

Texas House of Representatives



**Lyle Larson**

State Representative - District 122

## **What's New in District 122**

Howdy! We hope you had a meaningful and enjoyable Memorial Day and were able to celebrate and remember the veteran and active service members who work tirelessly to protect our freedoms. Here in Austin, the Legislature held a very moving service to honor and remember the Texans who made the ultimate sacrifice and lost their lives in combat. It is impossible to adequately express our gratitude to these men and women and their families.

The 140th day of the 83rd Legislative Session, also known as Sine Die, has come and gone. Team Larson had a very successful session and we are grateful to have had the opportunity to help move the ball forward on many important policy initiatives and to represent the people of District 122.

As you may have heard, legislators didn't get much of a break after a marathon session. Governor Perry called a special session just an hour after the House adjourned Sine Die. Though the Governor may add items to the call, currently, the only item on the agenda is redistricting. The Legislature will be asked to approve the court-drawn maps used in the last election cycle. Folks around the Capitol are predicting that additional items will be added soon, so we'll keep you posted as the special session continues.

### **83rd Legislative Session Update**

#### **Responsible Budgeting for Texas**

There were many laudable achievements made by the Legislature, but none is as meaningful and responsible as the budget we passed for the 2014-15 biennium.

This session, the Legislature elected to live within its available revenue streams without raising taxes by passing a \$197 billion balanced budget (which includes all state and federal funding). The budget is below the constitutionally mandated spending cap. This budget also achieves a feat that

many Texans have been clamoring for: it increases transparency and diminishes the budget gimmickry that has been rampant in past budgets.

In the 2010-11 biennial budget, the Legislature essentially created a structural deficit, that future legislatures would be forced to deal with, by accepting \$12.1 billion in federal funds provided from the American Recovery and Reinvestment Act of 2009 (ARRA). Once this funding source disappeared, during my first session as a member of the Texas House, the structural deficit created during the previous session, along with the economic recession contributed to the \$27 billion shortfall we faced in 2011. During that session, we were forced to make the tough decision to cut \$15 billion from the budget. Even with the Legislature's largest budget cut since WWII, the budget still had many holes, and funding those shortfalls was deferred into the future.

This time around, we trued up the budget by curtailing the typical practice of diverting funds from their intended purposes to pay for unrelated items and leaving dedicated funds unspent in order to certify the budget. The 2014-15 budget passed by the Senate and the House reduces the amount of dedicated funds used for diversions or budget certification by over \$800 million.

This budget increases transparency by using \$400 million in gas tax dollars for highway construction and maintenance, instead of diverting it for other purposes, which had been common practice. In addition to breaking the Legislature's reliance on accounting tricks, the budget includes more than \$1.2 billion in tax relief.

This budget fully funds the projected cost of Medicaid and the enrollment growth in our public schools. These are items that lawmakers had chosen to defer funding in past budgets, instead forcing future legislatures to pay for them in supplemental appropriations bills.

The combined increase in education over last biennium is \$5.4 billion, a figure that includes funding enrollment growth (\$2.2 billion) and a \$3.2 billion increase for the Foundation School Program.

This Session's supplemental appropriations bill, [H.B. 1025](#), provides \$450 million in transportation infrastructure funding that will be used to repair roads primarily in the Eagle Ford shale play. It takes \$3.9 billion the rainy day fund - **a one-time, non-reoccurring expenditure**, to provide \$2 billion for the Water Infrastructure Fund (Texas voters will be asked to approve the creation of the fund in a November state constitutional amendment election), \$1.75 billion to

stop the deferral of the Permanent School Fund payments, and \$185 million for recovery efforts for the devastation caused by the wildfires last summer and the recent fertilizer plant explosion in West.

While the Legislature chose not to pass our truth in budgeting package, which included a measure that would have ended the diversion of the sporting goods sales tax revenue intended to be spent on our state park system, the budget writers did significantly increase the allocation of the sporting goods sales tax revenue for parks - to the tune of \$30.1 million. The budget also includes a \$15.5 million increase for local parks grants.

