

The Texas Lobby Group
Legislative Update
March 18, 2011

While the rest of the world was on Spring Break, the Texas Capitol has been hard at work.

Last Friday was bill filing deadline. 1,386 House bills and 649 Senate bills were filed during the last week of filing alone. Despite the last minute onslaught of so many bills, the overall filings are down this Session from the last Session.

A total of 3,801 House bills were filed this Session, compared to 4,697 in 2009.

A total of 1,871 Senate bills were filed this Session, compared to 2,477, in 2009.

A major reason for this is that the Legislature is already overwhelmed with Redistricting and Sunset Issues (27 bills total). Not to mention the fact that there is no money and the budget challenges seem overwhelming....

Total number of bills reported out of House Committees this week:	40
Total number of bills passed by the House this week:	0
Total number of bills reported out of Senate Committees this week:	108
Total number of bills passed by the Senate this week:	68
Total number of bills passed on the Local and Uncontested calendar:	47

The Budget. The one bill the Legislature has to pass is the budget. Even in mid-March, that is looking to be troublesome. Both sides are working around the clock to craft a budget that falls within the available revenue. And that can pass during the regular Session....

The Budget. In the House. This week started off rough, with an impasse in the House on utilizing the **State’s “Rainy Day Fund” (the Economic Stabilization Fund)**. However, a deal was finally struck between the House, the Comptroller and the Governor’s Office. On Tuesday, **Governor Rick Perry, Speaker Joe Straus, and Comptroller Susan Combs** announced the decision to close out the Fiscal Year 2011 budget gap by implementing \$800 million in cuts, using \$300 million from increased sales tax collections over the last few months, and using a **one-time draw of up to \$3.2 billion from the state’s Economic Stabilization Fund (“Rainy Day Fund”)**.

After the deal was struck, the committee voted out **HB 4** (the supplemental appropriations bill for the current biennium) and **HB 275**, approving the expenditure of **\$3.1 billion** from the **Rainy Day Fund**. Roughly, \$2 billion of that will go to **Article 3 (Education)**, \$1.9 billion will go to **Article 2 (Health and Human Services)** and the rest is going to criminal justice. Keep in mind – this money only goes to the current biennium – it does not go to the new budget they are currently writing for the next biennium.

In fact, **Governor Perry** said, **“We have worked closely with state leaders and lawmakers to balance the current budget, which includes using a one-time amount from the Economic Stabilization Fund to help our budget deal with the impact of the national recession. As we craft the next two-year budget, Texas leaders will continue to focus on a more efficient fiscally responsible government, essential state services, and private sector job creation. I remain steadfastly committed to protecting the remaining balance of the Rainy Day Fund, and will not sign a 2012-2013 state budget that uses the Rainy Day Fund.”**

The **House Appropriations Committee** then held a seven hour meeting to finish markup on **House Bill 1, the Appropriations Bill**. **Chairman Pitts** sent the bill to the **Legislative Budget Board (LBB)** with the instruction to conform the bill to reflect the committee’s decisions and to

have it printed. A meeting is expected next week to vote the bill out of committee and send it to the full House for consideration...

The Budget. In the Senate. The **Senate Finance Committee's Subcommittee on Medicaid** met on Monday and Thursday. In addition, the subcommittee's duties were expanded this week. **Chairman Steve Ogden** assigned them the new responsibility of *scrubbing the entire health and human services budget*. When **Senator Nelson**, the subcommittee chair announced the expanded role on Monday she said, **"We need to put something in the chairman's hands by the end of the week. It is going to be tough. We're looking at huge decisions to be made, and the fact of the matter is, we only have a certain amount of money to do what we need to do."** That's still a work in progress.....

As budget writers on both sides struggle to craft a budget that can pass during this Session of the Legislature, **Lt. Governor David Dewhurst** on Thursday asked **Senate Finance Committee Chairman Steve Ogden (R-Bryan)** to form a new **Subcommittee on Fiscal Matters** charged with finding up to \$5 billion in savings and non-tax revenue to balance the budget.

The subcommittee, **which will be chaired by Robert Duncan (R-Lubbock)** will evaluate cost-savings proposals, explore non-tax revenue alternatives, and review unspent fund balances held by governmental entities before making their final recommendations to the **Senate Finance Committee**. **Lt. Governor Dewhurst** said, **"We need to conduct a thorough review of the budget and look closely at every cost-saving alternative before there is any further discussion about tapping into the Rainy Day Fund. Texas taxpayers cannot afford for the Legislature to leave any stone unturned."**

The **Senate Finance Committee** also took up its **Supplemental Appropriations bill** this week, **SB 1278** by **Chairman Steve Ogden (R-Bryan)**. There were no witnesses in support. In opposition were

representatives of Texans Care for Children and Texas Municipal League. *It was left pending.*

The Gov. In addition to the deal worked out on use of the State's "Rainy Day Fund", this week, **Governor Rick Perry** reiterated his commitment to further **strengthening Texas' legal system** by creating a **"loser pays"** system to provide stronger protections against frivolous lawsuits, establishing an early dismissal option for frivolous lawsuits, ensuring new laws cannot create causes of action unless expressly established by the Legislature, and setting up speedier trials and limited discovery for lawsuit with claims between \$10,000 and \$100,000.

The **Governor** – who held a press conference on the issue in Houston - was joined by **Representative Brandon Creighton (R-Conroe)** and **Joan Huffman (R-Houston)** who are sponsoring **HB 274** and **SB 13** to address the issue. **Senator Huffman** added, **"The reforms in SB 13 are designed to guard against frivolous civil litigation in Texas by curbing needless and abusive lawsuits. The improvements will make our system more accessible to all parties and further improve the legal climate in our state."**

Next Week: **SB 14** by **Troy Fraser (R-Horseshoe Bay)** and **Patricia Harless (R-Houston)**, the **Voter ID** bill is on **Monday's House Calendar**. Expect that debate to last most of the day, if not for a few days, on the House Floor. This could result in some very late night committee hearings....

The House adjourned until 11:00a.m. on Monday, March 21, 2011.

The Senate adjourned until 1:30p.m. on Monday, March 21, 2011.

Additional information can be obtained via the Senate, House, and capitol websites:

www.senate.state.tx.us

www.house.state.tx.us
www.capitol.state.tx.us