



Texas Public Policy Foundation

A Review of the *85th* Texas Legislature

A Conservative Texas Budget, major changes to our beleaguered foster care system, and significant criminal justice reform highlighted conservative successes in the 85th Texas Legislature. The following describe how the Texas Legislature made progress continuing Texas' leadership on economic growth and the advance of liberty while setting the stage for more to come.

Fiscal Policy

The Legislature made progress in limiting the size and scope of government by passing what could be two consecutive Conservative Texas Budgets, meaning increases in spending of no more than population growth plus inflation. The Legislature passed the second half of the 2016-17 budget with the passage of the supplemental budget, HB 2, finalizing what will likely be the first true Conservative Texas Budget in years. Moreover, it passed SB 1, the 2018-19 state budget, providing what could be a huge win for Texans if the Legislature in 2019 can follow up by completing the second straight Conservative Texas Budget.

Families & Children

Steps taken by the Legislature represented a monumental step forward for Texas foster children. Coming on the heels of a federal court decision finding that “rape, abuse, psychotropic medication, and instability are the norm” in the state’s foster care system, intense pressure existed to throw more money at the problem. However, rather than just follow past practices, SB 11 draws on the success of a pilot program in Tarrant County and ensures the transfer of much of the responsibility for foster care from the state to communities—increasing the role of local agencies, community non-profits, and houses of worship in caring for children who are unable to remain safely at home. SB 11 serves as a pivot point in fulfilling the state’s obligation to foster children.

Effective Justice

Criminal justice reform made significant advances during the regular session of the Texas Legislature. Owing to the successes of conservative criminal justice reform in previous sessions, the budget adopted by the Legislature calls for the closure of four unnecessary prison units. Adding to the four prisons closed since 2007, lawmakers took over 2,000 beds offline, all while saving taxpayers \$50 million. Texas also enhanced its nondisclosure statute with the passage of HB 3016 that includes a Mothers Against Drunk Driving-supported measure allowing nondisclosure, which prohibits public disclosure of a criminal record for first-time, low-level DUIs.

Local Governance

When it comes to local governance, the conversation at the Texas Legislature is shifting from how best to respect “local control” to how best to protect “local liberty.” A number of bills demonstrate the shift toward local liberty. HB 100 preempts burdensome municipal ordinances regulating transportation network companies. SB 1248 limits city authority over manufactured homes in designated manufactured home parks. Even the imperfect Houston pension reform bill illustrates the changing terms of debate when it comes to local control. A key plank of the reform is that the issuance of \$1 billion of general obligation debt as pension obligation bonds must be subject to voter approval.

Public Education

Education freedom made its greatest progress to date in the recent legislative session. Though no school choice legislation finally passed, the issue remained a top focus throughout session. SB 3, the most expansive vehicle of school choice (creating a near-universal statewide Education Savings Account, or ESA, program), passed the Texas Senate after a strong showing of public support in the earlier Senate Education Committee hearing. Public support in favor of school choice through the legislative debate heavily outweighed the opposition—a true first for this issue in Texas. Furthermore, two bills did increase education

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freedom this session. SB 1480 increases charter schools' access to the lower interest rates for building facilities that are currently available to traditional schools, while the passage of SB 587 ensures that military children will be able to access virtual schools.

Federalism and the Tenth Amendment

Key principles of federalism were preserved, protected, and advanced during the recently concluded regular session. SJR 2 is Texas' application to Congress for a convention of states. If 33 other states pass the same resolution, Congress must call the convention of states, where delegates would propose structural reform amendments in three areas: 1) fiscal restraint, 2) term limits, and 3) restraining the power and authority of the federal government. Texas is now 1 of 12 states to have passed this resolution. SB 21 lays out the process for selecting delegates to such a convention and the guidelines for governing the delegates' actions.

Economic Freedom

Economic freedom improved this legislative session. Major tort reform in HB 1774 puts to a stop abuses by trial lawyers in hail storm claims. SB 277 reverses years of growth of renewable energy subsidies by making wind turbines built near military aviation bases ineligible for local tax abatements. Two bills reduce restrictions on work imposed through occupational licensing: SB 1503 abolishes the shampoo apprentice license, and HB 3329 prevents cities from charging electricians licensed with the state additional licensing or permitting fees.

Health Care

When it comes to increasing access to medical care through telemedicine, four bills stand out from the session. HB 1697 extends pediatric telemedicine to rural Texas. SB

1107 expands the types of telemedicine allowed. SB 1633 allows remote telepharmacy. SB 922 facilitates telemedicine within Texas schools. The net effect, especially in view of resolution of recent lawsuits, will be greater access to health care in places within Texas where care is currently limited or not available at all. Additionally, passage of SB 1148 will prevent insurance carriers from withholding payments for lack of federal Maintenance of Certification.

Energy & Environment

A prudent perspective on the environment marked action by the Legislature. Noteworthy success can be seen in the session's water policy reform, including a handful of bills passed that reduce barriers keeping water right applicants from being granted a permit. SB 1009 and HB 3735 narrow the scope of factors that the Texas Commission on Environmental Quality (TCEQ) may examine when considering permit applications. SB 1430 encourages water portfolio diversification by creating specific value for the development of seawater desalination, uplifting the market of up-basin benefits.

Higher Education

The Legislature's regular session was relatively quiet when it came to higher education, despite significant debate during the preceding interim. One of the best aspects of this legislative inaction is that none of the major bills that would have significantly increased the cost of higher education were passed. Worst among these defeated bills was HB 1498, which would have allocated half a billion dollars from the Rainy Day Fund for campus construction that universities already have the ability to finance. The Legislature did do well in passing a bill strengthening career and technical education (SB 2105). This bill looks to help fill the middle-skills gap by increasing the focus of education in this area. Employers have been hard-pressed to find middle-skills applicants for some time.

