

The 79th Legislative Session in Review

Senator Eliot Shapleigh

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79th Legislative Session Budget Highlights

The 79th Legislature encountered the daunting challenge of reforming the way Texas finances its public school system while lowering property tax rates. Under H.B. 3, filed during the 79th legislature, first called special session, 93.7% of El Pasoans would have gotten a tax hike. Senator Shapleigh fought hard to protect Texas working families from tax increases, while ensuring that all of our children are educated and that no child is left behind. As a member of the Senate Finance Committee, Senator Shapleigh aggressively fought attempts to raise the state sales tax, a regressive tax that when combined with a proposed business income tax, would have hit El Paso families the hardest since they spend a greater proportion of their limited incomes on items such as clothing, transportation, school supplies, and essential family purchases. Sales taxes in Texas are already among the nation's highest in the nation, making Texas' tax system, which relies mostly on property and sales taxes, the fifth most regressive tax system in the nation. Senator Shapleigh worked hard to educate his colleagues, the media and the public that using higher sales and business taxes to reduce property taxes would only increase taxes for the majority of Texas families. As a result, Senator Shapleigh stated repeatedly that "Robin Hood is better than any proposal in Austin." Despite the challenges of the 79th legislative session, Senator Shapleigh achieved a number of successes for the state and District 29. These are listed below.

El Paso Funding

- ❖ Worked with the Governor to create an Emerging Technology Fund to increase the presence of advanced technology in Texas. As a member of the Senate Finance committee, Senator Shapleigh was integral in appropriating \$200 million to the Emerging Technology Fund and ensured that El Paso is named as one of the first locations to be home to a regional center of innovation and commercialization (RCIC). In spearheading the formation of the RCIC, Senator Shapleigh worked with the University of Texas at El Paso, the Texas A&M Transportation Institute, and General Dynamics Inc. to incubate and grow high-tech jobs in the El Paso region
- ❖ Secured \$7 million for debt service for the \$45 million Basic Sciences Research building
- ❖ Fought for \$37 million in funding to hire faculty under H.B. 10 which passed the Senate

Education

- ❖ Fought for equitable funding for our public schools to ensure that no Texas child gets left behind
- ❖ Passed the Texas Financial Literacy Act to ensure that every Texas child learns basic financial skills such as how to balance a check book, use a credit card responsibly, and plan for buying a home
- ❖ Co-sponsored H.B. 4 and worked with authors of other public education legislation to create law that would advance the use of technology in public schools by expanding the laptop immersion pilot program, created during the 78th legislative session, to ensure that students using and learning through one on one technology immersion will be able to continue that process and expanding the program to more communities across the State

- ❖ Passed S.B. 111 which guarantees that motivated high school students receive college credits for rigorous programs such as the International Baccalaureate Diploma program, the College Board's Advancement Placement Tests, College Level Exam Program tests, and dual credit courses

Health and Human Services

- ❖ Helped to restore vision, dental, and mental health benefits to the Children's Health Insurance Program
- ❖ Co-authored the omnibus Adult Protective Services and Child Protective Services reform legislation, S.B. 6, creating the Guardianship Certification Board, tightening procedures by providing more quality assurance of the state guardianship program, ensuring a more thorough review of cases by staff and special task units, and changing the emergency order process to provide a more immediate response
- ❖ Urged the Health and Human Services Commission (HHSC) to collect data on the uninsured by county and/or metropolitan statistical area and issue a report to the Legislature on January 1st of each year
- ❖ Fought to increase the enrollment period in the Children's Health Insurance Program from six months to 12 months

Military

- ❖ Fought for \$30 million to fund the Defense Economic Adjustment Assistance Grant (DEAAG) to support defense dependent communities and entities to respond to or recover from defense installation closures or realignments
- ❖ Fought for grant funding to help the El Paso Water Utility build a desalination plant and a water reclamation project to address water supply needs at Fort Bliss
- ❖ Passed the Texas Soldier's Payday Protection Act to prevent predatory lending abuses on Texas soldiers

Border Initiatives

- ❖ Secured \$1.7 million to create a Texas Transportation Institute Center in El Paso, the first of its kind along the U.S.-Mexico Border. The center will focus on enhancing the efficient, safe and secure movement of people and goods across the U.S.-Mexico border
- ❖ Sought to procure funds for the design and construction of the Rio Vista recreational and cultural resource center dedicated to the history and migration from Mexico to the United States
- ❖ Fought for funding for the creation of a University of Texas School of Public Health Center (UTSPH) in El Paso in corroboration with the University of Texas at El Paso

Revenue and Grant Funding

- ❖ Prevented higher sales taxes that would have shifted billions of dollars in new taxes onto working families earning less than \$140,000 per year

- ❖ Supported efforts to lower property taxes while increasing the amount of the residence homestead exemption to \$22,500, and reducing the limitation on the amount of taxes imposed on the homesteads of the elderly or disabled
- ❖ Ensured that property owners have adequate notification and an opportunity to hold their elected officials to a higher level of accountability on the total amount of property taxes being assessed, by compelling a taxing jurisdiction proposing any increase in the tax rate above the effective tax rate, to hold two public hearings in two separate weeks

Infrastructure, Technology and Workforce

- ❖ Won approval for the Texas Education Agency to spend up to \$800,000 to develop a demand-driven workforce curriculum to bridge the gap between workers' current abilities and the skills they will need to succeed in the new economy
- ❖ Co-authored the Texas Rail Facility Act to focus rail projects and promote major projects in metropolitan areas
- ❖ Fought to continue the Telecommunications Infrastructure Fund for providing technology to schools, libraries and health care institutions
- ❖ Fought to ensure under S.B. 7, the eminent domain bill passed during the 79th legislature second called session, that the state would not unintentionally permit certain condemnations for economic development purposes that are prohibited under current law
- ❖ Ensured that El Paso is one of only two cities in Texas that has the authority to form a Regional Mobility authority (RMA); finance projects in Texas, New Mexico, and Mexico if the projects are mutually beneficial to the state of Texas; and, made El Paso the only city in the state that has the authority to build transportation infrastructure in Mexico that will benefit the state of Texas
- ❖ Co-sponsored and passed a proposed constitutional amendment that would create the Texas rail relocation and improvement fund. A state investment of \$100 million could generate \$1 billion dollars for rail relocation projects across the state

Improves Opportunity, Accountability and Outcomes in Higher Education

Economic vitality is associated with success in education. And no community in Texas demonstrates this relationship more clearly than El Paso. In the 1950s, per capita income along the Texas-Mexico Border as a percentage of the national average has plummeted so much that, in certain areas, it is now 52 percent of the national average. In El Paso, the county's median family income exceeded the Texas average by 13 percent in 1950, but by the year 2000 it declined to 30 percent below the state average. In relation to education attainment levels, El Paso County began the postwar period at well above state and national parity for high school completion, but by 2000 it faced a significant decline to 15 percent below the national average for a turnaround of 24 percent.

In fact, The Texas Borderlands has the lowest levels of educational attainment in the state of Texas. Borderland universities lag behind the rest of the state in college graduation rates, providing grants to students, and in establishing Ph.D. and professional programs. The lack of attention to higher education along the Border still exists despite the South Texas/Border Initiative, which was approved in 1989. The initiative arose from a legal challenge by the Mexican American Legal Defense and Educational Fund against the state in 1987, which alleged that Border universities were not receiving their fair share of state funding. Thus, the Texas Legislature created the Initiative to help Border universities achieve parity with other Texas institutions. The initiative included increased funding, tuition revenue bonds, additional courses and degree programs to each institution's academic offerings, and the alignment of five Border universities with the major university systems, primarily the University of Texas System (UT System) and the Texas A&M System (A&M System).

Despite this effort by then Governor Bob Bullock, the State continues to fail in providing adequate programs and funding, which negatively affects universities' ability to retain their best and brightest students.

The legislative actions taken in the higher education arena are discussed below.

Fights to provide tuition exemptions at state universities for children of certain classroom teachers

The primary cause for teacher shortages in Texas is the failure to retain professional educators in the field of education. According to the Consortium of State Organizations for Texas Teacher Education, nearly 50 percent of teachers who leave the profession, leave within the first five years of teaching. Current trends in teacher demographics suggest that the increase in the teacher attrition rate will continue to increase. As older, more experienced teachers retire; new, less experienced teachers will fill their spots. These new teachers have the highest attrition rate in the field of education. The state needs to establish incentives for teachers to stay in schools until retirement.

Senator Shapleigh authored S.B. 79 to require that the governing board of an institution of higher education exempt a state resident enrolled as an undergraduate student at an institution of higher education from the payment of tuition, if they are a child of certain classroom teachers. While the bill was left pending in the Education Committee, the legislation became a major component of the school finance legislation that the Senate passed in H.B. 2. The House and Senate failed to reach a compromise in conference committee on H.B. 2.

Works to make college more affordable under tuition deregulation by increasing the percentage of certain tuition set aside to fund financial assistance

Rising enrollment and the increasing cost of college tuition at Texas universities create the need for more support of financial aid programs to keep education affordable for Texas students. The currently required set asides under tuition deregulation are too low to meet the need of Texas students. Senator Shapleigh introduced S.B. 80 to require universities to increase the percentage of tuition that is set aside to fund financial assistance for resident undergraduate and graduate students at public institutions of higher education. The tuition set aside increases would have gone from 20 to 40 percent for undergraduate tuition and 15 to 20 percent for graduate tuition. Unfortunately, the bill died in the Senate Finance Committee.

Works to create joint partnerships between UTEP and Texas Tech in El Paso

The Texas Tech University Health Sciences Center is currently expanding into a full, four-year medical school program. The University of Texas at El Paso has many programs related to allied health services. Sharing biological and biomedical resources between these institutions as it relates to biomedical education, training, and research would provide a bridge from undergraduate to graduate work for life sciences students. Senator Shapleigh authored S.B. 81 to allow the boards of regents for these institutions to enter joint partnerships and to develop joint degree programs and joint research programs and authorizes the partnership to conduct joint academic programs with institutions in Mexico or Canada. While the bill passed the Senate, it died in Calendars in the House.

Ensures students receive college credit for IB Diplomas, CLEP and AP exams, and dual credit courses

The International Baccalaureate (IB) Diploma program is a rigorous academic curriculum offered in schools across the state. The IB Diploma has become a symbol of academic achievement centered around high international standards. Universities across the United States offer IB graduates college credit in order to attract these very motivated students to their schools. In addition to the International Baccalaureate program, there exist other equally rigorous and recognized opportunities for highly motivated high schools students to earn college credit, such as the College Board's Advancement Placement Tests, College Level Exam Program (CLEP) tests, and dual credit courses. In order for Texas universities to draw these outstanding students to their school, they must offer college credit as an incentive.

S.B. 111 by Senator Shapleigh requires higher education institutions in Texas to adopt and implement a policy regarding the awarding of course credit for entering freshman who

successfully complete the Advanced Placement exams, CLEP tests, dual credit courses or the IB program. For students that successfully complete the IB program, higher education institutions must award at least 24 semester credit hours, which is equal to one year of college credit. The bill also requests that the Texas Higher Education Coordinating Board and the Texas Education Agency examine the correlation between corresponding high school and college courses for dual credit. Finally, S.B. 111 requires universities to inform admitted students how many credits they are eligible to receive from a particular course or exam based on university policies following a request by the student. The new law will take effect on September 1, 2005.

Places a voting student member on the board of regents of each state university

Last session's passage of tuition deregulation, which granted tuition-setting powers to the board of regents of public universities, has made it necessary to provide for student representation on the boards of regents. A student regent is needed to ensure that the boards act fairly and in the best interest of the students. A student regent would offer a student's perspective on the boards of regents. S.B. 870 by Senator Shapleigh places a voting student member on the board of regents of each state university or state university system and creates the position of student regent designate. The student regent would be a full voting member of the board, and the student regent designate would be a nonvoting member. The student regent designate would succeed the voting student regent. Student regents would be selected through a nominating process that begins with the student governments of universities nominating candidates and ends with the board of regents selecting a student regent from those nominated. Senator Shapleigh also proposed S.J.R. 22, a constitutional amendment that allows the legislature to have a student member on a board of regents and authored S.B. 934 and S.J.R. 26 with Senator Wentworth (R-San Antonio) to create similar provisions for student regents.

While S.B. 870 was left pending in the Senate Higher Education committee, a similar provision passed in S.B. 34 by Senator Zaffirini (D-Laredo), which allowed students to serve in a non-voting position on a board of regents.

Works to prepare students for college by requiring the recommended high school curriculum to be granted guaranteed admission into a Texas public university under the Top Ten Percent law

For many years now, Texas has used a top ten percent rule to encourage strong academic performance among its high school students. Currently, any student graduating in the top ten percent of their high school class is guaranteed automatic admission into at least one Texas public university or college. However, there is no requirement for the type of coursework students have to take, and because of this many students graduate without fulfilling the "recommended" degree plan, a course plan designed to give students the training and skills necessary to succeed and be competitive in a collegiate environment. As such, many students who graduate in the top ten percent without taking the recommended degree plan find themselves unprepared to meet the challenges of college or university academics and thus struggle greatly in their first years.

To address this problem, Senator West (D-Dallas) introduced S.B. 333 with the help of Senator Shapleigh. If passed, S.B. 333 would increase the standard for guaranteed automatic admission by requiring that a student not only graduate in the top ten percent of their class, but also have successfully completed the recommended degree plan, thus ensuring strong academic preparedness for the rigors of college. S.B. 333 failed to receive approval from the Senate Higher Education Committee.

Works to increase accessibility in higher education by establishing the TexasNextStep program

The Closing the Gaps initiative by the Texas Higher Education Coordinating Board has set a goal to add 650,000 more students to institutions of higher education by the year 2015. The state's two-year institutions can play a significant role in achieving this goal. In this regard, Senator Lucio (D-Brownsville) filed and Senator Shapleigh co-authored S.B. 722 to create the *TexasNextStep* program. This program would guarantee in-district tuition, required fees, and textbooks for up to two years at Texas, community, technical, and two-year public institutions for recent high school graduates. Because the bill requires students to apply for federal and state aid and the cost of tuition and fees at two-year institutions is substantially lower than four-year institutions, the cost savings and education investment to the state of Texas would be significant with this legislation. S.B. 722 was left pending in the Senate Subcommittee on Higher Education.

Works to increase performance results at institutions of higher education

During the 78th legislative session, higher education tuition was deregulated to allow Texas colleges and universities the ability to increase their tuition. However, some institutions, even after increasing tuition, have made no significant progress and are still in need of substantial improvement, particularly in regard to graduation and remediation rates. Thus the cost of tuition is rising without a corresponding increase in educational performance measures. A performance review of these institutions would help ensure that the most cost effective measures are used to improve Texas higher education, and it would prevent colleges and universities from using tuition increases as a universal answer for problems which require better solutions.

To address this issue, Senator Shapleigh filed S.B. 1475 to require that certain colleges or universities undergo a performance review by the Legislative Budget Board (LBB) to streamline the institution's performance and create a more cost effective system. Such a performance review would be valuable for any institution that is proposing another tuition increase after increasing tuition by more than 20 percent the preceding year, yet still maintains a graduation rate of less than 50 percent and a remediation rate greater than 50 percent. LBB performance reviews improve education by developing recommendations which maximize the efficiency of budget use, identifying opportunities to reduce costs and conserve resources, and highlighting the most effective programs on campus. The LBB has conducted reviews of numerous campuses around the state including the University of Texas at Austin and Texas A&M University and has in all cases made cost saving recommendations. S.B. 1475 was left pending in the Senate Subcommittee on Higher Education.