Overall, from 2010-2015, spending growth has increased each year by just 0.377 percent, calculated for inflation and population growth. All told, this Legislature's fiscal discipline has put our state on the right track. Let's make sure we hold our elected officials accountable to ensure this trend continues.

### **The Influence of Dark Money in the Legislature**

You may have heard about [SB 346](#), a bill by Senator Kel Seliger that would require nonprofit organizations that engage in political activity and are set up under section 501(c)(4) of the federal tax code to disclose their donors. Currently, political action committees and other groups that raise and spend money for political purposes are required to provide this information to the public, but 501(c)(4) organizations are not, regardless of how much money they spend on political campaigns.

There are a few of these 501(c)(4)s that have a great influence over a contingent of lawmakers in Austin. These "dark money" influences are equally irresponsible on both the left and right of the political spectrum. This session, several initiatives including term limits, transparency bills, second amendment legislation, and the initial attempt to fund the state water plan were defeated as a result of the influence of these groups.

These organizations threaten lawmakers with political retribution if they don't vote the way they demand. Though there has been wide speculation about who the groups' donors are and what motivates them, many of these organizations have consistently been unwilling to provide this information. Instead, many of these groups choose to accept hundreds of thousands of dollars in contributions to spend on smear campaigns that target elected officials with whom they don't agree. This dark money has long prevented

Texans from having the ability to follow the money and evaluate the legitimacy of the messages these groups spread.

During the 83rd Session, the Legislature took a step toward taking these kinds of group out of the shadows and putting them on equal footing with other lobby groups. Both the House and the Senate passed SB 346, which would have required nonprofits that spend more than \$25,000 on campaign activity to disclose contributors who donate \$1,000 or more. Unfortunately, Governor Perry vetoed this bill earlier this week and as a result, these groups will continue to operate in the shadows. We wrote [an editorial](#) published in the San Antonio Express-News about dark money's influence on the legislature. Please take a moment to read it.

### **Working to End Medicaid Fraud**

[SB 8](#) is crafted to proactively ensure that Medicaid dollars are spent only on appropriate services. SB 8 will create a special team to look for spending irregularities in the Medicaid program and the Children's Health Insurance Program (CHIP), which will help the state stay apprised of new trends in fraud and abuse.

As it stands, the state can only seek recovery from Medicaid providers after fraud is committed, sometimes months or years after the offense, in what is commonly known as the "pay and chase" model. SB 8 provides for new teams to use sophisticated software to monitor unusual Medicaid billing patterns as they are reported, thus starting investigations earlier in the process.

This bill also provides new tools to the Inspector General of the Health and Human Services Commission to pursue fraud, waste, and abuse in nearly every health and human services program that is offered in Texas. From 2004 to 2011, the Office of Inspector General identified more than \$6 billion in fraud, waste, and abuse in Texas public health programs.

Finally, SB 8 adds oversight for private EMS licensing. In recent years, investigators have uncovered millions of dollars in fraudulent Medicare and Medicaid billing schemes by ambulance providers. Because there is very little oversight of Medicaid ambulance providers, owners under investigation can simply shut the business down and reopen a new version of the same business. SB 8 provides safeguards against that practice.

### **Expanding Access to Charter Schools in Texas**

In response to widespread support for legislation that would expand the opportunity for students on waiting lists to enter charter schools and to provide for a more efficient process to close low-performing charter schools, the Legislature passed [SB 2](#).

SB 2 provides for the speedy closure of low-performing charter schools by empowering the education commissioner with the tools needed to accelerate closure. Additionally, SB 2 establishes a check-and-balance system for state awards of charters. The commissioner is authorized to grant charters, but the State Board of Education is authorized to veto the commissioner's decision. SB 2 also strengthens the standards for awarding charters and requires for clear reporting that will shine a public light on poor charter authorization practices.

Most importantly, SB 2 is intended to provide opportunity to the 100,000 students on charter school waiting lists. It lifts the arbitrary 215 cap on the number of charters, allowing measured growth of new public charter schools: 10 in 2014 and 15 annually thereafter with an aggregate cap of 305. The bill also provides for the replication of our state's most successful charter schools.

### **The HemisFair Park Bill**

After several months of fighting an uphill battle, the legislation allowing the City of San Antonio to change the dedication of parkland at HemisFair Park, without first receiving approval from San Antonio voters, was approved just before a major deadline.

Current law requires that in order to convert or sell parkland, a city first garner the approval of voters, through an election, to do so. In its effort to expedite the master plan for HemisFair Park unveiled by the City several months ago, this legislation was introduced so the City could be exempted from this law, circumvent the voters, and move forward with the re-dedication of parkland.

The original bill passed the Senate earlier in the Session, but died in the House after missing a procedural deadline. It was later tacked onto another bill in the form of an amendment to [HB 3447](#). After the House received word that this bill was an attempt to circumvent voters, the measure was voted down. A few hours later, the bill was resurrected and passed 114-26. Because I believe the voters should have had the opportunity to make their voices heard on this project, I voted against the bill.

## Requiring Drug Testing to Receive State Benefits

Last week, the Legislature passed [SB 21](#), which permits the state to drug test individuals who apply for unemployment benefits. SB 21 requires first-time unemployment benefit applicants who held jobs that required the passage of a drug test to answer a questionnaire determining their risk of drug use. If reasonable suspicion is determined, the Texas Workforce Commission would require the applicant to undergo a drug test.

If an individual tests positive, they could ask to be retested, or they could keep their benefits if they agree to enroll in a treatment program within seven days. Either way, the individual would be able to reapply after 30 days.

The bill, modeled after legislation passed in several other states, was carefully crafted to be constitutional.

Conversely, [SB 11](#), the bill that would have required drug testing for welfare benefits, died as a result of chubbing by several members of the Legislature. The bill was considered just a few hours before the House's deadline to pass bills and it died when the clock struck midnight.



83rd Legislature Team Larson with Speaker Straus on Sine Die.

## Larson Legislation

Team Larson had a very successful Session! We passed 16 bills out of the House, 12 of which have also passed the Senate. The Governor has signed 3 of the bills that passed. Some of our key bills that have passed both chambers, and await the Governor's signature, include:

**[HB 120](#): Specialty Military License Plates for Defense Superior Service Medal Honorees**

This bill recognizes the exemplary service of Defense Superior Service Medal recipients by providing for the issuance of special plates.

**[HB 150](#): Flying Flags at Half-Staff in Remembrance of Fallen Service Members from Texas**

This legislation requires the American and Texas flags to be displayed at half-staff for one day following the death of a Texan in combat.

**[HB 252](#): Ensuring Water Utilities Can Supply Their Customers**

If a utility is reasonably certain that it cannot provide its customers with water for more than 180 days, HB 252 requires that it must report this to the Texas Commission on Environmental Quality (TCEQ) in order to keep the citizens of Texas and regulatory agencies informed and allow these agencies to assist in times of emergency.

**[SB 166](#): Creating Greater Efficiency at Medical Clinics**

SB 166 allows health care providers to swipe their driver's license to check in at their doctor's office, instead of filling out forms. This is an effort to improve and streamline patient access to their health care provider and increase medical record efficiency.

**[HB 630](#): Allowing State Political Parties to Self-Govern**

HB 630 allows state party organizations to determine the percentage of committee membership that constitutes a quorum to help political parties fill precinct chair vacancies. It also provides a method for holding elections in counties that don't have party leadership.

