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Lieutenant Governor of Texas
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2017 Interim Legislative Charges:

Finance Committee
Select Committee on Property Tax Reform
Transportation Committee
Health & Human Services Committee
Natural Resources & Economic Development Committee
Intergovernmental Relations Committee
Veterans Affairs & Border Security Committee
Select Committee on Employment Practices

October 23, 2017

Finance Committee

- **Alamo Historical Site Renovation:** Monitor the expenditures of state funds appropriated to the General Land Office for the preservation, maintenance, and operation of the Alamo historical site. Ensure the funds are spent to emphasize the architectural design and the historical impact the battle had on the development of Texas as a nation and as a state.
- **Economic Stabilization Fund:** Examine options to increase investment earnings of the Economic Stabilization Fund in a manner that minimizes overall risk to the fund balance. Investment options should ensure the liquidity of a sufficient portion of the balance so that the legislature has the resources necessary to address the needs of the state, including natural disasters. Evaluate how the Economic Stabilization Fund constitutional limit is calculated; consider alternative methods to calculate the limit, and alternative uses for funds above the limit.
- **Texas Emission Reduction Plan:** Review the Texas Emission Reduction Plan (TERP) and its economic benefits to the state. Examine whether the state's investment in TERP, including transfers from the Department of Transportation, are being effectively utilized to comply with federal air quality standards, reduce pollution, and protect the public health of Texans.
- **Request to Exceed Review:** Review all riders requiring interim action by the Legislative Budget Board to reduce the number of times interim budget modification is necessary.
- **Fee Structure Review:** Review state General Revenue - Dedicated fees and make recommendations to reduce fees and lessen reliance on General Revenue - Dedicated fee balances to certify the budget.
- **Adult and Juvenile Corrections Funding:** Examine the funding patterns used to fund the juvenile justice system and adult probation departments. Develop recommendations to ensure the Texas Juvenile Justice Department budget does not dis-incentivize the use of cost-effective best practices such as diverting youth from the juvenile justice system, providing services to youth in their community, and keeping youth closer to home. In addition, review funding to adult probation departments and ensure it provides for an equitable distribution to all Texas Probation Departments.
- **Trauma Funding:** Review revenue sources currently funding the state's trauma system and the impact of declining revenues and balances in General Revenue - Dedicated accounts. Evaluate the impact of statutory changes affecting trauma system funding, including efforts to eliminate the Driver

Responsibility Program. Examine ways to ensure sustainability of the trauma system in Texas.

- **Property Tax on Business Personal Property:** Evaluate the property tax as it applies to business personal property and the current \$500 exemption. Quantify the economic effect of taxing business personal property and determine whether the tax places Texas at a competitive disadvantage relative to other states. Evaluate the burden on taxpayers and local governments of administering the property tax on business personal property and determine whether the current \$500 exemption should be increased.
- **Interest Rate Disparity:** Evaluate the rate of interest charged on delinquent property taxes and delinquent state taxes, compared to the rate of interest paid on property tax refunds and state tax refunds.
 - Evaluate the effect of interest rate disparity on the assessment decisions of governments and the payment decisions of taxpayers.
 - Quantify the amount by which state and local governments profit from interest rate disparity.
 - Identify best practices among other states regarding interest rates charged and paid.
 - Recommend a plan and timeline to reduce interest rate disparity.
- **Monitoring:** Monitor the implementation of the following funding initiatives:
 - CPS Critical Needs - Monitor the impact of salary increases and additional caseworkers allocated to Child Protective Services last interim.
 - Health Care Costs Across State Agencies - Monitor coordination efforts among state agencies to improve health care and reduce costs pursuant to Article IX, Section 10.06 and Section 10.07.
 - Behavioral Health - Monitor the state's progress in coordinating behavioral health services and expenditures across state government, pursuant to Article IX section 10.04, including the impact of new local grant funding provided by the 85th Legislature.
 - Sporting Goods Sales Tax - Identify state and local park needs and determine whether the Sporting Goods Sales Tax is meeting those needs.

Senate Select Committee on Property Tax Reform

- **Voter Engagement:** Study and recommend ways to enhance voter engagement in local government decisions around budgets and property tax rates through digital media and social media. Determine how budget and tax rate information should be formatted for effective communication through digital and social media. Identify the ways in which digital and social media

present new opportunities for voters to give feedback to local governments. Identify best practices among local governments in Texas and in other states.