Fights to secure \$65 million in tuition revenue bonds for the University of Texas-El Paso

To date, the University of Texas-El Paso (UTEP) has been remarkably successful in expanding its research programs and garnering federal support. In 1987, the University had \$3 million in external research funding. Today, the University has nearly \$33 million in external research funding and has been designated a Doctoral/Research Intensive University in the Carnegie Classification, the only such institution in the U.S. with a majority Mexican-American student population. UTEP is now ranked 5th among public institutions of higher education in Texas in terms of federal research activity and 3rd among University of Texas System institutions in research expenditures (see attached).

But as the Washington Advisory Group noted in their evaluation of UTEP's status as a Tier I research university, the need for adequate research and laboratory space is critical. In this regard, Senator Shapleigh filed S.B. 1743 to secure \$65 million in tuition revenue bonds for UTEP. This money would have allowed the university to continue to grow in its research endeavors by funding necessary improvements to older campus facilities, including classroom and teaching laboratories, completing existing shell space in the engineering addition and biosciences facility and replacing classroom seating, and laboratory casework and tables, and improving lighting, electrical and communications systems, and provisions for computerized support. S.B. 1743 failed to receive the approval of the Senate Finance Committee.

Works to establish a statewide assessment and accountability system for institutions of higher education

During the 78th legislative session, Senator Shapleigh passed legislation requiring the Texas Higher Education Coordinating Board to create a single chart on their web site that would list all public universities in the state and their corresponding performance on over 20 measures. As a result of this legislation, the interim and 79th Regular legislative session saw additional efforts to expand this concept. For instance, the University of Texas System published an Accountability and Performance Report (<http://www.utsystem.edu/ipa/acctrpt/homepage.htm>)

In addition, the result of tuition deregulation from the 78th legislative session was that the cost of higher education at many Texas universities became more expensive. Concerns with the increased tuition costs prompted legislators to see improved performance results at the state's higher education institutions. In this regard, Senator Florence Shapiro (R-Plano), Senator Royce West (D-Dallas) and Senator Shapleigh co-authored S.B. 1228, which directed the Texas Higher Education Coordinating Board to develop an accountability system for institutions of higher education that correlate to the goals of *Closing the Gaps*. Performance measures would have included graduation and remediation rates, number of degrees and research grants awarded and excellence in academic programs. If an institution of higher education failed to meet these measures, then their ability to increase tuition under tuition deregulation could be suspended until the institution demonstrated satisfactory progress. While the bill passed the Senate, it failed to receive a hearing in the House Higher Education Committee.

Works to limit fee increases at the University of Texas-El Paso

Current Texas law authorizes The University of Texas-El Paso (UTEP) to collect a recreational facility fee and student union fee among others. The current cap on the fees are \$12 per student per semester for the recreational facility fee and \$100 per student per semester for the student union fee. While the fees are necessary to maintain university functions, due to rising tuition costs under tuition deregulation, Senator Shapleigh wanted to maintain an affordable education for UTEP students by preventing dramatic increases in fees. Thus, as the Senate sponsor for H.B. 1412 by Representative Haggerty (R-El Paso) and H.B. 2212 (D-El Paso), which both increased the caps on these fees, Senator Shapleigh ensured the cap increases remained within a reasonable amount. He also provided language requiring a student vote approving either fee increase. Neither H.B. 1412 nor H.B. 2212 received approval on the Senate floor.

Supports Teachers and Brings Flexibility and Innovation to Public Education

One of the state's largest investments is in the public education system, with more than one-third of the state's non-federal revenues dedicated to pre-kindergarten through 12th grade education. Sixty percent of local property taxes go to support school districts. Despite this investment, the funding available cannot meet the needs associated with an increasing enrollment of students across the state. An increasing number of public schools are ranked as low-performing; the state has a shortage of qualified teachers; and high school dropout rates are extremely high. Child care shortages limit options for after-school care. The state's over-reliance on the local property tax has placed tremendous pressure on communities to cover the state's obligation to provide a basic education. Further, it puts a particular strain on communities along the Border with low property values. As a result of these issues, important gains in education that were established from the equity principles of Robin Hood school finance plan are in danger of being lost.

Senator Shapleigh's bills associated with public education are discussed below.

Works to establish a two-way developmental bilingual education pilot program

Data for the three largest school districts in the state shows a growing statewide trend that will pose significant challenges for educators of children who must learn in a language other than that which is spoken primarily in the home. Two-way developmental bilingual education programs provide instruction in both English and the native language of the non-English speaking students. These programs promote bilingualism, biliteracy and grade-level academic achievement by placing both native English-speaking and non-English speaking students together in one classroom. Studies have found that non-native English speakers in dual-language programs out-perform native English speakers in standardized tests by the eighth grade. These programs also experience lower dropout rates than other bilingual education programs.

To address the challenges posed to Texas teachers who are having to teach growing numbers of incoming students whose primary language at home is not English, and the challenges faced by students in a primarily monolanguage school system with a large language minority population, Senator Shapleigh filed S.B. 78, "The 21st Century Texas Educational Competitiveness Act" to establish a two-way developmental bilingual pilot program in Texas. While the bill was left pending in the Education Committee, the legislation became a major component of the school finance legislation that the Senate passed in H.B. 2 during the regular and special sessions. The House and Senate failed to reach a compromise in conference committee on H.B. 2.

Fights to increase teacher salaries

In 1999, researchers of the Texas Education Excellence Project at Texas A&M University found, in a study using multiple regression analysis, a strong relationship between higher teacher salaries and improved student performance on the Texas Assessment of Academic Skills (TAAS) test, especially for students from low-income backgrounds. Researchers predicted that a one-

time \$1,000 increase in average teacher salaries would produce significant results on average TAAS scores over a five-year period. If teacher salaries were increased more than \$1,000, these variables would likely have an even larger impact on standardized test performance.

Texas' average teachers salaries, however, still rank below the national average, especially when benefits are included. In 2001, Texas' average teacher salary was approximately \$5,000 less than the national average. By introducing S.B. 82, Senator Shapleigh tried to increase teacher salaries by \$1,000. The bill died in the Senate Education Committee, but Senator Shapleigh worked vigilantly on the school finance legislation to increase Texas teacher salaries to the national average.

Works to establish a statewide program to assist Texas teachers in achieving National Board for Professional Teaching Standards certification

As Texas moves towards a knowledge-based economy, our students must be competitive with those of other states. The most important piece to meeting this challenge is through highly trained, well qualified teachers. National Board for Professional Teaching Standards certification is a program that establishes advanced standards for experienced teachers that tests their knowledge with other highly trained teachers throughout the nation, and is a recognized symbol of professional excellence. An independent, multi-year study of more than 600,000 students in North Carolina found that students whose teachers were nationally certified increased their scores an average of seven percent on their year-end math and reading tests.

Currently, of the approximately 289,000 teachers in the state, Texas only has 144 with National Board Certification, which falls far short of Florida's 4,938 nationally certified teachers and California's 2,644 nationally certified teachers. Senator Shapleigh authored S.B. 83 to establish a statewide program to assist Texas teachers achieve National Board for Professional Teaching Standards certification. The bill was left pending in committee and Senator Shapleigh worked to incorporate many of the bill's concepts into the school finance legislation during the regular and special sessions. The House and Senate failed to reach a compromise in conference committee on school finance.

Offers a \$5,000 bonus to first time teachers with an outstanding academic record who commit to teach in critical shortage areas

The link between student achievement and teacher quality is well documented. In fact, teacher inputs such as academic degrees and academics are highly predictive of student outcome. Meanwhile, school districts across the state are experiencing teacher shortages in a number of areas, including mathematics, science, bilingual education, early education, and special education. Those effective teachers who are capable of inspiring significantly greater learning gains for students in critical teaching areas should be rewarded for those skills. Stipends for highly qualified teachers in critical shortage areas would provide an incentive for beginning candidates to choose one of these areas. Senator Shapleigh introduced S.B. 84 to attract the most qualified teachers to the areas of the state experiencing the greatest need by offering a \$5,000 bonus to first time teachers with an outstanding academic record who commit to teach in critical shortage areas. While the bill was left pending in the Senate Education Committee, Senator

Shapleigh worked to incorporate many of the bill's concepts into the school finance legislation during the regular and special sessions. The House and Senate failed to reach a compromise in conference committee on school finance.

Establishes the Texas Teacher Leadership Initiative

Beginning teachers often feel unsupported in their school environments. Due to this lack of support, schools across the state have low teacher retention rates and are losing bright beginning teachers to other industries. Veteran teachers are also leaving schools, and they need to be given a professional, as well as financial, incentive to stay in the teaching profession. Recent research has shown that effective teachers have a clear positive impact on student achievement. As proposed by Senator Shapleigh, S.B. 913 would establish the Texas Teacher Leadership Initiative, in which an experienced teacher leader guides a beginning teacher. S.B. 913 would give priority to school districts that are struggling with low teacher retention rates, graduation rates, and test scores on student achievement test. Teacher leaders would be rewarded with a stipend up to \$5,000 for every year they serve. While S.B. 913 died in the Senate Education Committee, Senator Shapleigh amended many of the bills concepts onto the school finance legislation during the regular and special session. The House and Senate failed to reach a compromise in conference committee on school finance.

Works to decrease the risk of vaccine-preventable diseases in schools

A number of serious illnesses, including measles, mumps, rubella, hepatitis B, and chickenpox, can be easily prevented with proper immunizations. While state law requires a child to be immunized in order to enroll in school, there are still vital immunizations that are needed throughout a child's growth that can easily be missed or forgotten. In order to decrease the risk of vaccine-preventable diseases, Senator Zaffirini (D-Laredo) filed and Senator Shapleigh co-authored, S.B. 1583, which would have required schools to notify parents and students at the end of the school year on whether the student's immunization schedule was up to date. While S.B. 1583 passed the Senate, it died in Calendars in the House.

Reforms Campaign, Government, Insurance and Electoral Reform Laws

Currently, there are inadequacies in Texas' disclosure system in relation to various laws relating to state government. For example, in the area of campaign finance, while the Government Code states that "[t]he people insist on remaining informed so that they may retain control over the instruments they have created," the state lacks full transparency of its multi-million dollar political campaigns.

Senator Shapleigh's bills associated with campaign finance, government, insurance and electoral reform are discussed below.

Penalties for political contributions and expenditures

Current Texas law does not define administrative expenses or electioneering communication. It prohibits corporate and union money and requires individual and political action committee (PAC) disclosure for direct campaign expenditures. The definition of direct campaign expenditure, however, is vague.

S.B. 649 by Senator Hinojosa (R-Corpus Christi) clarifies current law to ensure that Texas keeps corporate and union money out of its elections and informs the public about individuals funding specific ads. Senator Shapleigh co-authored this bill. Unfortunately, the bill was left pending in the Senate State Affairs Committee.

Regulates political telephone solicitation

Push polls are used either to persuade respondents away from a particular candidate, or for those in a neutral position, into supporting the poll sponsor's candidate, or, alternately to suppress voter turnout for the opposing candidate altogether. Current law defines political advertising as communication supporting or opposing a candidate for nomination or election to a public office or office of a political party, a political party, or a public officer. Because push polls and attack phone banks are conducted principally by telephone, there is rarely any paper trail to follow and there is no liability for the pollster or the entity underwriting the calls. Push polls are often targeted at particular groups of voters based on age, race, ethnicity or some other distinguishing characteristic. S.B. 852 by Senator Shapleigh establishes certain regulations of political telephone solicitation as an effort to curb the most abusive political "push polls". This bill would have required that callers disclose the source of the call thereby informing the recipient of the potential bias. Senator Shapleigh worked closely with the State Affairs Committee to move a comprehensive bill; however, the bill was never called by the Lieutenant Governor for a Senate vote.

Fights for greater confidentiality to journalistic sources by granting more qualified privilege for journalists

One of the primary ways media reporters are able to gather information currently is through their ability to guarantee the confidentiality of their sources. This capability is fundamental to a reporter's ability to deliver information from the best sources possible, especially in matters of high public contention. In that respect, any detriment to this confidentiality would surely make many sources far more reluctant to provide information regarding news items and would therefore strike a great blow to the free flow and dissemination of information in our society.

To ensure the continuation of this protection, Senator Ellis (D-Houston) filed and Senator Shapleigh co-authored S.B. 604, which would enact a shield law providing Texas journalists a qualified privilege against the compelled disclosure of confidential and non-confidential information and sources. If adopted, Texas would have joined 31 other states and the district of Columbia in safeguarding the free flow of news and information by protecting its journalists from forced revelation of their sources and unwarranted intrusion into their work. Such a measure would not only guarantee the continued tradition of the free exchange of information by protecting journalists, but would also ensure the continued ability of Texas citizens to receive the most information possible. S.B. 604 failed to receive approval on the Senate floor.

Limit the time in which the legislature can consider redistricting bills

Currently, the Texas Constitution directs the legislature to apportion Texas into senatorial and representative districts at the legislature's first regular session after the publication of the United States decennial census. In the past, Texas legislators have attempted to modify the senatorial and representative districts of this state at times other than those specified in the Texas Constitution. Senator Shapleigh authored S.J.R. 8 to limit the time in which the legislature could enact bills regarding appointment or modification of senatorial or representative districts solely to the time at which the legislature is required to make changes as specified under Article III, Section 28 of the Texas constitution. Should the legislature be unable to pass a redistricting plan during the specified regular session, the decision will be made by a special state judicial panel. S.J.R. 8 died in State Affairs.

Proposes a constitutional amendment consolidating the City of El Paso and El Paso County

State and national budget cuts have required local communities to prioritize what citizens want from local governments, optimize services, and reassess cost sharing. Ideally, these changes should not hamper local governments from delivering quality services at a low cost. This is a difficult objective as budget cuts at the state or national level often results in decreased local services or increased local taxes. However, the El Paso metro area can achieve the required goals while avoiding the potential pitfalls through the consolidation of the City of El Paso and El Paso County. Consolidation of the City of El Paso and El Paso County into the El Paso Metro Government will allow the government to increase efficiency, as government inefficiencies associated with duplicating city and county services will be eliminated. City-county consolidation will improve local government accountability because, as a consolidated entity, responsibility and blame cannot be disputed between the separate city and county governments.

Further, city-county consolidation provides for enhanced planning capacity, as under a comprehensive planning system dealing with land development issues. Senate Joint Resolution 9 by Senator Shapleigh proposed a constitutional amendment to consolidate the City of El Paso and El Paso County to form the El Paso Metro Government. Though detailed and directed only at the El Paso region, this bill did not receive much support in the Senate. S.J.R. 9 was never heard by the State Affairs Committee.

Fights for public access to information about the investment of state funds

Currently, large state investments of public funds are managed by state agencies in concert with national investment brokerage firms. The Freedom of Information Act (FOIA) requires that governmental agencies disclose their records to any person requesting them, barring those records containing information specifically exempted by one of the statutory exemptions. However, in regards to private investments of public funds, agencies have bypassed FOIA requests to disclose information regarding private investments. This lack of disclosure does not allow for a comparison among other Texas and national funds and the potential for better fund management of state dollars. Even Attorney General Greg Abbott noted that "Texans should not be shielded from the investment of their money."