**[SB 1101](#) and [SB 1102](#): Advancing the Cybersecurity Industry in Texas**

SB 1102 seeks to implement some of the recommendations of the Texas Cybersecurity, Education, and Economic Development Council's report, including establishing a cybersecurity coordinator, who will be responsible for overseeing cybersecurity issues in Texas. SB 1101 will extend the Texas

Cybersecurity, Education, and Economic Development Council that we established last session for an additional two years.

### **83rd Legislature First Called Session**

At 6:00 p.m., after the House adjourned Sine Die on May 27th, we convened the first called session of the 83rd Legislature. Currently, our only charge deals with redistricting, but Governor Perry could include additional items as the special session continues.

As you may remember, the Texas House, Texas Senate, and U.S. Congressional maps approved by the Legislature in 2011 during the post-2010 census redistricting process were challenged under Section 2 and Section 5 of the Voting Rights Act, and the U.S. Constitution. The courts deemed there was evidence of racial discriminatory intent under Section 5 and the maps were denied. Then, a San Antonio federal court re-drew the maps that were used in the 2012 election. The Legislature will consider these maps during the Special Session. Since they were drawn by the courts, these maps are expected to be found satisfactory and adopted.

The Voting Rights Act, passed by the U.S. Congress in 1965, was intended to end discriminatory voting practices that disenfranchised minority voters. As you may know, Texas is one of the covered jurisdictions addressed by Section 5 of the Voting Rights Act, which requires the U.S. Department of Criminal Justice to pre-clear any changes made in elections and voting in Texas. For this reason, the redistricting process that will be addressed during the Special Session is tied to this law.

Section 5 puts the burden of proof on the governmental entity requesting the change to existing voting or elections practice. Examples of the changes to which Section 5 applies include moving a polling location to an elementary school a quarter mile down the road, creating a Municipal Utility District, or changing voting age requirements. The entity seeking the change must prove to the US Department of Criminal Justice that it won't adversely affect minorities.

When it passed in 1965, the Voting Rights Act was intended to be dismantled after five or six years, which would be long enough for it to correct voting practices that adversely affected minorities and to ensure that the state would treat these groups fairly. Almost fifty years later, it is still in effect. It was

renewed in 2006 for a 25-year term, barring judicial decree or congressional change.

In 2010, Shelby County, Alabama filed suit challenging the constitutionality of Section 5 of the Voting Rights Act. The State of Texas filed an amicus "friend of the court" brief explaining the challenges we have faced with the unfair application of this law. If the Supreme Court rules that Section 5 is unconstitutional and has outlived its purpose, Texas would no longer be under the oversight of the federal government and would not have to seek clearance on future election changes, putting Texas on equal footing with other states who are not subject to Section 5. The U.S. Supreme Court is expected to rule on *Shelby County v. Holder* next month.

We don't anticipate any substantive changes to District 122. For those of you that are interested, here is the population breakdown of the district, per the 2010 U.S. Census:

Total District 122 Population: 175,184

Percentage of Bexar County: 10%

Anglo: 59.7%

Black: 4.1%

Hispanic: 30.2%

Black & Hispanic: 33.8%

Other: 6.5%

### **In the News**

Texas Weekly: [After Texas Lawmakers Go Home, What's Next for Water?](#)  
San Antonio Express-News: [HemisFair bill, once voted down, finally approved](#)  
El Paso Times: [Larson pushes back against movement conservative](#)  
San Antonio Express-News: [HemisFair bill pulled back from the brink](#)  
San Antonio Express-News: [Some lawmakers fear 'conservative' scorecard](#)  
Dallas Morning News: [Lyle Larson: In name of conservatism, Texas lawmakers refuse to think for themselves](#)

As always, please feel free to contact me if I may ever be of assistance to you by phone at (210) 402-5402 or by email at [lyle.larson@house.state.tx.us](mailto:lyle.larson@house.state.tx.us).

Best,

A handwritten signature in black ink, appearing to read 'Lyle Larson', with a stylized flourish at the end.

Lyle Larson