- **Tax Rate and Appraisal Reform:** Evaluate the effective tax rate and rollback tax rate calculations and identify modifications that would yield a rollback process that is meaningful for local governments and for citizens. Evaluate whether the current rollback election trigger serves modern objectives.

Evaluate the operations of appraisal review boards (ARBs), specifically the training and expertise of members concerning appraisal standards and law, ethics, and meeting procedures. Determine whether ARB operations are sufficiently independent of central appraisal districts and taxing units and whether ARBs and/or chief appraisers should be elected.

- **Property Tax Data:** Evaluate whether existing libraries of property tax data and collection methods are adequate for studying local property tax outcomes and identifying drivers of growing property tax levies. Determine the scope of existing data, where it is stored, and how it is made available to the public. Determine whether existing, available data is adequate for the needs of the legislature and the public. Review existing procedures for the collection and verification of data. Receive recommendations from the comptroller regarding the collection, verification, and publication of property tax data.
- **Lowering Property Tax Burden:** Study the feasibility of replacing the property tax with sales tax or other consumption tax revenue, with emphasis on school maintenance and operations tax. Evaluate whether some local property taxes lend themselves to a swap more than others. Quantify the short-term and long-term economic effects of a tax swap. Identify a target property tax rate and evaluate how to reach that target with a consumption tax swap.

Transportation Committee

- **Funding Opportunities for Texas Ports:** Review the state's appropriations for Texas' ports and the Ship Channel Improvement Revolving Fund and make recommendations for increased investment to meet future needs.
- **Project Acceleration:** Study and make recommendations regarding segregating state and federal transportation funding to accelerate project delivery.
- **Toll Road Penalties:** Review penalty practices employed by toll authorities throughout the state and make recommendations to improve

customer service and eliminate unjustified penalties.

- **Human Smuggling:** Examine the anti-smuggling efforts of governmental and non-governmental entities under the committee's jurisdiction. Compare the findings to best practices in other states and make recommendations to help advance efforts in the fight against human smuggling.
- **Highway Naming:** Review the state's policy related to the naming of state highways for individuals and make recommendations to limit and reform the criteria of such designations.
- **Monitoring Charge:** Monitor the implementation of legislation addressed by the Senate Committee on Transportation during the 85th Legislature, Regular Session and make recommendations for any legislation needed to improve, enhance, and/or complete implementation. Specifically, monitor the following:
 - Implementation of statutory changes specified in the Texas Department of Transportation's (TxDOT) sunset legislation. 1) requiring toll road entities to use toll revenue to pay back TxDOT for grants used to construct toll roads. 2) prohibiting TxDOT from operating or transferring a HOV lane as a tolled lane. 3) authorizing TxDOT to convert non-tolled lanes as toll lanes - only if the number of non-tolled lanes is greater than or equal to the number in existence before the toll conversion project. 4) prohibiting TxDOT from awarding contracts unless the contractor participates in E-verify; and
 - Progress of the Texas Department of Transportation's (TxDOT) efforts to issue an annual permit for transporting overweight, sealed intermodal shipping containers on TxDOT approved routes within 30 miles of a port of entry or an international bridge.

Health and Human Services Committee

- **Child Welfare:** Review the efficacy and quality of services offered to ensure family preservation while in the Family Based Social Services (FBSS) stage of service at the Department of Family and Protective Services. Make recommendations to better track quality of services and link payments to providers of these services to outcomes for families and children.

Analyze the Department of Family and Protective Services' progress in meeting statutory requirements related to timely visits to children involved in a reported case of abuse or neglect. Make recommendations to further improve the timeliness of these visits.

Review services and supports provided to children in Permanent Managing Conservatorship of the state, and the level of preparedness given to youth aging out of state care. Examine the impact of recent legislation related to

these populations, and make recommendations to ensure youth in care are ready for adulthood and to reduce the likelihood of intergenerational perpetuation of child maltreatment.

Assess the effectiveness of public and private agency efforts to recruit and retain foster parents. Identify barriers to entry and obstacles that prevent interested families from continuing to provide foster care. Recommend solutions to increase foster recruitment and address non-renewals, especially in first-time foster parents.

- **Substance Abuse/Opioids:** Review substance use prevention, intervention, and recovery programs operated or funded by the state and make recommendations to enhance services, outreach, and agency coordination. Examine the adequacy of substance use, services for pregnant and postpartum women enrolled in Medicaid or the Healthy Texas Women Program and recommend ways to improve substance use related health outcomes for these women and their newborns. Examine the impact of recent legislative efforts to curb overprescribing and doctor shopping via the prescription monitoring program and recommend ways to expand on current efforts.
- **Medicaid Managed Care Quality and Compliance:** Review the Health and Human Services Commission's efforts to improve quality and efficiency in the Medicaid program, including pay-for-quality initiatives in Medicaid managed care. Compare alternative payment models and value-based payment arrangements with providers in Medicaid managed care, the Employees Retirement System, and the Teachers Retirement System, and identify areas for cross-collaboration and coordination among these entities.

Evaluate the commission's efforts to ensure Medicaid managed care organizations' compliance with contractual obligations and the use of incentives and sanctions to enforce compliance. Assess the commission's progress in implementing competitive bidding practices for Medicaid managed care contracts and other initiatives to ensure the best value for taxpayer dollars used in Medicaid managed care contracts.

- **Health Care Cost Transparency:** Study efforts by the Department of State Health Services and the Texas Department of Insurance to increase health care cost transparency, including a review of the Texas Health Care Information Collection (THCIC) system, and the Consumer Guide to Healthcare. Recommend ways to make provider and facility fees more accessible to consumers to improve health care cost transparency, increase quality of care, and create a more informed health care consumer base.
- **Monitoring Charge:** Monitor the implementation of legislation addressed by the Senate Committee on Health and Human Services, 85th Legislature

and make recommendations for any legislation needed to improve, enhance, and/or complete implementation, including but not limited to:

- Initiatives to increase capacity and reduce waitlists in the mental health system, including the construction of state hospitals and new community grant programs;
- Initiatives to better understand the causes of maternal mortality and morbidity, including the impact of legislation passed during the first special session of the 85th Legislature. Recommend ways to improve health outcomes for pregnant women and methods to better collect data related to maternal mortality and morbidity;
- Initiatives intended to improve child safety, Child Protective Services workforce retention, and development of additional capacity in the foster care system. Make additional recommendations to ensure children with high levels of medical or mental health needs receive timely access to services in the least restrictive setting;
- Efforts to transfer case management of foster children and families to Single Source Continuum Contractors (SSCCs). Monitor the progress of this transition and make recommendations to ensure the process provides continuity of services for children and families and ongoing community engagement;
- Initiatives to strengthen oversight of long-term care facilities to ensure safety and improve quality for residents and clients of these entities; and
- Abortion complications and other reporting legislation that was passed by the 85th Legislature.

Natural Resources and Economic Development Committee

- **Hotel Occupancy Taxes:** Study and make recommendations regarding the collection and use of hotel occupancy taxes to increase transparency in the imposition, rate, and use of such taxes.
- **Regulatory Barriers:** Identify options to maintain our state's competitive advantage and make recommendations to remove or reduce administrative or regulatory barriers hindering economic growth, including permitting or registration requirements and fees.
- **Environmental Safety:** Study the strategies and best practices for ensuring environmental safety during maintenance, startup, and shutdown activities due to emergencies. Recommend actions to improve safety without compromising compliance or penalizing good actors.
- **Waste Disposal Regulation:** Study the permitting and compliance processes for waste disposal and processing, including evaluating the criteria

for approval, denial, and application return. Make recommendations for improving and streamlining the permitting and compliance processes while maximizing public participation for effective outreach and education. Review the allocation of the Municipal Solid Waste disposal fees and make recommendations regarding allocation methods to adequately support existing programs.

- **Monitoring:** Conduct legislative oversight and monitoring of the agencies and programs under the committee's jurisdiction and the implementation of relevant legislation passed by the 85th Legislature, including:
 - Texas Railroad Commission Sunset and funding;
 - Environmental Regulatory and Legal Primacy; and
 - The effectiveness of emission reductions recognized from the Texas Emissions Reduction Program (TERP) and grant flexibility.

Intergovernmental Relations Committee

- **ETJ Limitations and Notice:** Review the existing regulatory authority granted to home-rule municipalities within the extraterritorial jurisdiction (ETJ), including practices used by cities to expand ETJ boundaries, and whether proper notification is provided to property owners added to a city's ETJ following an annexation proceeding. Determine the limitations that need to be placed on a city's authority within the ETJ to better protect the private property rights of individuals and landowners, and ways to notify individuals of the impact of being within a city's ETJ. Develop a statewide rule and minimum requirements for such notifications.
- **Housing Affordability:** Examine issues that impact housing affordability, including the effect of local government taxes, fees, and mandates. Evaluate the cost of purchasing a single-family residence in different parts of the state, factoring in the impact of local rules and regulations, to identify matters of policy with the greatest influence, and identify ways to increase transparency and awareness prior to the adoption of costly local ordinances or orders.
- **Special Purpose Districts Bond Reform:** Study the state agency review of tax exempt bonds issued by special purpose districts and public improvement districts used to finance water and sewer infrastructure in new residential and commercial developments. Examine the disparities that exist between the feasibility review of water and sewer bonds backed by property-based assessments and those backed by ad valorem taxes, and make recommendations that ensure the continued stability of the Texas tax-exempt bond market by requiring all districts to undergo appropriate reviews prior to issuance.
- **Municipal Management District Uniformity:** In conjunction with the

appropriate legislative departments, determine whether the development of a template or standardized language for the creation of municipal management districts would provide a more effective means for legislators to ensure new special purpose districts conform to accepted standards and contain appropriate taxpayer oversight.

Veterans Affairs and Border Security Committee

- **Border Security - Law Enforcement:** Study and make recommendations on opportunities to create public safety partnerships. Consider the federal 287(g) program and any needs of a state or local jurisdiction when entering in a Memorandum of Agreement for receiving delegated federal authority. Review cross training programs offered in other states that allow U.S. Border Patrol agents to be certified as state peace officers, and determine if Texas could create such a program.
- **Border - Invasive Species:** Study and make recommendations on the impact to border security caused by invasive plant species, such as carrizo cane and salt cedar. Review proposals for eradication of invasive plant species that provide a natural shelter for human trafficking and/or smuggling arms and illicit substances.
- **Veterans Health:** Study the effectiveness of veterans' health and mental health initiatives in Texas and recommend ways to improve access and delivery. Explore the state of the federal VA Choice Program, including potential expiration, continuation, or expansion of the program. Consider the impact of the VA Choice Program on improving the delivery of health care, and determine ways to raise awareness and increase participation among Texas veterans. Consider the potential connection between chronic pain and mental health and identify strategies to improve the prevention of veteran suicide.
- **State-Delivered Federal Services:** Review the veteran services offered by the United States Department of Veteran Affairs and Veteran Benefits Administration. Study those services which are being delivered by the Texas Veterans Commission, including but not limited to the state strike force teams and health care advocacy program. Consider ways to increase utilization of automated services, such as the Texas Veterans App, to reduce the need for additional staff time and to create a resource for veterans to access services at all times of the day.
- **Military Installation:** Identify opportunities to promote the strategic importance of military installations in Texas. Study the impact of the Aviation, Aerospace & Defense manufacturing industry on the economic vitality of military installations and communities. Identify potential strategic partnerships between this industry and military communities which would

enhance key strategic assets.

- **Military Youth Readiness:** Evaluate the current readiness and fitness of Texas youth for entering military service over the next 5-10 years. Identify any additional economic impact to the state should youth not meet physical requirements or required academic performance.
- **Monitoring:** Monitor the implementation and impact of legislation passed by the Texas Legislature. Make recommendations for any needed improvements or steps to ensure completion.
 - SB 27 by Campbell 85(R), relating to the mental health program for veterans;
 - SB 277 by Campbell 85(R), relating to ad valorem tax incentives for wind-powered energy devices near military aviation facilities; and
 - SB 389 by Rodriguez 84(R), relating to the addition of military occupational specialty codes on state agency employment listings.

Senate Select Committee on Employment Practices

- Study whether Texas businesses are able to circumvent state and federal immigration law by hiring employees through temporary employment agencies rather than hiring employees directly. Explore whether businesses that enter into contracts with a state agency should participate in the E-verify program as part of the awards process of a state contract. Make recommendations on how to best guarantee the integrity of our state's workforce.