In this regard, Senator Shapleigh introduced S.B. 319 to require that state investment funds post certain information on the internet. While the bill dies in State Affairs, many of the bill's concepts were incorporated into S.B. 121 by Senator Duncan (R-Lubbock), which took effect on July 18, 2005.

Fights for open government and access to public information

The public's right to know is vital in an effective, efficient democracy. As stewards for the public, legislators and the legislative bodies that support them should have the least obstructed access to information within reason. Current law allows a member, agency, or committee of the legislature to obtain one copy of public information for legislative purposes at no cost from a state agency. This limits this opportunity for no-cost information only to state agency information, which is an unnecessary limitation that can have the effect of precluding the open transfer of information. Senator Shapleigh authored S.B. 543 to allow a member, agency, or committee of the legislature to obtain, without charge, one copy of public information from any governmental body, such as a city or county. S.B. 543 died in State Affairs.

Fights for open transparency and the standardization of ethical practices on state contracting, including the training of personnel and negotiation of contracts

The manner in which state agencies engage in contracts with private and not-for-profit vendors is of vital concern for the state because it directly affects the use of state appropriated financial resources and, in some cases, the termination of state employee positions. In recent months, accounts have arisen that allege that some state agency employees engaged in improper actions when engaging in contracts on behalf of the state and investigations are currently underway. Examples like these highlight the need for increased oversight and training in the contracting process. SB 12 improves the processes by which the state solicits, negotiates, enters into, and

manages contracts with private and not-for-profit vendors by improving the training processes for employees involved in contracting; improving contract reporting mechanisms for state agencies; requiring needed provisions to address amendments; and addressing ethical issues specific to contracting. Unfortunately, while the measure passed the Senate, it died in House Calendars.

Supports Texas' Defense-dependent Communities Deal with Department of Defense Base Closure and Realignment Process

As Chair of the Subcommittee on Base Realignment and Closure (BRAC), Senator Shapleigh has been diligently helping the State and Texas' defense-dependent communities prepare for the Department of Defense's (DOD) 2005 round of base closures and realignments. In the 78th Session, Senator Shapleigh created legislation to help communities and the State lay the groundwork to combat potential closures. This Session, the efforts have been focused on helping communities deal with the changes incurred as a result of BRAC 2005.

Texas is home to an array of defense installations, defense dependant communities, and defense industries. Texas' 18 major military installations comprise 11 percent of the nation's military forces. Texas' history with past BRAC rounds shows that there is little certainty in the economic outcome for a defense dependent community. Some closures have resulted in great economic benefits for both the DOD and the defense communities while other closures have left communities struggling to recover from the economic loss. During the 79th Legislative Session, Senator Shapleigh worked on and passed key legislation to support defense communities.

Allows the Texas Military Preparedness Commission to provide a state loan through the Texas Military Value Revolving Loan Fund to help defense dependent communities reduce the negative effects of a defense base reduction

Creating avenues to support communities post-BRAC will ensure that Texas' defense communities survive and thrive after BRAC 2005. In 2003, the 78th Legislature created the Texas Military Value Revolving Loan Fund, through which defense communities could access low-rate loans through the issuance of general obligation bonds. However, when created, the fund was only directed to communities preparing for BRAC 2005. Senator Shapleigh introduced S.B. 1481 to allow the Texas Military Preparedness Commission to provide a state loan, through the Texas Military Value Revolving Loan Fund, to defense dependent communities to reduce the negative effects of a defense base reduction. S.B. 1481 also allows the commission to provide financial assistance to a community positively affected by the assignment of new or expanded military missions. The new law took effect on June 17, 2005.

Restores flexibility in local funding options for Texas' defense-dependent communities

S.B. 252, co-authored by Senator Shapleigh, allows defense-dependent communities to once again use local 4A/4B funds for the development of military bases. The new law, which was effective immediately upon being signed by the Governor in April, also allow communities to use local funds to attract new military missions to their installations. In the worst case scenario, the law allows for local tax revenues to be used by communities as an economic development tool to counteract the negative impact of actually losing a base. Providing local communities the flexibility to determine that the military installation is important enough to warrant the use of local taxes strengthens the ability of that community to affect control over their local economy.

Expands the Military Revolving Loan Fund. Opens up the DEAAG grant program. Allows qualified businesses to continue to receive their franchise tax incentive.

Currently, the State of Texas has three major ways to address pre-BRAC and post-BRAC economic needs for defense communities. The Defense Economic Adjustment Assistance Grant (DEAAG) provides appropriated grants to communities adversely affected by base realignment or closure. The Military Value Revolving Loan Fund provides loans to communities attempting to increase the military value of an existing base. The Defense Economic Readjustment Zone Program (DERZ) allows qualified businesses to receive state tax incentives if they relocate to a designated area where a base has been closed or realigned. Senator Shapleigh sponsored and passed H.B. 2340 by Representative Frank Corte (R-San Antonio) to address these three programs generally in the following ways:

- the Military Revolving Loan Fund is expanded to be eligible to communities to access to minimize the negative effects of a defense base reduction;
- the DEAAG grant program is opened up to communities that are positively affected by BRAC decisions by receiving new missions; and,
- the provision ending the ability to receive a franchise tax incentive that had expired was extended to allow qualified businesses to continue to receive the franchise tax incentive.

Creating greater flexibility in economic development resources greatly supports defense-dependent communities thrive after the BRAC process. H.B. 2340 will become law and take effect on September 1, 2005.

Directs state agencies to assess their programs to ensure they fully serve Texas' military community

Senator Shapleigh sponsored C.S.H.B. 2335 by Representative Frank Corte (R-San Antonio), which directs state agencies to assess their programs to determine how those programs can better support defense base communities that have been affected either adversely or positively by the BRAC decisions, and to assign a liaison to work with those communities. The bill also exempts a person who returns from active duty in the Armed Forces and registers in an institution of higher education before the expiration of 12 months following the date the person is released from active duty, from the 12-month residency requirement to qualify for in-state tuition rates. In addition, the bill exempts a member or dependent of a member of the United States Armed Forces serving in Texas applying for a Texas real estate broker or salesperson license from the education requirements that are required of all other applicants. The bill removes the prohibition on the Texas Real Estate Commission from waiving the requirements for real estate broker or salesperson license renewal under this section for any applicant. Senator Shapleigh amended the bill to address some of the financial needs of Texas' soldiers, including adding protections from predatory lenders and support with utility bills during deployment. Unfortunately, disagreements between Senators and Representatives kept this bill from becoming law during the final days of the Session.

Increases the efficiency of the Texas Military Preparedness Commission

The Texas Military Preparedness Commission was established in 2003 as a comprehensive approach to transform the state's approach to the military presence in Texas. The Commission, comprised of nine commissioners, was tasked with a number of duties, including increasing the military value of defense bases and their communities. The commission was given responsibility over a revolving loan fund that was to be used to increase the military value in these circumstances. It is also required to produce an annual report to the Legislature and Governor addressing the military issues in our state.

H.B. 3302, authored by Representative Frank Corte (R-San Antonio) and sponsored by Senator Shapleigh, addresses several administrative items of the Commission, including increasing its membership in order to reflect more defense communities, changing its reporting requirements, and changing the requirement that the Commission meet with the head of each state agency individually. By streamlining the responsibilities of the Texas Military Preparedness Commission, H.B. 3302 increases the Commission's effectiveness. This new law will take effect on September 1, 2005.

Increases the number of members of the Texas Military Preparedness Commission

Currently, the members of the Texas Military Preparedness Commission travel the state on a regular basis to visit defense-dependent communities. Commissioners, who serve on the TMPC on a volunteer basis, donate considerable personal time and expense to carry out the travel obligations of the Commission. Excessive travel around the state and to the nation's capitol have left many Commissioners overburdened. Increasing the number of members will assist in relieving this burden by spreading responsibilities to more members. Moreover, increasing the number of Commissioners ensures that all of Texas' defense dependent communities are well represented. Senator Shapleigh sponsored H.B. 3163 by Melissa Noriega (Temporary Acting Representative, acting in the absence of Representative Rick Noriega [D-Houston] who is currently serving in Iraq with the Texas Army National Guard) to increase the number of members on the commission from nine to 13. This new law will take effect on September 1, 2005.

Works to help school districts receive necessary facility funding due to increased enrollment of children of the armed forces

Current law provides procedures for prioritizing funding of instructional facilities under the instructional facilities allotment (IFA) in the event that insufficient funds are appropriated to cover all submitted requests for aid. Districts that have submitted a qualified request for IFA funding are ranked from poorest to wealthiest and their requests are funded until the limit of funds appropriated has been reached. Adjustments are made if a district did not receive funding for a project in the prior biennium, if a district has had a growth rate over the preceding five years of at least 10 percent (with successively higher preference for higher rates of growth), or if a district has no outstanding debt at the time of application. These preferences may not cover

Texas school districts that receive a substantial and sudden influx of new students as a result of troop realignments under the Defense Base Closure and Realignment Act of 1990 (BRAC).

To remedy this situation, Senator Shapleigh authored S.B. 824, which would add an additional preference for facilities to be constructed in districts with significant growth substantially related to the enrollment of children of military personnel as a result of BRAC, as determined by the commissioner of education. This would assure that these children, as well as the children of military personnel already stationed at those bases, would have appropriate facilities for their education available in a timely manner. While the legislation was not voted out of the Senate Education Committee, it was amended onto the school finance legislation during the regular and special session. The House and Senate failed to reach a compromise in conference committee on school finance.

Improves Quality of Life for Active Duty Military Personnel and Veterans Living in Texas

Over 190,000 members of the various military branches are currently stationed in Texas. Texas' various installations provide substantial capability in almost every military mission. Capabilities include aerospace research and development, light infantry and flight training, medical training, military intelligence, security, naval mine warfare, and firefighter training. Moreover, over 1.7 million veterans call Texas home. They contribute to local economies and communities significantly. During the 79th Legislative Session, Senator Shapleigh worked diligently to support both active duty military personnel and their families and to support the many veterans in Texas.

Protects military families from being exploited by payday lenders

Members of the military and their families are prime targets for payday lenders. Military personnel are paid regularly, never get laid off, and face penalties for failing to repay debts, making them a wise investment for payday lenders because the chances of default are very slim. Lenders know they will recoup their money because they can call the commanders of soldiers who do not pay their debts. Soldiers who do not pay can face a court-martial and, in some cases, can be discharged.

Many payday loans result in triple-digit interest rates. The financial burden on the borrower and the consequences of being unable to repay lead the borrower to refinance loans, creating an onerous cycle of increasing fees. The relative youth of military personnel, and a lack of sophistication in financial matters, make them ill equipped to deal with the financial burden produced by payday loans.

Senator Shapleigh passed S.B. 1479 to protect military members and their families from certain actions by payday lenders. S.B. 1479 prohibits lenders from taking certain actions against military personnel, including barring collection activities during deployment and requiring lenders to make disclosures to military customers regarding these restrictions. This new law will take effect on September 1, 2005.

Creates employment assistance programs for the spouses and dependents of military personnel who are assigned to duty in Texas

Texas has long held an important role in the stability and success of national defense efforts and is home to an array of defense installations, defense dependent communities, and defense industries. Along with those 190,000 military personnel, there are thousands of military spouses, dependents and family members living in Texas.

As service members are transferred to Texas installations, families from around the country and abroad are uprooted and working dependents are forced to leave their employment and find work in Texas. This employment transition is difficult and stressful. Senator Shapleigh passed S.B.

212 to direct the Texas Workforce Commission to create programs in Texas' defense dependent communities to alleviate these problems. Helping newly transferred dependents quickly find employment in Texas will help military families make a smoother transition into the state. This new law took effect on June 17, 2005.

Allows the Texas Veterans Commission to accept certain donations

The Texas Veterans Commission often receives requests to accept equipment that individuals and entities want to donate to the Commission. Additionally, the Commission is offered monetary gifts donated with the explicit purpose of helping veterans across the state. However, the Commission does not currently have the authority to honor the requests of those that seek to assist veterans through donations to the agency. In fact, the Texas Veterans Commission cannot accept gifts valued at \$500 or more. S.B. 1480 by Senator Shapleigh exempts the commission from Chapter 575, Government Code, which restricts the agency from receiving a gift that is valued at \$500 or more. The bill further sets up a permanent fund to which state monies and gifts can be directed. With the passage of S.B. 1480, Texas' veterans can better be served by the State and by generous supporters of Texas veterans. This new law will take effect on September 1, 2005.

Eases the transition back to school for students forced to withdraw because of a call to active military duty

In order to fulfill their military commitment, service members are often forced to withdraw from institutions of higher education. Often upon completion of their military deployment and upon returning to institutions of higher learning, the service members have to reapply to an institution of higher education. In addition, these service members may lose their academic status and/or course credit, may be charged a fee for readmission, and may lose any financial assistance previously provided to them prior to withdrawal. Senator Shapleigh introduced S.B. 1734 and sponsored and amended the companion legislation, H.B. 1170 by Representative Sid Miller (R-Stephenville), to add a section to the Education Code to require readmission without a reapplication requirement or readmission fee for a student who was forced to withdraw because of a call to active military duty. Additionally, the bills require the public college or university to honor any financial assistance commitments and to allow the student to retain the same academic status. This new law took effect on June 17, 2005.

Fights to protect military personnel and their families from predatory insurance practices

United States military personnel are being offered high-cost life insurance products by companies and brokers engaging in abusive and misleading sales practices. Many products provide low death benefits for high premiums, and some are front-loaded with high rates in the first few years, making them inappropriate for most military personnel. In response to this exploitation, Senator Shapleigh authored S.B. 506 to prescribe a number of protections for our military families. The bill prohibits an insurer or an insurer's agent from selling a life insurance policy to a member of the United States Armed Forces or a member of the Texas National Guard without notifying the member of less expensive policies that may be available through the federal government. It also requires the state commissioner of insurance to adopt new standards

for the marketing of life insurance products to military personnel and gives the commissioner the authority to revoke an insurer's certificate of authority or an agent's license for non-compliance with those standards. S.B. 506 passed unanimously out of the Senate, but was left pending in the House Calendars Committee.

Allows school districts to award diplomas to certain Korean War veterans

Currently, Texas law does not include a provision that allows school districts to award diplomas to Korean War veterans who were unable to graduate high school as a result of serving in the war. The State does allow for veterans of World War II who were deployed before graduating high school to receive diplomas, provided they were honorably discharged, scheduled to graduate in a certain period, and left school to serve in the war, but includes no similar provision for veterans of the Korean War. As proposed by Senator Shapleigh, S.B. 75 amends the Texas Education Code to allow school districts to award diplomas to veterans who were honorably discharged, scheduled to graduate from high school after 1940 and before 1957, and left high school before graduation to serve in either World War II or the Korean War. S.B. 75 passed unanimously out of the Senate, but was left pending in the House.

Eases the financial obligations of deployed service members so they can concentrate on their military obligations rather than financial concerns at home

When Texas' service members are deployed, particularly Reserve and Guard members, the families are often left with reduced income and increased financial concerns. For example, family members trying to stay in touch can incur substantial long distance and international telephone charges. Additionally, due to financial hardship because of reduced income, families may need to eliminate the expense of a vehicle lease payment but may not be able to terminate a vehicle lease without incurring additional fees and penalties. Moreover, service members or their dependents may have their gas or utilities disconnected for nonpayment when the service member has been called to active duty. The federal Service Members Relief Act addresses some of the financial problems associated with deployment, but does not address every need.

To fill the some of the gaps left by the federal law, Senator Shapleigh authored S.B. 1735. The bill addresses several issues, including the need for low-cost international calling options so that deployment service members can talk with family. This bill passed the Senate with much support, but failed to pass out of the House Calendar Committee before the close of session.

Exempts certain members of the military from motor vehicle registration

Texas National Guard, Texas State Guard, and military reservists are routinely called to active duty to support contingency operations in combat zones. Leaving higher paying civil employment substantially decreases expendable income for service members called to active military duty. Service members are required to pay vehicle registration fees even when called to active duty. During this time, the motor vehicle registration may lapse and upon return, the soldier is required to pay a motor vehicle fee. S.B. 850 by Senator Shapleigh provides an exemption for motor vehicle registration for certain service members who are called to active duty in a combat theater of operations outside of the United States in support of a worldwide

contingency operation for up to 18 months. Due to the tight budget cycle, passing bills that had large fiscal notes was difficult and S.B. 850 was not voted out of the Senate Infrastructure Development and Security Committee.

Caps the interest rate that may be charged on an obligations of certain active duty military members

Reservists play a significant role in our Armed Forces. Reserve service members may be called to active duty in a combat theater of operations outside of the United States for up to 18 months. Many find that when called to active duty they earn salaries considerably lower than they are accustomed to earning in civilian employment. Thus, their families can face severe financial hardships during long deployments. The federal Service Members Relief Act affords many protections to both active duty military and reserve and guard military who are deployed, including interest rate caps during deployment and protections from foreclosures. However, in many instances of Guard and Reserve member deployments, local lenders are not familiar with the federal law and do not always abide by the protections contained there in. It is necessary for service members and local lenders to know what financial and legal protections are afforded them. S.B. 1736 by Senator Shapleigh was introduced as an effort to establish state protections to mirror the federal protections so that both military personnel and Texas lenders and regulators are more fully alerted to the lending protections. The bill was referred to the Senate Business and Commerce Committee but was never given a hearing and therefore failed to pass.

Promotes Use of Technology to Enhance Access to Government and Government Accountability and Security

The Internet and access to technology has changed our lives and our communities significantly over the past decade. Ready and fast access to information has transformed the way that students learn, people communicate, and businesses operate. More than ever, access to information allows the opportunity for people with various backgrounds and levels of education to compete academically, economically, and socially. The information revolution, spurred by the spreading use of high-speed Internet, will benefit more people and more communities than ever imagined. With the proliferation of Internet-based services, governments and businesses are able to reach more people and operate more efficiently and effectively.

Senator Shapleigh has worked diligently during his tenure in the Legislature to expand access to technology to all Texans. With Senator Shapleigh at the helm, Texas has continuously invested in technology, and all citizens are benefiting. This Session, legislation to expand the use of the Internet, through the expansion of Texas Online, was a goal. Additionally, increasing security for Internet-based technology as well as other State-sponsored technology applications was a goal.

Directs state agencies that have direct and constant contact with Spanish speaking constituents to create a Spanish version of their vital information and forms

Nearly a third of all Texans speak Spanish and 10 percent of all Texans do not speak English. The significant number of Spanish speaking citizens in Texas has caused an increased demand in equal access to state resources. Further, Texas residents are increasingly becoming more dependent on the Internet to address their needs. The state's website, www.TexasOnline.com is making great strides to serve the public's needs in cost effective ways. TexasOnline provides a one-stop accessible site to services in areas that range from renewal of occupational licenses and driver's licenses, to easy access to agency information. This website is vital for people in and out of Texas to access state government information and services. S.B. 213 by Senator Shapleigh requires that all state agencies follow federal guidelines requiring that state agencies that have direct and constant contact with Spanish-speaking constituents make vital information and their forms available in Spanish. This new law will take effect on September 1, 2005.

Provides for a web portal that will provide information and access to necessary resources for starting a business in Texas

The state website www.TxOnline.com has proposed to host a business portal that would serve as a "one-stop shopping" source for occupational licenses. This Web portal will be used for accessing licensing information. S.B. 96 by Senator Shapleigh directs the TexasOnline Authority to develop and maintain a web portal that will act as a "one-stop shop" for people looking to start a business in Texas. This web portal will be the link between E-commerce and E-government and will help streamline the often confusing and time-intensive process of setting up a small business in Texas. This new law will take effect on September 1, 2005.

Creates an Internet portal that serves as a single point of access for state and federal resources regarding housing needs

Currently in Texas there is no single access point for information regarding housing resources. Information is maintained by the Texas Department of Housing and Community Affairs, the Texas Real Estate Commission, and other agencies. For developers, the process for increasing access to affordable housing is complex. Moreover, for consumers looking to access housing resources, the myriad of courses of various pieces of information is even more complex. Streamlining the information process will help both developers and consumers better access the necessary information regarding housing in Texas. As proposed by Senator Shapleigh, S.B. 1645 directs the Texas Department of Housing and Community Affairs to work with the Department of Information Resources and other state agencies with housing resources to create an Internet portal that serves as a single point of access for state and federal resources regarding housing needs. S.B. 1645 passed the Senate unanimously, but failed to pass out of the House Calendars Committee.

Ensures proper funding for TexasOnline

TexasOnline was created in 1999 with the goal of streamlining interactions between the state of Texas, state agencies, and other governmental entities and the public. This state website, for the past seven years, has continued to deliver convenient and cost-effective services to the public. Since 2003, TexasOnline has grown to include a professional profile system for occupational licenses, an expanded common occupational licensing system, a court eFiling system, a natural resources portal, and a voter registration change of address system. To address the funding needs associated with TexasOnline's growth, Senator Shapleigh authored S.B. 825, which allows the TexasOnline Authority to reinvest revenue to fund the development of three portals that will provide access to information regarding education, business, and state employees. Unfortunately, several Representatives amended this bill with provisions that would have hindered the effectiveness of Texas Online, thus rendering the bill ill-advised in the long run. Senator Shapleigh did not sign the amended conference committee report so the bill did not pass.

Clarifies existing law that to increase the efficiency of TexasOnline

As TexasOnline and partnering entities continue to work together, it has become apparent that there is a need to clear up confusing provisions in the enabling statute so that interactions between the authority, state agencies, and the private contractor creating and maintaining the Web portal are effective and efficient. S.B. 1644 by Senator Shapleigh clarifies several provisions in the Government Code to better direct the Department of Information Resources and other state agencies in working with the TexasOnline Authority. S.B. 1644 passed through the Senate, but failed to get a hearing in the House Committee on Government Reform.

Resolves differences between Texas and Federal do-not-call lists

There are some important differences between the Texas no-call list, adopted in 2001, and the Federal Trade Commission's (FTC) national do-not-call registry, adopted in 2002. Senator Shapleigh sponsored H.B. 210 by Representative Burt Solomons (R-Carrollton) to align the state and federal no-call list statutes and implement five recommendations of the Public Utility Commission of Texas (Commission).

H.B. 210 allows the Commission to have enforcement authority over violations to both the state and federal no-call lists; allows the Commission to share consumer names registered on the state no-call list with the FTC, so they will be automatically registered on both the state and federal lists; clarifies the method of signing up for the no-call list; removes certain eligibility requirements for the vendor of the state no-call list, which are believed to prohibit competitive bids to operate the list; and changes the electric no-call list from being for both residential and business customers to being only for business customers. This new law took effect on May 27, 2005.

Requires a paper record for electronic voting machines

Currently, Texas election law does not require any type of paper record for direct electronic recording (DRE) voting machines. Yet, there are issues regarding the accuracy and integrity of DRE voting machines due to the lack of a paper record. Senator Shapleigh authored S.B. 94, which requires DRE voting machines to produce a contemporaneous paper record. This will serve to increase public confidence in the accuracy and integrity of Texas's elections. The paper record copy itself must list the contests on the ballot and the voter's choices in those contests. Additionally, this bill imposes certification requirements on voting systems using DRE machines, providing that these voting systems must be certified by a nationally recognized testing laboratory and must meet the minimum requirements of a standards document. S.B. 94 was considered in two separate Senate State Affairs Committee hearings, but was not voted out of committee. Subsequently, Senator Shapleigh worked with Senator Fraser (R-Horseshoe Bay) to amend the S.B. 94 concept onto H.B. 2465 by Representative Denny (R-Aubrey). Unfortunately, the amendment was stripped during conference committee.

Works with the Office of the Governor to create an Emerging Technology Fund to increase the presence of advanced technology in Texas.

Local governments and the state have economic development activities, but not provide the funding necessary to incentivize and foster emerging technology concepts and allow them to become full research projects and, ultimately, marketable products. S.B. 831 by Florence Shapiro (R - Plano) and H.B. 1765 by Geanie Morrison (R - Victoria) create the Emerging Technology Fund, which dedicates general revenue to used for research and development activities in emerging technology industries. Senator Shapleigh actively worked to develop and improve this concept to ensure that the technology concepts funded are forward-thinking and inclusive of the various research and development activities already underway in many

communities across the state. More importantly, Senator Shapleigh fought to ensure that Border communities and Border needs were included in the Legislation. El Paso is named as one of the first locations to be home to a regional center of innovation and commercialization (RCIC). And, as a member of the Senate Finance committee, Senator Shapleigh was integral in appropriating \$200 million to the Emerging Technology Fund. While the Fund Board has only just been appointed, El Paso business leaders, university officials and Senator Shapleigh have been coordinating efforts to develop a strong grant proposal to bring Fund monies to the community.

Works to provide greater security from electronic identity theft

Identity theft is one of the fastest growing crimes in the nation. MSNBC has noted that in the six-week period from mid-February through early April 2005, a rash of data heists exposed more than 2 million Americans to potential identity theft. The cost of data theft can be dramatically reduced if consumers are notified of the breach in security. Senator Shapleigh sponsored H.B. 1682 by Representative Brian McCall (R-Plano). This bill required that businesses who own or license computerized data containing consumers' personal identifying information must disclose to affected Texans if and when there has been a breach in security. H.B. 1682 met with great resistance from businesses and failed to get a Senate hearing and therefore did not pass.

Encourages Wealth Building by Increasing Personal Financial Literacy and Eliminating Predatory Lending Practices

Senator Shapleigh has made as one of his legislative priorities the exposure and quashing of predatory lending practices that hinder increased access to capital for all Texans. Throughout his tenure in the Texas Senate, Senator Shapleigh has consistently fought for consumers in Texas, arguing that the American Dream should be accessible for all Texans. During this Legislative Session, Senator Shapleigh led the fight against predatory lending practices and made great inroads to curbing abuse in lending and expanding access to capital.

Establishes a financial literacy pilot program

Many Texas residents face financial hardship as a result of excessive credit card debt, bankruptcy, and an inability to make sound financial decisions about credit and savings matters. Given the importance financial decisions, increasing the knowledge and skills of borrowers greatly increases their ability to access credit and build capital. Without the necessary knowledge and skills, Texans will not be able to improve their creditworthiness and may face financial strains as a result of the lack of access to credit. By developing a foundation for teaching Texans, both adults and young people, to make prudent personal financial decisions, the state will better prepare people to be active and successful members of the economy.

S.B. 851 by Senator Shapleigh directs the Texas Education Agency (TEA) to establish a financial literacy pilot program in up to five school districts to provide students with the knowledge and skills necessary to make critical personal financial decisions. The bill also requires TEA to report to the legislature by January 1, 2007, on the implementation and effectiveness of the pilot program. Senator Shapleigh envisions pilot projects that incorporate personal financial lessons at various grade levels, creating a comprehensive multi-year approach to teaching financial literacy. Moreover, a pilot program will allow schools to develop and test programs, helping develop a strong and effective model for teaching financial soundness that other schools can then emulate. S.B. 851 marks a great step toward creating a financially savvy and successful workforce for tomorrow. This bill took effect on June 17, 2005.

Establishes a financial literacy education program

Senator Shapleigh authored S.B. 498 to directs the Office of Consumer Credit Commissioner, the State Securities Board, and the Texas Education Agency to collaborate to develop a financial literacy education program for adults and children that will be available to the public. Further, S.B. 498 encourages local school districts to adopt the curriculum as part of the fundamental lessons taught in local schools. Because most of S.B. 498's components were also in S.B. 851, which passed with great support, this bill was not aggressively pursued.

Adds Financial Literacy as a course requirement

In addition to creating a multiyear approach, Senator Shapleigh has long supported the concept of requiring all high schools to teach basic financial lessons to students. Senator Shapleigh sponsored H.B. 492 by Representative Beverly Woolley (R-Houston), which amends the Texas essential knowledge and skills to require instruction in personal financial literacy in one or more courses required for high school graduation. This requirement will help to provide students with the knowledge and skills necessary to make critical financial decisions. This new law will take effect on September 1, 2005.

Protects vulnerable high-cost home loan borrowers

Predatory mortgage lending is one of the most critical policy issues facing the financial services industry. Home ownership is one of the strongest indicators of quality of life in our country and building equity in one's home is one of the largest asset building mechanisms available to the average family. Despite the importance of home ownership, many Texans find that accessing the necessary credit to buy a home and build equity in a home is virtually impossible. Predatory lending is characterized by excessively high interest rates or fees, and abusive or unnecessary provisions that take advantage of the borrower. Predatory lenders often target their services to particularly vulnerable consumers. They look for people who are not adept in financial matters and lack the financial sophistication to scrutinize loans. Such lenders often prey on households that have limited incomes but significant equity in their homes.

Senator Shapleigh introduced S.B. 618 to protect vulnerable borrowers in Texas by requiring clear and specific disclosures in high cost home loans. S.B. 618 requires lenders, in connection with certain home loans, to provide borrower's with certain disclosures relating to credit counseling and information resources, along with the fees to be paid by the borrower. Also, if the total amount of fees disclosed changes, S.B. 618 requires lenders to provide written notice to borrowers. Additionally, S.B. 618 requires that a loan negotiated primarily in Spanish be accompanied by a Spanish translation of the required information. The bill also provides penalties for failing to provide the required disclosures. Though this bill would have merely required that borrowers be given all pertinent information regarding their home loans in a timely and clear fashion, many lenders and brokers vehemently opposed this measure. The Senate Business and Commerce Committee held a hearing on S.B. 618 in April. The hearing allowed Senator Shapleigh an opportunity to address the lending industry about their vehement opposition to the bill. Though promises of compromise were made by opponents of the bill, no consensus could be reached and the bill never got another hearing and failed to pass.

Strengthens Texas law to protect borrowers from predatory lending practices

Predatory lending has become one of the most critical policy issues facing the financial services industry, particularly in mortgage lending. Nearly every federal financial services regulatory that take advantage of the borrower. Predatory lenders often target their services to particularly vulnerable customers. They look for people who are not adept in financial matters and lack the

financial sophistication to scrutinize loans. Such lenders often prey on households that have limited incomes but significant equity in their homes. The elderly are a primary target for predatory lenders. As proposed by Senator Shapleigh, S.B. 617 strengthens Texas law to protect vulnerable borrowers from harmful predatory lending practices. The bill seeks to curb the worst predatory lending practices, including subterfuge, false or misleading statements, lender acceleration of indebtedness, and balloon payment requirements. Again, however, this bill also met significant opposition by lenders and failed to move. Like S.B. 618 above, S.B. 617 had Senate Business and Commerce hearing in April, but was left pending in Committee and was not heard again.

Allows local authorities to assist the Office of Consumer Credit Commissioner in the institution and prosecution of an action relating to violations of Texas' consumer lending laws

Market changes in the financial services industry that have given more people access to a wider variety of services have also created a complex web of available services that can be confusing to even the most savvy consumer. Moreover, overlapping regulatory jurisdictions, poor self-regulation by the financial services industry, and statutes that allow great latitude in interpretation have contributed to a growing prevalence of abusive and predatory lending practices. A growing predatory lending environment demands greater enforcement by the state. The Office of the Consumer Credit Commissioner regulates and enforces Texas' consumer protection laws. However, with an annual budget of less than \$3 million, enforcing the various statutes that govern the activities of this wide array of lenders has proven taxing. By allowing local authorities, upon request of the consumer credit commissioner, to investigate and prosecute violations of consumer lending laws, the state increases consumer protection measures and takes great strides in combating predatory lending. S.B. 625 by Senator Shapleigh allows local authorities to assist the office in the institution and prosecution of an action relating to violations of Texas' consumer lending laws. S.B. 625 also allows local authorities to recoup any costs incurred in the prosecution of the violation. This bill was left pending in the Senate Business and Commerce Committee and did not pass.

Protects property owners from arbitrary foreclosure by homeowners' association

Currently, property owners' association can not foreclose on a homeowner for past due fees if the debt owed consists solely of fines or attorneys fees incurred by the association trying to assess fines. However, the law does not specify the priority in which a payment made by a property owner to the association should be applied, allowing associations to apply a payment made by an owner to that owner's outstanding fines, leaving unpaid the owner's outstanding assessments. The association can then foreclose on an assessment lien because the debt securing the lien consists of unpaid assessments.

Senator Shapleigh joined several other Senators to work to ensure that property owners' associations apply past due payments to assessments before paying off fines and fees, thus protecting property owners from foreclosure. S.B. 244 would have required that, unless otherwise provided in writing by the property owner, a payment from an owner to an association

be applied to the owner's debt in the specified order of priority. S.B. 244 passed the Senate, but did not pass the House because of a point of order on the House floor.

Prohibits financial institutions from disclosing certain financial information of a customer for marketing purposes

Currently, financial institutions may share or sell their customers' private information with third parties as long as the customer does not opt out of the practice. Many customers have relationships with a number of different financial institutions, and customers must opt out with each institution separately. Thus, even the most security conscious consumer may overlook an opt-out document and could find that his/her most sensitive financial information is in a public realm and vulnerable to identity thieves. S.B. 71 by Senator Shapleigh, which did not get a hearing in the Senate Business and Commerce Committee, would have outlawed the sharing of specific information by financial institutions, including but not limited to:

- loan application information;
- account balance information;
- payment or overdraft history; and,
- information obtained in connection with collecting on a loan.

Provides consumers with the option to not share personal information

A similar bill, had it passed, would have provided consumers with the option to prevent the disclosure of the consumer's financial information by a financial institution, providing a civil penalty. Under S.B. 76 by Senator Shapleigh, financial institutions would have been required to provide a privacy notice to their consumers informing the consumer that the financial institution will not disclose their personal financial information without prior authorization. The consumer can withdraw the authorization at any time in writing, and the institution may not require authorization as a condition for doing business. S.B. 76 was never heard by the Senate Business and Commerce Committee.

Protects insurance customers from being discriminated against because of credit records

Senator Shapleigh joined Senator Ellis (D-Houston) and other Senate Democrats in offering S.B. 167, a measure meant to protect Texans from being discriminated against by being denied insurance merely because their credit score is low. This bill prohibits an insurer from using a person's credit score as a guideline for issuing a policy of personal insurance. For example, an insurer may not refuse to issue an insurance policy based on that person's credit. Also, the insurer cannot charge an applicant a higher premium for insurance coverage based on that applicant's credit score, and they cannot rate a risk based on credit score nor can they require a particular payment plan based on credit score. Regardless of public outcry at the practice of considering credit scores when determining insurance contracts, great opposition against S.B. 167 stalled it in Senate Business and Commerce Committee.

Works to protect Texas borrowers from usurious payday loan rates

Current Texas law caps the amount of interest that can be charged for payday loans made in Texas. However, some lenders avoid these limits through arrangements by which they broker the loans on behalf of out of state financial institutions. The out-of-state lender keeps only a small portion of the proceeds of the loan, while the in-state broker retains most of the profits. These “rent-a-bank” agreements allow in-state payday lenders to effectively circumvent the Texas interest rate limits, allowing them to reap roughly the same profits they would make if they loaned the money themselves. With the introduction of S.B. 72, Senator Shapleigh worked to eliminate the "rent-a-bank" practice and require payday lenders in Texas to abide by Texas' usury laws. Unfortunately, many in the Texas Legislature are beholden to lenders and there was not overwhelming support for this bill. The Senate Business and Commerce Committee refused to grant S.B. 72 a hearing and the bill died without even being debated.

Promotes Statewide Economic Development by Demanding Greater Accountability in Statewide Programs and Developing Targeted Assistance to Border Economic Development Efforts

The decisions that state leaders make with regard to its infrastructure, economy and workforce over the next few years will affect the State's future for decades to come, especially with regard to policies along the Texas-Mexico Border. Nowhere else in Texas are conditions as dire as those in the Texas-Mexico Border region, where the poverty and unemployment rates are among the highest in the nation, and per capita income is among the lowest.

Senator Shapleigh continued to fight to enhance economic develop initiatives for the entire state. He fought to bring accountability to statewide efforts and he worked to develop Border-specific programs to better support the most vulnerable region in Texas.

Promotes expansion of sales tax holiday to help working families

Since the implementation of the Sales Tax Holiday in 1999, hard-working Texas families have saved an estimated \$152.70 million in state sales tax and \$40.8 million in local sales tax. Some items that are tax-exempt include children's clothes, school uniforms, and foot wear. While backpacks and school supplies are necessary and required for every student, these school items are not tax-exempt. The average backpack cost in a Wal-Mart store is \$15.93. In order to decrease the regressiveness of the state sales tax and make it more affordable for Texas families to provide their children with essential school related items for the academic school year, Senator Shapleigh filed amendments during the regular and special sessions on school finance that would allow school supplies as well as backpacks to also be tax-exempt during the Sales Tax Holiday and create a second sales tax holiday during the first weekend in December. While the amendments received bipartisan support, the House and Senate failed to reach agreement on legislation during either special session.

Requires the Governor to report on the status and results of the Texas Enterprise Fund

The \$295 million Texas Enterprise Fund (fund) was established in 2003 to offer direct cash payments to businesses in order to promote economic growth and create jobs. The governor administers the fund, which is viewed as a deal-closer to persuade businesses to develop and/or relocate within Texas. As of January 3, 2005, the fund had allocated \$205.6 million in grants to 17 different entities. These entities have promised to create a total of 22,846 jobs in Texas at a cost to the fund of almost \$9,000 per job. According to the Center for Public Policy Priorities, only 275 of the promised jobs have been created by grant recipients to date. Unfortunately, there is no public information available regarding the quality of these jobs. Senator Shapleigh introduced S.B. 105 to require the governor, prior to each regular session of the legislature, to submit to the legislature a report on grants of fund money. The report must include the number of direct jobs promised and created by each grant-recipient, specific details regarding the created

jobs, and the geographical distribution of grants by county. The report must also indicate the number of recipient-created jobs with full health benefits, the median wage of the recipient-created jobs, and the percentage of money granted to small businesses. Because the Texas Enterprise Fund has been scrutinized so closely since its inception, various Legislators offered approaches to making the Fund more transparent. While S.B. 105 was not the bill to move, Senator Shapleigh supported others' efforts to require greater accountability of the Fund.

Provides for greater accountability of state tax dollars in the Texas Enterprise Fund

Concerns have been raised by various media outlets from across the state and policy research centers concerning the administration and usage of the Texas Enterprise Fund (fund). The fund's effectiveness has been questioned due to its existing track record of not being able to create immediate jobs in Texas. Another issue of contention has been the lack of geographic distribution of the fund. Some observers have held that the existing distribution of fund grants indicates a favoritism to urban areas, as well as large employers in those areas. A subsequent subject of concern has been the perceived lack of accountability safeguards. Unlike other states, current Texas statutes do not provide the same type of measures as similar economic development funds in other states which provide for greater fiscal accountability of state tax payer dollars.

Senator Shapleigh joined with Senators Lucio (D-Brownsville) and Zaffirini (D-Laredo) to propose S.B. 277, which institutes a series of reforms that provide fund administrators with the necessary tools and flexibility to address all the aforementioned concerns. Among these reforms is the reinforcement of the job-creation aspect of the fund. Under current law, the fund can be used for job training programs. S.B. 277 complements this usage by authorizing fund administrators to enter into an interagency agreement with the Texas Workforce Commission to supplement the use of the fund with the Skills Development Fund. Fund administrators are also given the flexibility to address the lack of geographic diversity by being given the authority to develop their own mechanism by which to provide greater consideration to companies that decide to locate/relocate in certain areas, such as rural regions and distressed communities. Lastly, S.B. 277 provides for greater fiscal accountability by including a "clawback" provision that would require non-conforming or non-performing grant recipients to repay the State's investment. Ultimately, S.B. 277 did not pass, though many of its concepts were incorporated into other bills.

Creates the Texas-Mexico Strategic Investment Commission

Since Mexico's entry into the General Agreement on Tariffs and Trade (GATT) in 1986 and the ratification of the North American Free Trade Agreement (NAFTA) in November 1993, trade has increased exponentially between the United States and Mexico. Mexico is now the number one trade partner of the U.S.; however, this shift and a changing political climate has imposed significant infrastructure needs on the U.S.-Mexico border and demands that leaders develop strategies for meeting those needs. While achieving adequate security is a crucial issue along the Border, new security policies must not transform the U.S.-Mexico border into a "security fence,"

a highly fortified physical barrier that impedes the legitimate flow of commerce and people. As proposed by Senator Shapleigh, S.B. 1744 creates the Texas-Mexico Strategic Investment Commission (commission) to put this effort in the hands of the legislature and encourage a collaborative approach between Texas and neighboring Mexican states so as to better address challenges and plan for the future. The bill assists in the creation of economic development by improving communication and cooperation between federal, state, and local governments; studying the flow of commerce at ports of entry between Texas and Mexico; improving border infrastructure; streamlining border crossing needs; identifying areas for possible trade and collaboration; identifying environmental concerns; and developing recommendations for addressing border challenges. While this bill and this concept was greatly supported by the Senate, S.B. 1744 did not pass out of the House Committee on Border Affairs. The provision was later amended onto H.B. 925 and was passed by the legislature. The new law takes effect on September 1, 2005.

Promotes Rights of the Texas Workforce

Senator Shapleigh has worked diligently to protect the rights of the Texas workforce while in the Senate. He has consistently supported workers' rights and proposed several bills to strengthen the voice of the laboring constituency. During the 79th Session, Senator Shapleigh attempted to protect those contract employees who are consistently marginalized and left out of the traditional labor force. Moreover, Senator Shapleigh attempted to bring to light the continued need to work towards gender parity in salaries and employment benefits.

Clarifies the distinction between "employee" and "independent contractor"

Generally, employers are required to withhold income taxes, withhold and pay Social Security and Medicare taxes, and pay unemployment tax on wages paid to an employee. On the other hand, employers do not generally have to withhold or pay taxes on payments made to independent contractors. Current standards for determining employee versus independent contractor status are not defined in the Texas law. Instead, common law practices of master and servant and suggestions from the Texas Workforce Commission's administration code are used to identify independent contractors. This lack of statute allows businesses to neglect paying their fair share of unemployment tax and to pass on their burden to others. Any taxes wrongly avoided by any one business will ultimately be paid by all the others collectively. In contrast, rates will decrease for businesses when efforts are made to ensure that businesses do not improperly avoid unemployment taxes. S.B. 1478 by Senator Shapleigh enumerates specific requirements an individual must meet in order to be classified as an independent contractor. S.B. 1478 also states that classification as an independent contractor can solely be based on the provisions of the Labor Code, thus prohibiting individuals from waiving their status in a contract between the employer and the individual. This bill did not move, never receiving a hearing in the Senate State Affairs Committee.

Prevents sex-based wage discrimination

The ongoing presence of gender-based wage discrimination in some Texas communities indicates that the federal Equal Pay Act of 1963 is not sufficient in eliminating the problematic pattern of unequal pay for substantially equal work. The Federal law prohibits sex-based wage discrimination for men and women doing the same or substantially similar work, for employers with at least fifteen employees within the same establishment ("a distinct physical place of business"). However, the Federal Equal Pay Act has not eliminated pay discrimination based on gender. In fact, the latest U.S. Census found that El Paso had the sixth-largest disparity of wages between men and women. Senator Shapleigh authored S.B. 74, which prevents sex-based wage discrimination for men and women doing the same or substantially similar work. It broadens the provisions of the federal Equal Pay Act to apply to businesses in Texas with four or more employees and employees working within the same county. Like the federal law, S.B. 74 makes exceptions for seniority, merit systems, a system measuring earnings by quantity or quality of production, or factors other than gender. S.B. 74 was never heard by the Senate Business and Commerce Committee.

Improves Access to and Quality of Health Care and Human Services

Knowing that Texas has consistently under-funded health and human service programs, and that the 2003 budget cuts resulted in yet further social service crises, Senator Shapleigh set out an aggressive agenda in this area. He fought hard to reform adult protective services, address the issue of the uninsured, and to improve access to mental health care. Despite his strong efforts, tight budget issues once again prevented some of these bills from passing. The descriptions below explain our successes, and what we need to continue to work toward in the interim.

Reforms Adult Protective Services in Texas

Senator Shapleigh was asked by Senator Nelson (R-Flower Mound) to work on the Adult Protective Services (APS) component of the omnibus APS and Child Protective Services legislation this session. Senator Shapleigh co-authored the bill and convened a workgroup of experts from across the state, as well as a national expert that crafted a comprehensive amendment to reform APS in Texas. While Senator Shapleigh's provisions for a guardian of last resort and a Guardianship Alliance Office passed the Senate, they did not pass the House.

However, the final version of S.B. 6 does create the Guardianship Certification Board at the Office of Court Administration, tightens procedures and provides more quality assurance of the state guardianship program, ensures better training and oversight of staff at DFPS and more thorough review of cases through staff and special task units, improves the risk assessment process, ensures more sharing of information among agencies and the public, and changes the emergency order process to facilitate more immediate response. Finally, the bill calls for an interim study of local adult protective services boards, a case management reduction plan by the Health and Human Services Commission, and a pilot program for monitoring unlicensed long-term care facilities.

Worked to fight obesity in our schools

Senator Shapleigh introduced S.B. 426, the Texas Healthy School Kids Act, this legislative session to address the growing obesity epidemic in our schools. The bill had several components, including a requirement for the Texas Education Agency (TEA) to study incentives that could be provided to a school district that allows community access to school campuses after hours.

The bill also made eligibility determination for free or reduced price school lunch easier for schools and families by allowing direct certification to be done on a quarterly basis. It required physical education for all students in middle school, allowed comp-ed funding to be used for transportation to and from after-school activities, and required school districts to report to TEA on the activities of the School Health Advisory Councils, and the implementation of S.B. 19. Finally, it created a Texas fruit and vegetable pilot project to provide free snacks for students throughout the school day. Despite Senator Shapleigh's and House sponsor Representative Martha Wong's (R-Houston) hard work, the bill died in House Calendars.

Adds former foster child expertise to the Family and Protective Services Council

The Family and Protective Services Council (Council) assists the commissioner of the Department of Family and Protective Services (department) in developing rules and policies for the department. The Council is composed of nine members appointed by the governor with the advice and consent of the senate.

Senator Shapleigh sponsored H.B. 404 by Representative Villareal (D-San Antonio), which requires the Governor to consider adults who were children in the foster care system in Texas in making appointments to the Council. This change is necessary to ensure that the perspective of persons who are in the foster care system is adequately represented when the council assists the Commissioner in developing rules and policies affecting the foster care system. The bill was signed by the Governor, and became effective May 27, 2005.

Promotes Border Health Corps

All 43 Border counties are federally designated Health Professional Storage areas. For instance, in the lower Rio Grande Valley, the ratio of physicians to population is only 118 per 100,000, and in the El Paso area, it is only 92 per 100,000. This is lower than any other part of the state. In East Texas regions, the numbers are 139 per 100,000 and 174 per 100,000.

Senator Shapleigh filed S.B. 67, which would have abolished the Texas Health Service Corps at the Office of Rural Community Affairs (ORCA), and transferred the funds to the Higher Education Coordinating Board to create the Border Health Corps. The goal of this legislation was to attract physicians, nurses, and dentists to the Border by offering student loan repayment for each year of service on the Border. This bill did not receive a hearing in the Senate Subcommittee on Higher Education.

Pushes for uniformity in audits of pharmacy benefit plans

Currently, a pharmacy benefit manager (PBM) may conduct audits of pharmacies distributing prescription drugs. National guidelines provide objective parameters for these audits. Recovering money owed to the PBM before audit results, including audit challenges, may impose an unfair financial burden on these pharmacies.

Senator Shapleigh co-authored S.B. 1845, by Senator Bob Deuell (R-Greenville), which required these national guidelines to be utilized in audits of pharmacies distributing prescription drugs, and prohibited financial recovery before final audit results. Unfortunately, the measure died in the Senate State Affairs committee.

Seeks to ban human cloning and allow stem cell research

An estimated 128 million Americans suffer from the crippling economic and psychological burden of chronic, degenerative and acute diseases, including Alzheimer's disease, cancer, diabetes, and Parkinson's disease. The cost of treating and the lost productivity from these

diseases in the US constitutes hundreds of billions of dollars annually. Further, estimates of the economic costs of the diseases does not account for the extreme human loss and suffering associated with these conditions. Human stem cell research offers immense promise for developing new medical therapies for these debilitating diseases and a critical means to explore fundamental questions of biology. Stem cell research may lead to the unprecedented treatments and potential cures for Alzheimer's disease, cancer, diabetes, Parkinson's disease as well as other diseases. Recognizing this, Senator Shapleigh joined forces with Representative Beverly Wooley (R-Houston) and introduced, S.B. 128, which prohibited human cloning and would have made the offense a first degree felony. S.B. 128 would have regulated research involving the derivation and use of human embryonic stem cells, human umbilical cord stem cells and other human adult stem cells, and cells from somatic cell nuclear transfer (SCNT) to develop regenerative or reparative medical therapies or treatments. Further, S.B. 128 further stipulated that the authorized research must be conducted with full consideration for the ethical and medical implications of the research, and each case must be reviewed by an institutional review board operating in accordance. Unfortunately, while the bill was heard in the Senate Health and Human Services Committee, it was not considered for a vote.

Improves Access to care along the border

Nonprofit health corporations in Texas must be certified by the State Board of Medical Examiners to contract with or employ physicians. Texas non-profit corporations organized and operated as federally qualified health centers are eligible for such certification. These centers provide necessary health care services in impoverished areas along the Texas-Mexico Border. However, questions exist regarding their ability to employ physicians because of their arrangement with public entity hospitals.

H.B. 1924 establishes a pilot project in El Paso county that will allow a federally qualified health center administered by a public entity hospital district to employ physicians. Senator Shapleigh teamed up with the bill's author, Representative Chavez (R-El Paso), to help bring more physicians to the Border, and increase access to care. The law will become effective on September 1, 2005.

Encourages state government to give preference to contractors who provide health insurance to workers

The City of El Paso is the most uninsured large city in the nation. A comparison of counties shows that 69 percent of Travis County's population has commercial insurance, while only 32 percent of El Paso's County's resident are commercially insured.

Recognizing this, Senator Shapleigh filed S.B. 70 which would have required governmental entities to give preference to contractors who provide their employees with health insurance, given that other criteria are met. Senator Shapleigh successfully amended this bill onto Senator Judith Zaffirini's (D-Laredo) S.B. 12, but unfortunately the measure died in the House Calendars.

Advocates for an improved cost-benefit analysis process that Health and Human Services Commission uses to determine cost-savings when outsourcing and privatizing state services

The 78th Legislature, regular session, passed H.B. 2292 with the intent of consolidating and streamlining the delivery of health and human services in Texas in order to create a more efficient network and save the state money. As part of this effort to make state government more cost-effective, H.B. 2292 included many new opportunities to contract out the delivery of certain services to the private sector. Most notably, the law directs the Health and Human Services Commission (HHSC) to consider contracting with a private company to determine eligibility for public benefits through the use of call centers. H.B. 2292 also provided for the expansion of Medicaid managed care, the potential privatization of state schools and state hospitals, and more privatization of community mental retardation services. In addition to the contracting opportunities created by H.B. 2292, the 79th Legislature, Regular Session, 2005, is considering full privatization of case management in Child Protective Services.

H.B. 2292 provided for the privatization of health and human services only to the extent that contracting offers a more cost-effective way to provide services now administered by state employees. HHSC has adopted a set of "Guiding Principles for Business Decisions," which are intended to assist HHSC in determining which health and human services functions should be outsourced to the private sector. The first of these principles is to "carefully compile decision criteria."

This principle requires that every analysis of agency operations begin with a thorough examination of that function's mission, business processes, and service level, which will form the "As Is" model for that function. HHSC staff will then develop an "optimized" model to determine the most effective way to perform those functions in-house. HHSC will also evaluate how the private sector would perform these functions and at what cost, or an "outsourced" model. Decisions on which model to use will be based on the goal of providing the best value and services to Texans.

In an effort to improve this process, Senator Shapleigh filed S.B. 1482 to strengthen this first, integral step in HHSC's decision-making process by requiring HHSC to consider all relevant factors in determining whether a potential vendor offers the best value to the State of Texas. S.B. 1482 would have amended the current statute in the Government Code related to the determination of best value to ensure a more comprehensive cost-benefit analysis. Specifically, S.B. 1482 would have a determination of best value to consider all costs associated with acquiring a vendor's services including start-up costs, transition costs, the cost of contract monitoring and other administrative costs, the cost to the agency should the vendor fail to comply with the terms of the contract, and the economic impact to local government of any reduction in force associated with the contract. Unfortunately, while the bill was given a hearing in the Health and Human Services committee, a vote was not granted.

Fights to keep health and human services jobs in Texas and the United States

In the 78th legislature, the legislature passed HB. 2292, with the intent of consolidating and streamlining the delivery of health and human services in Texas in order to create a more efficient network and save the state money. As part of this effort to make state government more cost-effective, HB 2292 included many new opportunities to contract out the delivery of certain services to the private sector. Most notably, the law directs the Health and Human Services Commission (HHSC) to consider contracting with a private company to determine eligibility for public benefits through the use of call centers. HB. 2292 also provided for the expansion of Medicaid managed care, the potential privatization of state schools and state hospitals, more privatization of community mental retardation services, and paved the way for new contracts to manage the Medicaid prescription drug program and to test finger imaging as a means to reduce provider fraud in the Medicaid program.

Some contracts have been awarded already as a result of these provisions, while others are in the RFP or draft award stage. In the area of state schools and state hospitals and community mental retardation services, no contracts have been awarded, nor are any being considered at this time. In addition to the contracting opportunities created by HB. 2292, the leadership is considering full privatization of case management in Child Protective Services. Although the call center -- “integrated eligibility” -- contract has not been awarded yet, HHSC has adopted rules governing the use of call centers that explicitly prohibit the establishment of any call center operations outside of the state of Texas. H.B. 2292 also provides for the privatization of government functions only to the extent that contracting offers a more cost-effective way to provide services now administered by state employees. One of the major concerns is the loss of state employee jobs and the negative impact that this job loss will have on the Texas economy.

Proponents of privatization argue that this job loss will be minimal, since the winning bidder on these contracts will rehire the state employees whom we fire as a result of the contract. Recognizing these various concerns, Senator Shapleigh filed S.B. 1482. This bill was intended to protect Texas workers and Texas jobs should the contracts provided for under HB 2292 be awarded. It prohibited companies that contract with health and human services agencies from using foreign workers to perform any work under the terms of their contract. It also prohibited their subcontractors from relying on foreign labor. The bill required contractors and their subcontractors to sign a statement that all work performed under the terms of the contract will be done by domestic workers. It also allowed for a waiver of the ban on the use of foreign workers under limited circumstances, for example to protect the health and welfare of Texas’ citizens. The bill provided for the termination of a contract should a contractor or its subcontractor violate the terms of their contract related to the use of foreign workers and requires the contractor to reimburse the agency for any work performed by a foreign worker. The intent of this legislation was to make the protection of Texas jobs—a concept set forth in HHSC’s call center rules—a statutory requirements for all new contracts awarded under HB 2292. Unfortunately, while the bill was given a hearing, it was left pending in the Senate Health and Human Services Committee.

Ensures that Government Agencies Work for the People

The Sunset Advisory Commission facilitates accountability of state government by reviewing agencies every 12 years to determine if changes are needed to make the agencies function better. The Sunset review process is a valuable one for state government in that it has consistently saved the state money over the last three decades.

Senator Shapleigh takes great pride in serving on the Sunset Advisory Commission, and works throughout the interim to develop solid recommendations on state agencies under review. The following bills ensure that these agencies utilize standard licensing and enforcement authority, which leads to stronger consumer protection.

Makes key changes to the Texas State Board of Examiners of Dietitians

Because Senator Shapleigh is a member of the Sunset Advisory Commission, he carries several "Sunset bills" each session. These bills addressed changes to state agencies that have gone through the Sunset review process, and must pass to continue the agency. Senator Shapleigh teamed up with Representative Vicki Truitt (R-Southlake), to pass H.B. 1155 which makes statutory changes to improve the Board's ability to fairly enforce regulations protecting the health and safety of persons receiving dietetic services. It updates the licensing process, and requires applicants to pass a jurisprudence exam to ensure they know the laws pertaining to dietitians in Texas. This bill also continues the Board for the standard 12-year period, until 2017. H.B. 1155 passed and will become effective on September 1, 2005.

Applies state standards to the Texas Midwifery Board

Senator Shapleigh worked with Representative Vicki Truitt (R-Southlake), to pass H.B. 1535 which is the Sunset legislation for the Texas Midwifery Board. The bill improves the Board's ability to fairly enforce regulations protecting the health and safety of persons receiving midwifery services. Further, it updates the licensing process, and requires applicants to pass a jurisprudence exam to ensure they know the laws pertaining to midwives in Texas. Finally, the bill increases representation of midwives on the Board from three to five by removing the certified nurse-midwife and one public member. The bill changes the title **Documented** midwife to **Licensed** midwife. Through this legislation, the Texas Midwifery Board will be continued for the standard 12-year period, until 2017. This bill will become effective September 1, 2005.

Reforms the Texas Optometry Board

Senator Shapleigh worked with Representative Burt Solomons (R-Carrollton) to pass H.B. 1025, the Sunset Optometry Board bill. This bill continues the Board for the standard 12-year period, until 2017. It grants cease-and-desist authority to the agency to quickly stop unlicensed activity, and authorizes unannounced inspections of optometrists' offices.

Further, the legislation addresses a conflict between the state's Contact Lens Prescription Act and the federal Fairness to Contact Lens Consumers Act. It increases patient's access to their contact lens prescriptions by requiring optometrists to provide prescriptions without patients having to ask for them. The bill will become effective on September 1, 2005.

Makes key changes to the Texas State Board of Social Worker Examiners

Senator Shapleigh joined forces with Representative Vicky Truitt (R-Southlake), to pass S.B. 414, the Sunset bill for the Texas State Board of Social Worker Examiners. The Board oversees social work by licensing qualified individuals, setting rules, and enforcing state law by investigating and resolving complaints.

S.B. 415 improves the Social Worker Board's licensing procedures by requiring applicants to pass a jurisprudence exam on Texas law. Further, it strengthens enforcement of the Social Worker Act, authorizes the Board to require refunds as part of settlements, and requires the Board to adopt a penalty matrix with dollar amounts associated with violations. This bill passed and will become effective on September 1, 2005.

Works to improve the certification process for teachers at the State Board for Educator Certification

The State Board for Educator Certification (SBEC) was created by the legislature and is subject to the Sunset Act. SBEC underwent a full Sunset review in 2003, but the legislation containing the Sunset Commission's recommendation did not pass. Instead, the Legislature continued the agency for two years and after a special purpose review, the Sunset Advisory Commission found that the functions performed by the board remain necessary but certain changes are needed to help the board carry out these functions more efficiently. As a member of the Sunset Commission, Senator Shapleigh filed S.B. 418, which contained these improvements, including provisions relating to the rulemaking authority of SBEC rules by the State Board of Education, stakeholder involvement in SBEC rulemaking, the collection of fingerprints for educator certification, and improving the process for the investigation and resolution of disciplinary complaints against educators. While S.B. 418 passed favorably out of the Government Organization Committee, it failed to receive approval of the Senate and House.

Improves Transportation-Related Processes in the State

Once again this session, Senator Shapleigh took a strong leadership role in the Senate Transportation and Homeland Security Committee. Because of his knowledge of transportation and the law, he was pivotal in providing input on rail and on the major omnibus bill, H.B. 2702. He offered amendments to ensure that the emerging toll process is fair, and that El Paso is included in key transportation initiatives.

The passage of these bills was critical for a state that is experiencing rapid population growth, and increasing highway congestion. Senator Shapleigh worked diligently to ensure that our transportation system is safe and secure for Texans along the Border and throughout the state.

Creates the Texas rail and relocation fund act

Texas roadways have become increasingly congested in recent years due in part to population growth and the changing economy. The transportation of freight on the state's transportation system has grown tremendously and will continue to do so, causing a greater burden on both the highway system and the freight rail system. As the demand for freight transportation increases, the rail industry's infrastructure will not be sufficient to maintain its market share and keep freight off of highways.

Senator Shapleigh co-authored S.B. 1712 by Senator Todd Staples (R-Palestine), which creates the Texas rail relocation and improvement fund, for the purpose of providing a method of financing the relocation and improvement of privately and publicly owned passenger and freight rail facilities. While this bill was left pending in the Transportation and Homeland Security Committee, the House companion, H.B. 1546 by Representative Ruth Jones McClendon (D-San Antonio), passed and will become effective when the accompanying constitutional amendment creating the Texas Rail Relocation and Improvement Fund is approved by voters in November. If approved by voters, a state investment of \$100 million could generate \$1 billion dollars for rail relocation projects across the state.

Passes a constitutional amendment proposal to provide revenue funds for the Texas rail and relocation act

S.J.R. 41 by Senator Staples (R-Palestine) proposed a constitutional amendment to authorize the creation of the Texas Rail Relocation and Improvement Fund. Senator Shapleigh co-authored this resolution, which would have provided a method of financing the relocation and improvement of privately and publicly owned passenger and freight rail facilities. The Resolution was not reported out of Senate committee, but H.J.R. 54 by Representative McClendon was identical and did pass. The measure goes to the voters for approval in November.

Helps secure relief for highway projects in economically disadvantaged counties

Currently, local governments within economically disadvantaged counties (EDC) are eligible for an adjustment to the required match for federally funded transportation projects. However, in order to obtain the reduction, the local government must apply for the adjustment for each project. EDC adjustment approval must be granted prior to the execution of project arrangements.

Recognizing this impediment, Senator Shapleigh worked with Representative Norma Chavez (D-El Paso) and passed H.B. 1107 allows local governments within the identified economically disadvantaged counties status to be certified on an annual basis or as soon as possible after the comptroller of public accounts publishes the indicators. The legislation ensures that there are no delays in the implementation of projects, particularly in areas such as El Paso where state-developed economic indicators are already reflecting disadvantaged conditions. The bill requires the Texas Transportation Commission to determine whether to adjust the minimum local matching funds requirement at the time a political subdivision that lies in an economically disadvantaged county submits a proposal. H.B. 1107 will become effective on September 1, 2005.

Fights for the naming of the Willie Nelson Turnpike

Willie Nelson played a pivotal role in putting Austin's music scene on the national map. Moreover, he has consistently worked on behalf of people in need throughout his career. Mr. Nelson is an entertainer of international renown and a genuine Texas legend.

S.B. 802, by Senator Barrientos (D-Austin) would have designated State Highway 130, between the Travis-Williamson County line and as the Willie Nelson Turnpike. Senator Shapleigh co-authored this legislation to pay tribute to this musician, but unfortunately, the bill was voted out of the Infrastructure, Development and Security committee, but failed to pass the Senate.

Pushes for penalties for automobiles passing bicycles

Every year, there are needless injuries and deaths resulting from cars colliding with bicyclists. Current law concerning a safe passing distance does not apply to bicyclists. To better protect bicyclists, Senator Shapleigh joined forces with Senator Rodney Ellis (D-Houston) and co-authored S.B. 859. It would have required an operator of a motor vehicle passing a bicyclist on a highway or street to vacate the lane which the bicyclist is using on a highway with two or more marked lanes or pass at a safe distance. In order for the distance to be considered safe, the distance must be at least three feet or six feet if the vehicle is a truck. While the measure was voted out of the Infrastructure, Development and Security committee, it failed to pass the Senate.

Seeks to Exempt certain members of the military from motor vehicle registration

Texas National Guard, Texas State Guard, and military reservists are routinely called to active duty to support contingency operations in combat zones. Leaving higher paying civil employment substantially decreases expendable income for service members called to active

military duty. Service members are required to pay vehicle registration fees even when called to active duty. During this time, the motor vehicle registration may lapse and upon return, the soldier is required to pay a motor vehicle fee. Recognizing this, Senator Shapleigh filed S.B. 850 which would have provided an exemption for motor vehicle registration for certain service members who are called to active duty in a combat theater of operations outside of the United States in support of a worldwide contingency operation for up to 18 months. Due to the tight budget cycle, passing bills that had large fiscal notes was difficult and S.B. 850 was not voted out of the Senate Infrastructure Development and Security Committee, this in spite of our armed forces great service to this country.

Urges the Passage of the Immigrant Responsibility and Security Act - A responsible approach to increase automobile insurance, security, and collection of child support payments

Current law prevents many unlicensed drivers from receiving the proper training and testing to be safe, licensed and insured drivers. Thousands of people in Texas are driving without liability insurance because they cannot legally obtain a driver's license. The Automobile Insurance Agents of Texas estimates that the 30% of Texas drivers are uninsured. According to the Department of Public Safety (DPS), in 2001, 93,823, or 16% of car accidents in Texas involved uninsured motorists. Unlicensed drivers are unable to obtain auto insurance, which means they are more likely to pass the costs associated with an accident on to insured drivers, which drives up auto insurance costs. This poses a huge problem and risk to insured drivers, insurance companies, and the police—a far more serious problem than the speculative and wholly unfounded notion that allowing a non-citizen to hold a driver's license increases the risk of terrorism.

Terrorists do not need driver's licenses to accomplish their mission. Terrorists can board (and have boarded) commercial aircraft without a driver's license using their passports or other identification. Further, there is nothing in current law that prevents terrorists who are legally in this country from obtaining driver licenses. In response, Senator Shapleigh introduced, S.B. 77 which would have allowed all Texas residents to apply for a driver's license, giving every driver on the road access to testing and insurance. By allowing Texas residents to apply for a driver's license and learn the rules of the road, S.B. 77 would have protected the lives of all Texans. Ensuring that all Texas drivers have access to auto insurance will help reduce the costs for all motorists. Sound public policy should support people driving safely and being responsible for any damages they may cause because of an at-fault accident.

This proposal was modeled after similar legislation introduced in California. There, the Personal Insurance Federation of California (PIFC), which represents insurers who write approximately 46% of all private passenger automobile insurance sold in California, supported the measure. S.B. 77 also addressed the concerns related to terrorism. Should a suspected terrorist operating in Texas apply for a driver license under the proposed law, S.B. 77 granted DPS immediate access to their photograph and fingerprints. Lastly, S.B. 77 also would have assisted the Child Support Division of the Attorney General to track and ensure that U.S. residents without a social security number, but who have been assigned an ITIN number by the U.S. Internal Revenue Service (IRS), are meeting their child support obligations. An ITIN is a nine-digit tax processing number issued by the IRS to individuals who do not have, and are not eligible to obtain a social

security number. ITINs are issued strictly for federal tax purposes. The IRS issues ITINs regardless of immigration status to assist both resident and nonresident aliens in paying their federal income taxes. Unfortunately, the measure was not given a hearing by the Infrastructure and Development Security Committee.

Increases capabilities of the Texas State Infrastructure Bank (SIB)

The Texas State Infrastructure Bank (SIB) was capitalized with federal funds that have not been replenished. The Texas SIB is subscribed with highway projects and subject to limitations of funds dedications. Current statute is not clear about the ability to lend SIB funds to local governments. Federal law allows states to create state-funded SIBS or contribute state funds to SIB subaccounts in a way that frees those funds from federal requirements and extends the ability of the SIB to fund transportation facilities, but Texas law is not worded to take advantage of that capability. Recognizing this, Senator Shapleigh joined forces with Representative Larry Phillips (R-Sherman) to pass H.B. 2134 which amended the Transportation code to clarify that the Texas Transportation Commission may deposit state funds in the SIB. It also clarifies that the purpose of the bank is to encourage public and private investment in transportation facilities both on and off the state highway system and authorizes Commission to create one or more sub-accounts that are capitalized with only state funds. The law became effective on June 18, 2005.

Grants greater power and direction to the Texas Transportation Commission's Border Trade Advisory Committee

In 2001, the 77th Texas Legislature established the Border Trade Advisory Committee to assist the Texas Transportation Commission in developing recommendations and creating a strategy for addressing the most pressing border trade transportation challenges currently face Texas. The commission, while developing its recommendations to the committee, took special note of the importance of trade with Mexico, especially for Texas Department of Transportation (TxDOT) districts adjacent to the border, and potential sources of funding at border ports. However, TxDOT has indicated that since the 77th legislative session, the committee has yet to approve any strategies or recommendations for border transportation challenges. To address this, Senator Shapleigh worked with Senator Lucio (D-Brownsville) and co-authored S.B. 183, a bill which gave Texas Transportation Commission greater legislative power in terms of the composition of the committee and strengthens the Committee by making the Border Commerce Coordinator the chair of the committee. The new law took effect on June 17, 2005.

Works to expand the duties of the Border and Commerce Coordinator and makes them more accountable to the legislature

In 1999, the legislature created the position of the Border Commerce Coordinator (coordinator), a governor-appointed official who would pro-actively examine trade and transportation related issues between the United States, Mexico, and Canada. However, since the creation of this position, the coordinator's position has lacked continuity, and many of the legislative bodies with jurisdiction over trade and commerce have become concerned about the lack of performance of the coordinator's office.

To improve the continuity of the coordinator position, Senator Shapleigh co-authored S.B. 185 with Senator Lucio (D-Brownsville), a bill designed to expand the duties of the Border and Commerce Coordinator. To do this, the legislation required the coordinator to establish and appoint a Border, Inspection, Trade, and Transportation advisory committee and develop a trade and commerce plan for the border region. Moreover, S.B. 185 called for the coordinator to increase business relations with Mexico by working to attract new businesses and industries, expanding existing ones, and addressing workforce concerns. The bill also created a stronger accountability system for the coordinator by requiring various reports to the legislature detailing their progress and recommendations. The bill died in Calendars in the House.

Works to establish an Advisory Oversight Community Outreach Committee to improve inter-border trade

Texas has one of the most active international borders in the nation, and international trade has become one of the most important aspects of the Texas economy. Yet, in past years, many border community residents have expressed dissatisfaction with their inability to give input on their trade related concerns to the Texas Department of Public Safety (DPS). Many people involved with business and industries along the Texas-Mexico border contend that the best way to improve relations with our primary trading partner is to allow those who work in that area every day to have their input, ideas and skills put to use by the DPS.

To achieve this, Senator Shapleigh co-authored S.B. 229 along with Senator Lucio (D-Brownsville) and Senator Zaffirini (D-Laredo), which called for the establishment of an Advisory Oversight Community Outreach Committee to provide to the DPS the benefit of recommendations and improvements developed by communities and entities directly involved in cross-border trade activity. Additionally, the committee could act as an ombudsman between border communities, residents, and others with DPS administration, thus providing greater access to DPS for Texas's border communities. The committee would be appointed by a commission and must include border crossing bridge owners, persons serving in the capacity of director of entities governing ports of entry, community leaders, planning developers, mayors of the major border municipalities, representatives of law enforcement agencies, and representatives of the general public. Additionally, the committee would submit a report of its recommendations to the legislature at a specified time so as to provide accountability for their work. S.B. 229 died in the House in Calendars. Nevertheless, the measure was amended successfully onto H.B. 925. The measure will become effective on September 1, 2005.

Requires quarterly meetings between Texas Department of Public Safety and Texas Department of Transportation officials and their Mexican counterparts to discuss truck inspection and transportation infrastructure

With thousands of vehicles crossing every day, the Texas-Mexico border is one of the busiest in the nation. As Texas' number one international trading partner, the constant flow of truck traffic between the two borders has created congestion problems at many international points of entry. To ease this problem, Senator Zaffirini (D-Laredo) and Senator Shapleigh co-authored S.B. 293 to requires the Department of Public Safety to initiate efforts to meet at least quarterly with counterparts in the bordering Mexican states to discuss issues related to truck inspections and

transportation. Similarly, they filed S.B. 569 to require the Texas Department of Transportation to meet at least semiannually with the department's counterparts in Mexican border states. The goal of this legislation would be to develop short and long range plans that include recommendations on how to expedite trade, mitigate delay and increase bilateral relations at Border crossings. The new laws took effect on June 17, 2005.

Updates laws governing transportation development and financing

Representative Mike Krusee (R-Round Rock) carried the omnibus transportation bill this session. H.B. 2702 built on the mandates from H.B. 3588, the major transportation bill from the 78th Regular Legislative Session. As a member of the Senate Transportation and Homeland Security Committee, Senator Shapleigh gave considerable input on this bill, which gave the Texas Department of Transportation (TxDOT) authority to enter into contracts with governmental entities to construct, maintain, and operate rail facilities. In addition, the bill removes the cap on all rail expenditures, however, it requires a line item appropriations for any general revenue expenditures. It also states that a rail developer that leases a rail facility for commercial purposes is not exempt from paying property taxes on that facility and makes them subject to local zoning regulations and building standards. These provisions will ensure that we have a progressive rail policy with ample funding to sustain the industry and facilitate rail transportation in our State.

Senator Shapleigh amended three provisions onto this bill. The first requires TxDOT, or the applicable authority, to approve the methodology for setting all tolls or fees in the State, whether it relates to a comprehensive development agreement with a private entity, a contract regarding the Trans-Texas Corridor, an agreement on turnpikes, or any other agreement the Department has entered into. Agreements on tolls or any other contracts regarding fees may not be longer than 50 years.

Another amendment required TxDOT to consider aesthetics, and get local input when designing a new highway. Finally, Senator Shapleigh sponsored an amendment that ensures that a Metropolitan Planning Organization (MPO) cannot penalize an MPO member and count a member of the Legislature absent if that member is in Austin for a legislative session. The law took effect on June 14, 2005.

Establishes an accurate name for the El Camino East-West Corridor in El Paso

Representative Jim McReynolds (D-Lufkin) filed H.B. 747 which extends the El Camino East/West Corridor. The Corridor runs through the Southern United States, across Texas. Senator Shapleigh ensured that the name of this highway in El Paso County was historically accurate. The part of Interstate Highway 10 that follows the corridor was designated as the El Camino Real de Tierra Adentro East/West Corridor. The new law will take effect on September 1, 2005.

Memorializes Congress to Provide for better protection along the Border

S.C.R. 2 by Senator Todd Staples (R-Palestine) memorializes Congress to enact legislation to provide for federal deployment of the Strategic National Stockpile within Mexico. Senator

Shapleigh worked with Senator Staples on a substitute resolution to ensure that Texas does not infringe on the sovereignty of Mexico. The resolution was signed by the Governor and sent to Congress on June 18, 2005.

Provides for limitations on image verification technology

Representative Frank Corte (R-San Antonio) authored H.B. 2337, which gives the Department of Public Safety (DPS) the ability to use image comparison technology to ensure the identity of the individual requesting a driver's license. Senator Shapleigh brought concerns about this bill to the Senate Sponsor, Senator Staples (R-Palestine), which resulted in an amendment that required the Department of Public Safety to use the image verification system only to the extent possible under the motor vehicle records disclosure act when aiding other law enforcement agencies. This ensures that information is kept confidential and shared only when it is deemed necessary. H.B. 2337 will become law on September 1, 2005.

Increases Protection of the Public through Criminal Justice Measures

During the 79th Legislative Session, Senator Shapleigh fought to increase protection of vulnerable citizens and improve practices in criminal justice. For example, he introduced legislation calling for creation of a Capital Punishment Commission among other measures. Senator Shapleigh's criminal justice agenda is discussed below.

Works to protect victims of domestic violence by creating an address confidentiality program

Survivors of domestic violence, sexual assault, and stalking often attempt to escape from their attacker by establishing new addresses, but too often the perpetrator of violence locates the new address. To assist victims of domestic violence and assault live safely from their attackers, Senator Shapleigh filed S.B. 160 to create an address confidentiality program (ACP) with the Secretary of State. While S.B. 160 was left pending in State Affairs, Senator Shapleigh co-authored S.B. 309 with Senator Lucio (D-Brownsville), which created a similar program. Unfortunately, S.B. 309 died in the House Calendars.

Fights for the creation of the Texas Capital Punishment Commission to review the Texas capital punishment system

Between supporters and opponents alike, there exist numerous procedural concerns regarding the just application of capital punishment in Texas. Issues such as inadequate legal representation, incomplete use of available technology in evidence, verdicts based on racial bias, and inequitable application of capital punishment based on racial and social factors have called into question the fairness of the state's capital punishment system. If the use of this supreme and irreversible form of punishment is to be continued in this state, it is imperative that these issues be resolved.

Senator Shapleigh introduced S.B. 544 to address these issues. The bill establishes the Texas Capital Punishment Commission to complete a full review of the Texas capital punishment system and assess and evaluate the application of the death penalty in Texas. While S.B. 544 passed out of the Criminal Justice Committee, it failed to receive approval on the Senate floor.

Works to improve administration of the El Paso Council of Judges

The El Paso Council of Judges is composed of the county court and district court judges of El Paso County and oversees the administrative operations of the judicial functions in El Paso County. It also provides temporary staff assistance for the bailiffs, court coordinators and interpreters. There are fifteen (15) District Court Judges and nine (9) County Court Judges in the County of El Paso. Statutorily, both District Court judges and County Court judges have the same jurisprudence powers and qualifications and both Judges are thus equal. In this regard, Senator Shapleigh joined forces with Representative Chavez (D-El Paso), and sponsored H.B. 2531, which would have allowed for El Paso County Court at Law judges to have the opportunity to serve as Administrative Judge for the El Paso Council of Judges, thus allowing for

a more diverse representation in the leadership role. The bill failed to receive approval from the Senate Jurisprudence Committee.

Works to ensure the fair and just administration of the death penalty in Texas

The U.S. Supreme Court has issued two decisions that require the state to examine the administration of the death penalty in Texas. In March 2005, the Supreme Court held in *Roper v. Simmons* that sentencing juvenile offenders under the age of 18 to death violated the cruel and unusual punishment provision of the Eighth Amendment in the U.S. Constitution. Texas is currently one of only 19 states that allows the death penalty for offenders who committed crimes while they were under the age of 18. In fact, 13 of the 22 juvenile offenders that have been executed in the United States were executed in Texas. To address this constitutional issue in Texas, Senator Shapleigh joined Senator Rodney Ellis (D-Houston) and co-authored S.B. 226 to change the minimum age for the death penalty from 17 to 18 years. The bill died in the Senate Criminal Justice Committee.

Fights to Prohibit the Execution of Inmates with Mental Retardation

In June, 2002, the Supreme Court also ruled in *Atkins v. Virginia* that executing inmates who have mental retardation violates the ban on cruel and unusual punishment. To address this constitutional issue, Senator Shapleigh joined forces with Senator Rodney Ellis and co-authored S.B. 85 and S.B. 231 prohibiting the applicability of the death penalty to inmates with mental retardation. The bill died in the Senate Criminal Justice Committee.

Works to create standards for Special Rangers and Special Texas Rangers

Current Texas law authorizes the Texas Department of Public Safety (DPS) to commission retired DPS and up to 300 non-DPS officers as Special Rangers and Special Texas Rangers. Beyond these qualifications, there are no regulations regarding Special Rangers. Although the statute states some basic parameters of the Special Rangers' authority, it leaves many questions about the extent of their authority and how it can be utilized. This gap may be confusing to the public since a Special Ranger might easily be confused for a law enforcement officer because of the badge and firearm.

Senator Shapleigh authored S.B. 881 to place safeguards by codifying current DPS practice regarding the regulation of Special Rangers' law enforcement powers, handgun proficiency, and use of their badge. S.B. 881 also required DPS to inform the public about the special rangers in literature and on the DPS website, and provide a procedure for filing a complaint against special rangers. While S.B. 881 was passed favorably from the Senate Criminal Justice Committee, it failed to receive approval on the Senate floor.

Works to require the Texas Board of Pardons and Paroles to meet as whole when discussing clemency matters

In the time leading up to the execution of death row inmates in Texas, there are a number of ways an inmate may have his sentence commuted or reduced. The Texas Board of Pardons and Paroles is one of the primary bodies which has the ability to spare the life of an inmate scheduled to be executed by the state. Under the current system, the Board is not required to meet as a group when considering matters of clemency for inmates with impending execution dates. Instead, each member of the board is regularly mailed a packet containing information regarding the inmates who are coming up for consideration. After review the provided information, Board members vote either by phone or by fax as to their opinion regarding clemency for the inmate. Despite being twice ruled unconstitutional by a State District Judge since 1998, this system continues to be used today in determining clemency for death row inmates.

Introduced by Senator Rodney Ellis (D-Houston) in coordination with Senator Shapleigh, S.B. 548 would improve the process of clemency deliberations in the state of Texas. In the new language put forth by the bill, the Texas Board of Parole and Pardons would be required to meet as a whole body when considering clemency for an inmate sentenced to death row. This system would provide greater openness and accountability to state clemency proceedings and thus ensure the highest level of justice possible for prisoners in capital cases. The bill did not receive the approval of the Senate Criminal Justice Committee.

Establishes a task force to study alcohol abuse among youth along the Border

The problem of underage drinking in Mexico is a unique issue for communities along the southwest United States Border. For many generations, border cities in Mexico have been destinations for youth for the purpose of tourism and evening entertainment. Differences in alcohol policies, the legal drinking age (18 years of age in Mexico and 21 years of age in the United States), and the standards and limitations of enforcement of United States and Mexico laws on alcohol consumption and public intoxication have contributed to significant public health and public safety problems on both sides of the international border. To address this significant issue, Senator Shapleigh worked with Representative Chavez (D-El Paso), and passed H.B. 3426 which requires the Department of State Health Services to establish a bi-national substance abuse task force to study various issues related to the abuse of substances and alcohol and submit a report to the Governor and the legislature. The new law will take effect on September 1, 2005.

Works to require the electronic recording of the interrogations of juveniles in criminal proceedings

Several states have enacted videotaping and audio recording procedures to ensure police officers conduct interrogations without coercive methods. In 2003, Illinois became the first state to enact legislation requiring electronic recording of custodial interrogations. That law, which takes effect in 2005, applies to homicide cases and major juvenile offenses. In addition to Illinois, two other states, Minnesota and Alaska, have employed electronic recordings for many years due to

court rulings. Other major jurisdictions that require electronic recording include Austin, Denver, San Diego County, Broward County, and Portland, Maine.

Electronic recordings of interrogations can be an effective method of eliminating coercive interrogations and ensure that suspected criminals are afforded their constitutional rights. In this regard, Senator Ellis (D-Houston) and Senator Shapleigh co-authored, S.B. 662, which would require the electronic recording of the interrogations of juveniles in felony cases. Extending the protection afforded to a juvenile defendant ensures that the juvenile is not coerced since a juvenile is more likely to make a false confession if coercive tactics are employed in the custodial interrogation. The bill died in the Senate Criminal Justice Committee.

Works to prevent auto burglary in Texas

Although a majority of crimes have shown to be on a statistical decrease over the past few years, car burglaries have been constantly and dramatically increasing. Established by the 72nd Texas Legislature, in 1991, the Texas Automobile Theft Prevention Authority (ATPA) is responsible for a statewide law enforcement network to reduce the number of stolen vehicles throughout the state. In an effort to further concentrate on automobile burglaries, Senator Whitmire (D-Houston) filed and Senator Shapleigh co-authored, S.B. 1874 to direct the Automobile Theft Prevention Authority to also examine and assume responsibility for automobile burglaries among their directives. While the bill passed the Senate, it died in Calendars in the House.

Works to increase the rate to discharge a fine in jail

Articles 43.09(a) and (k) in the Texas Code of Criminal Procedure gives a defendant who is convicted of a misdemeanor punishable by fines or is confined in a jail after the conviction of a felony for which a fine is imposed and is unable to pay the fines due to economic hardships the following choices: the opportunity to work in the county jail industries program, in the workhouse, or the county farm; public improvements and maintenance projects of the county or a political subdivision located in or in part of the county; or lastly, if there is no such county entities, the defendant can be confined in a jail for a sufficient length of time to discharge the full amount of fine and costs adjusted against the defendant at a rate of \$50 per day. While misdemeanors fines have increased, the cost of discharging these fines by spending time in jail has not equally been increased. Senator Shapleigh filed S.B. 463 to increase the rate at which a defendant can have their fine discharged from the current \$50 per day to \$200 per day. The bill failed to receive approval from the Senate Criminal Justice Committee.

Creates a new probate court in El Paso County to address increasing caseloads of mental health matters

Out of the five largest metropolitan counties, El Paso County has the highest ratio of cases per court, yet has only one probate court. When the probate court was created in 1991, it inherited 9,000 cases. Over the past four years, the number of pending cases has grown by over 2,000 per year, while the number of new cases has increased by over 100 per year. Since there are no other

courts to which to shift the increasing caseload, El Paso Probate Court No. 1 is quickly becoming overwhelmed.

Senator Shapleigh worked with Representative Haggerty (D-El Paso) to file S.B. 367 and its companion H.B. 3475 to establish a second probate court in El Paso County. Probate Court No. 2 will have the primary responsibility for mental illness proceedings, including budget preparation, staff management, and the adoption of administrative policy. Probate Court No. 1 will have secondary responsibility for mental health proceedings and primary responsibility for probating a decedent's estate and guardianship of adults and minors. The new law takes effect on September 1, 2005.

Works to provide greater security from electronic identity theft

Identity theft is one of the fastest growing crimes in the nation. MSNBC has noted that in the six-week period from mid-February through early April 2005, a rash of data heists exposed more than 2 million Americans to potential identity theft. The cost of data theft can be dramatically reduced if consumers are notified of the breach in security. Recognizing this, Senator Shapleigh joined Representative Brian McCall (R-Plano) and sponsored H.B. 1682. This bill required that businesses who own or license computerized data containing consumers' personal identifying information must disclose to affected Texans if and when there has been a breach in security. H.B. 1682 met with great resistance from businesses and failed to pass.

Protects State's Natural Resources

Provides tools for County brownfield cleanups

Currently, industrial entities which abandon land and leave behind contaminated soils, hazardous waste, or similar polluted conditions are not required to pay for the redevelopment of the vacated land. Brownfields are unfortunate results of contaminating industries which have come to the end of their life-cycle.

Cities need options to address environmental contamination while providing economic development. Brownfield redevelopment funds help cities to continue building their tax base and provide employment opportunities.

Recognizing this, Senator Shapleigh filed S.B. 1413, which provides local governments with the authority to establish a fund through a tax or fee assessment for investment in site clean-up and preparation. This would not give cities primary responsibility for brownfields, but would allow them to raise funds for the match required by the Environmental Protection Agency. S.B. 1413 passed and will become effective on September 1, 2005.

Promotes the donation of surplus property to Mexico

Texas has stockpiles of obsolete equipment (e.g. air/water monitoring equipment, medical testing equipment, etc) that cost the State of Texas money. Current law only permits destroyed surplus State property to be removed from the State Property Accounting Records.

Realizing this, Senator Shapleigh filed S.B. 288 to improve the environmental and health conditions along the Texas-Mexico Border by allowing the transfer of surplus property from Texas to a State in Mexico that borders Texas. Although this bill passed the Senate Government Organization Committee, it was not heard on the Senate floor.

Proposes proof of financial responsibility for air quality permit applicants

Senator Shapleigh introduced S.B. 667 to facilitate better compliance with environmental regulations in this state by ensuring that an applicant for an air quality permit or renewal is in compliance with all regulations, and has the financial means to pay for any outstanding liabilities. This bill allows the Texas Commission on Environmental Quality to deny an air quality application, or renewal, if that applicant has been found to be in noncompliance with a cleanup order, unless the applicant submits proof of financial responsibility showing the ability to pay for the costs of cleanup. Due to significant opposition by industry, this bill was left pending in the Senate Natural Resources Committee.

Fights to repeal the transportation of groundwater along the Rio Grande

During the 78th Legislature, the Rio Grande water master was given the authority to use the Rio Grande River as a means to transport groundwater sold to a downstream user. However, permitting such water use would contradict future conservation and best management practices as the state continues to encourage conservation as a strategy to meet future water needs. Recognizing this, Senator Shapleigh co-authored S.B. 268, by Senator Madla (D-San Antonio) which repealed this authority. Unfortunately, this bill died in House Calendars.

Seeks to clarify how groundwater from state-owned lands should be leased

Current law is unclear on the authority of certain state agencies and the commissioners of those agencies to lease groundwater from state-owned lands. Senator Shapleigh signed on as co-author to S.B. 352, by Senator Madla (D-San Antonio), which clearly defined how groundwater from state-owned lands should be leased. Although this bill passed the Senate, it did not get a hearing in the House.

Seeks to create a uniform liquid waste manifest system

Although Texas currently requires what information should be on a liquid-waste manifest, or trip ticket, Texas does not require a standard statewide form for a liquid-waste manifest. As a result, the lack of a uniform liquid-waste manifest creates confusion among liquid hauling companies' forms and leads to inaccurate or missing information in a manifest. The resulting inaccuracy in transporters annual reports to the Texas Commission on Environmental Quality (TCEQ) on how much waste has been hauled results in less income for the State since the fees transporters pay are based on the accuracy of these reports. Further, the lack of a uniform manifest system facilitates illegal dumping throughout our States deserts, rivers, and property; inaccurate or missing data on current manifests cannot accurately account for all liquid-waste and whether or not it is properly disposed, processed, or stored in an authorized facility or site. Senator Shapleigh joined forces with Representative. Robert Puente (D-San Antonio), and filed S.B. 93 which would have created a pre-numbered statewide uniform manifest system to accompany liquid-waste shipments from cradle-to-grave. Additionally, S.B. 93 would have required a person who generates, collects, convoys, transports, processes, stores, or disposes of certain liquid wastes to keep records and use a uniform manifest system as prescribed by TCEQ to ensure that the waste is properly tracked and transported to an appropriate processing, storage, or disposal facility or site. While the bill passed the Senate without any opposition, the measure died in the House Committee on Environmental Regulation.

Enables El Paso Electric to continue its emissions reduction brick kiln project

In 1997, numerous air emission control programs were implemented by the Texas Commission on Environmental Quality (TCEQ) on behalf of the State of Texas and the United States that would have benefited from the ability to encourage emissions reductions in Mexico. S.B. 1561, passed during the 77th legislative session, authorized the TCEQ to allow the use of emissions reductions achieved outside the United States to satisfy otherwise applicable emissions reduction requirements if certain conditions are met. In 2002, the first recognized international emissions

trading on US/Mexico Border was initiated in the El Paso region. S.B. 1561 allowed El Paso Electric (EPE) to enter into an international emissions credits program through TCEQ for the development of cleaner burning brick kilns in Ciudad . Juarez. The existing enabling language allows for this program to exist within a non-attainment area along the US/Mexico border. EPA is currently considering a request for re-designation from non-attainment to “maintenance” status for the Paso del Norte air shed. Senator Shapleigh joined forces with Representative Pat Haggerty (R-El Paso) and passed S.B. 784 which made a minor change in the enabling language which would allow EPE to continue its emissions reduction brick kiln project in the event that the air shed is designated "maintenance" status by EPA. This bill is a proactive effort to ensure that this valuable program, and others of its kind, can continue to exist in the event that the re-designation of the air shed. Programs such as this one can be credited with pollution reductions in the region that have made consideration of a re-designation possible. The measure becomes effective on September 1, 2005.

Advocates for Increased Resources on Renewable Energy

The 76th Legislature, regular session, 1999, adopted a renewable portfolio standard (RPS) mandating that 2,880 megawatts of renewable energy be installed in Texas by 2009. Over 96 percent of renewable energy in Texas comes from wind. Other sources include biogas or biomass, hydro, and solar. Currently, Texans get about 1.5 percent of their renewable energy from wind, and the number is expected to rise to two percent by the end of 2005. There are 14 wind farms in Texas and plans for four more have been announced. