taking the time to read this "Capitol Update." I truly appreciate and rely on your input and hope you will continue to communicate with me about ways I can most effectively represent you in the Texas Senate.

Many thanks,

MIKE JACKSON  
State Senator, District 11



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# HURRICANE IKE: THE AFTERMATH

Less than 24 hours after Hurricane Ike swept onto the Texas Gulf Coast, Senator Jackson was in Galveston, working with local and state officials on a recovery and rebuilding program that would prove to be the cornerstone of his focus during the 81<sup>st</sup> Legislative Session. Within a few days of the disaster, and despite the fact his own home had been severely damaged by the storm, he visited each county in District 11 to gather first-hand information on the impact in each community.

## ★ **Disaster Preparedness**

Senator Jackson sponsored important legislation that helps the communities in District 11 react more quickly in the event of a disaster. Many people recall the problems that arose after the storm regarding debris clean-up. Cities, counties and state agencies were reluctant to remove debris because they were afraid of being left with a bill that would not be reimbursed by FEMA. House Bill 4409, which Senator Jackson sponsored in the Senate, contains a provision that allows three state agencies to enter into “pre-event contracts” so this will not happen again. Texas Department of Transportation (TxDOT) will enter into contracts to clear road debris; the General Land Office (GLO) will enter into contracts to clear beach debris; and the Department of Housing and Community Affairs will enter into contracts for temporary housing.

Also, Texans have a valuable resource in the 2-1-1 system – a service that helps ensure vulnerable citizens are evacuated in case of an emergency. Senator Jackson sponsored House Bill 2558 in the Senate. This bill requires home health care agencies to register special needs patients with the 2-1-1 system to avoid the problems that surfaced



*The day after Hurricane Ike struck the Texas Gulf Coast last year, Senator Jackson traveled to Galveston to survey the damage and confer with Governor Rick Perry (right) and other top officials about recovery efforts.*

during Ike, when homebound patients were overlooked. Other emergency preparedness bills addressed ways to procure food, water and fuel following a storm. Now, there will be a plan in place for distributing essentials much more efficiently.

★ **Coastal Issues** – Hurricane Ike left an enormous amount of debris

on the public beaches in our communities. In response, Senator Jackson sponsored House Bill 2457 to give the GLO the ability to clean up all public beaches after a disaster strikes. This legislation will allow cities, counties and the GLO to work more efficiently together to ensure the beaches are cleaned quickly, and federal assistance dollars do not go to waste. In addition, House Bill 3306 sponsored by Senator Jackson, requires the GLO to remove abandoned boats and structures from the bay system.

## ★ **Private Activity Bond Program**

In response to the destruction caused by Hurricane Ike, Senator Jackson carried legislation to help private industries repair and rebuild facilities in the 27-county disaster area. House Bill 3854 created the Hurricane Ike Private Activity Bond Program that will be administered through the Governor’s Office. Similar to “Liberty Bonds” issued after 9/11, these bonds are authorized by the federal government to finance rehabilitation and redevelopment after the storm. As required by federal law, Governor Perry will issue an executive order to allocate \$1.8 billion in Ike Bonds and then counties will set up industrial development corporations to administer the application process. For example, the Galveston County Commissioners Court has already created the Galveston County Development Corporation to issue these low interest loans.

# TEXAS WINDSTORM INSURANCE ASSOCIATION

Governor Perry made it very clear during the regular session that if a bill reforming the Texas Windstorm Insurance Association (TWIA) was not passed, the legislature would be called back in for a special session. And while it was close, in the final days of session, House Bill 4409 by Representative Larry Taylor was on the Senate intent

calendar, ready to be passed. The bill dealt with “emergency preparation and management” – making it just broad enough to use the bill as what is called a “vehicle” for windstorm insurance reform language.

On the floor of the Senate, Senator Jackson attached the new windstorm language to House Bill 4409, and the Senate sent the bill back to the House. The language amended onto House Bill 4409 had already been heavily compromised and thoroughly vetted but it definitely needed more work. As expected, a conference committee, made up of five House members and five Senate members, met to hash out the differences. What emerged was a reforming measure that unanimously passed both houses of the legislature.

“I am proud of the collaborative effort and hard work it took to pass House Bill 4409,” said Senator Jackson. “I am happy to say my constituents on

the coast will not be hit with arbitrary surcharges that were proposed in other bills. Some of the measures brought forth at the beginning of this session had rates going up close to 80 percent. That was unacceptable, and I’m happy to report there is no automatic rate increase in the bill we passed.”

The legislature kept a ten percent cap on rate increases, and the Texas Insurance Commissioner retains the authority to increase that cap if a serious storm strikes.

House Bill 4409 gives TWIA the authority to issue bonds, at varying levels, as well as levy surcharges on insurance companies to raise funds to pay claims. It establishes a Legislative Oversight Committee, to which Senator Jackson was appointed by Lieutenant Governor David Dewhurst. The committee will provide all stakeholders a forum to make comments on any future windstorm insurance legislation.



*Senator Jackson (right) and Senator Troy Fraser shook hands after successfully passing legislation reforming the Texas Windstorm Insurance Association.*

# THE UNIVERSITY OF TEXAS MEDICAL BRANCH

In Hurricane Ike's wake, Galveston Island and the entire region faced the potential permanent loss of a cornerstone of health care in the area – the University of Texas Medical Branch. But after careful consideration and negotiation, UTMB had a successful legislative session with increased appropriations from the state. "I am proud to report that, thanks to a coordinated effort

by local officials and statewide lawmakers, UTMB is now in a position to not only survive, but thrive," said Senator Jackson.

Senate Bill 1, the state budget, contains \$566.5 million in general revenue funding for the hospital – an increase of nearly \$109 million over the previous two-year period. House Bill 4586, the Supplemental

Appropriations Bill, makes funding available immediately, giving UTMB officials an additional \$150 million to match FEMA's \$450 million for Ike-related mitigation and repairs. And House Bill 51, which Senator Jackson co-sponsored, authorizes \$150 million in tuition revenue bonds for a new hospital building on the campus that will allow UTMB to regain pre-Ike inpatient numbers.

## ECONOMIC DEVELOPMENT



*During the legislative session, Senator Jackson welcomed Mayor Tom Reid and other Pearlland citizens at the State Capitol for "Pearland Day."*

★ Senator Jackson sponsored House Bill 770, by Representative Howard, to promote local economic development in hurricane stricken areas. The primary goal of this bill is to allow owners of damaged property destroyed by a flood or natural disaster to continue receiving their residential homestead exemption for up to two years while rebuilding and repairing their property.

An additional provision in this bill allows a property tax exemption for

chambers of commerce and economic development corporations that own their own building. This legislation will free up additional dollars to be spent on local economic development initiatives to make a greater impact on our communities and the state.

★ For Senate District 11's economic development, the 81st Legislative Session proved to be very productive. Senator Jackson sponsored legislation to create management, improvement and municipal utility

districts that will encourage new residential and commercial development in the area. These new districts are in League City, Pearland, the Village of Bonney, and the Almeda Mall area of the City of Houston. The districts will allow the cities to properly plan for and accommodate the new population growth of Harris, Galveston and Brazoria counties.

★ The revised franchise tax passed in 2007 negatively affected many small businesses in the State of Texas. It required all businesses with revenue in excess of \$300,000 to pay a franchise tax that they had never before been required to remit. Bills were filed this legislative session to lighten the burden on small business owners. House Bill 4765, by Representative Oliveira, passed successfully and has been signed by the governor to go into effect on January 1, 2010. This bill exempts all small businesses with total revenue of less than \$1 million in 2010 and 2011 from paying any franchise tax. In future years, the exemption will apply to all small businesses with less than \$600,000 in total revenue.

## TRANSPORTATION

★ The 81st Session looked like it would be heavily focused on transportation issues and, to some extent, it was. The Texas Department of Transportation (TxDOT) went through a rigorous audit by the Sunset Advisory Committee prior to session. This is a time-consuming process, particularly for an agency the size of TxDOT.

The House and Senate worked on two different versions of the TxDOT Sunset bill, but ended up in very different places. A conference committee failed to reach a compromise on the bill to continue the agency. This is one of the main reasons the legislature returned to Austin this summer, passing a bill to extend the

agency until reforms can be made during the 82nd Legislative Session in 2011.

★ On behalf of the citizens in Senate District 11, Senator Jackson sponsored several other pieces of legislation relating to transportation issues. House Bill 2020 allows persons with out-of-state disabled veteran license plates to have the same parking privileges as our in-state disabled veterans. This should be a reciprocal law in all states for the sake of our veterans.

★ Last session, Senator Jackson helped create the framework for the nation's first Ship Channel Security District, the application of which was recently approved unanimously by the Harris County Commissioners Court. The district

will be comprised of over 100 chemical, marine and refinery businesses to enhance homeland security efforts along the Houston Ship Channel.

This session, Representative Wayne Smith and Senator Jackson joined forces to help make the information sharing among security district members more efficient. TxDOT already has a fiber optic network in place along the same paths the District wanted to install them. Their bill, House Bill 1871, allows Harris County to enter into an agreement with TxDOT to use their existing fiber optic network. This will result in substantial savings to the county and will greatly enhance security operations.

# SENATE NOMINATIONS COMMITTEE



Senator Jackson presides over a hearing of the Senate Nominations Committee, which he chairs.

The Governor of Texas has the duty of nominating individuals from across the state to fill approximately 3,000 seats on boards or commissions that range from the Texas Department of Insurance to the State Seed and Plant Board.

As required by Article IV, Section 12 of the Texas Constitution, the governor must then submit names of nominees to the Senate for confirmation. The

names of these nominees are read and referred to the Senate Nominations Committee, chaired by Senator Jackson. The Committee meets during the regular legislative session to confirm or reject the governor's choices.

After each meeting, the committee sends a list of confirmed and/or rejected nominees to the full Senate, where at least two thirds of the senators

present must vote in favor before a nominee reaches confirmation.

This session the Nominations Committee had the opportunity to recommend for confirmation several high-profile individuals. These included Hope Andrade as the Secretary of State, Cherie Townsend as the Executive Commissioner of the Texas Youth Commission, Dr. Bryan Webb Shaw as one of three Commissioners overseeing the Texas Commission on Environmental Quality, Michael Geeslin on his re-appointment as the Commissioner of Insurance, and finally Deirdre Delisi, Ted Houghton, William Meadows, and Fred Underwood as Commissioners on the Texas Transportation Commission.

The Senate chose to reject the confirmation of two individuals: Shanda Perkins as a member of the Board of Pardons and Paroles and Dr. Don McLeroy to serve as Chairman of the State Board of Education.

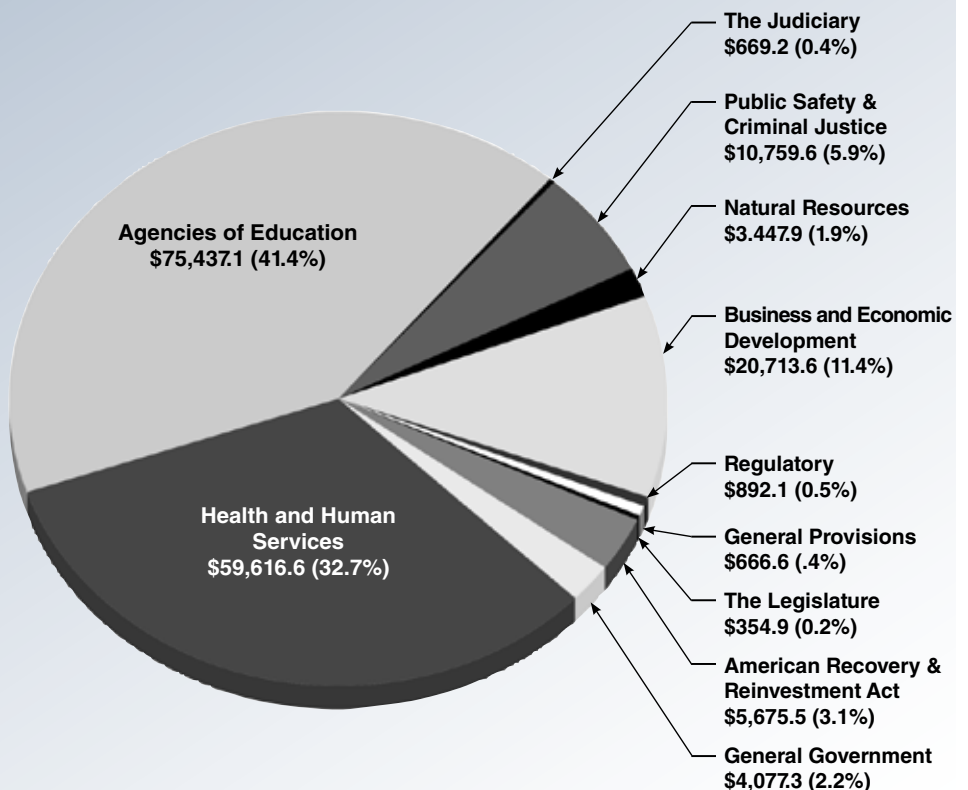
In total, the Senate Nominations Committee recommended, and the full Senate confirmed, a total of 943 nominees to their respective board or commission.

## 2010-2011 BIENNIUM BUDGET

In order to ensure that state business continues between legislative sessions, the Texas legislature must pass a balanced biennial budget every session. Each state agency, including our public education system, institutions of higher education and all other governmental entities, must have funds appropriated by lawmakers.

The Senate Finance Committee and the House Appropriations Committee each began working on a proposed version of the budget approximately six months before the 81st Legislative Session convened in January. As the session progressed, these committees continued to meet and work out a compromise between the House and Senate versions of the budget.

The final version passed out of the Senate, by a margin of 29 to two, and the House, by a margin of 142 to two. The number of votes cast for this bill are a good indicator that it is truly a fair and equitable budget for the State of Texas.



### ALL FUNDS

IN MILLIONS TOTAL = \$182,310.3

Note: Excludes Interagency Contracts.

Source: Legislative Budget Board [www.lbb.state.tx.us](http://www.lbb.state.tx.us)

# The 81st Legislature

## AN OVERVIEW OF KEY ISSUES



Senator Mike Jackson (far left) joined colleagues for the swearing in ceremony that opened the 81<sup>st</sup> Legislative Session.

### Eminent Domain

A constitutional amendment regarding eminent domain will be on the November 2009 ballot for approval by voters. If passed, Amendment No. 11 will enhance property protections established in 2005 by placing clear restrictions in the Texas Constitution on the use of eminent domain.

The language specifies that “public use” excludes the taking of property for the primary purpose of economic development or enhancement of tax revenues. It also requires a condemning authority to make use of the property so an entity cannot acquire land without clear plans for utilization.

This proposal is one key piece to protecting private property owners’ rights. However, the legislature will continue to work on this issue and develop laws to also ensure property owners receive fair market value for their land and have the first right of refusal if land is taken for one purpose and used for another.

### Natural Resources

- ★ The legislature passed Senate Bill 2445 by Senator Uresti to allow the Texas Commission on Environmental Quality (TCEQ) to more effectively address the issue of dumping boat sewage in Texas’ bays and estuaries. The Galveston Bay Foundation worked with several senators to get that legislation passed and Senator Jackson is proud to have been part of the process.
- ★ Legislation was passed this session, House Bill 432 by Representative Lucio, to increase the use of alternative fuel vehicles by state agencies. Texas has a vehicle fleet of over 20,000 and making use of new technology can save the state money and reduce pollution.
- ★ House Bill 3547, by Representative Elkins and sponsored by Senator Jackson, will allow the TCEQ to go after and shut down dry cleaning facilities that are not compliant with state rules regarding the disposal of dangerous cleaning chemicals.

### Public Education

- ★ The Teacher Excellence Incentive Pay Program has been revamped and was allocated \$395.6 million for the next two years. This funding was started in the 2008-09 biennium and will increase by \$50 million a year in the next biennium. The money will go to qualifying teachers who raise student achievement, teach in low-performing schools, teach under-served subject matter, and exceed the expectations of their local administrators.

- ★ Increasing college readiness was one of the legislature’s highest priorities in education this session. House Bill 3, by Representative Eissler and Senator Shapiro, strengthens standards for K-12 curriculum, aligns high school graduation exams with higher education expectations, and provides greater access to parents who are interested in student achievement data at schools in their local district. This bill also increases opportunities for students to participate in career and technology courses by aligning the curriculum with college readiness standards.

### Higher Education

- ★ During the 81st Legislative Session, lawmakers modified the top 10 percent automatic admissions law with Senate Bill 175 by Senator Shapiro. The new law allows up to 25 percent of freshman students entering Texas public universities to be selected by criteria other than class rank. The legislature also increased funding for top 10 percent scholarships to \$54 million, up from \$20 million.
- ★ Texas is home to three top-tier, national research universities: The University of Texas at Austin, Texas A & M University and Rice University. More national research universities in Texas could mean more companies moving into our state to take advantage of a higher caliber workforce. House Bill 51, by Representative Branch and co-sponsored by Senator Jackson, establishes a framework for increasing our number of national research universities and provides funding necessary to take already excellent universities, like the University of Houston, and advance them to nationally recognized research universities.
- ★ Legislators increased financial aid for the TEXAS Grant program and the Texas Educational Opportunity Grants for community college students this session. The TEXAS Grant program increased by 44%, up to \$614.3 million for the 2010-11 biennium, and the Texas Educational Opportunity Grants for community college students increased by \$10 million, or 71%, up to \$24 million.

### Health and Human Services

- ★ Senate Bill 643 by Senator Nelson was the product of Governor Perry declaring state school safety an emergency issue for the 81st Legislative Session. This bill changes the name “state schools” to “state supported living centers” and creates enhanced oversight and security for institutions serving Texans with mental disabilities.
- ★ The legislature also voted to provide funding for debt service for \$450 million in cancer research bonds to fund cancer prevention programs and prevention research.



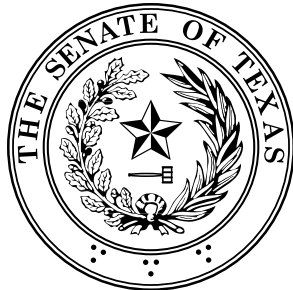
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**Your Report on the 2009 Legislative Session**

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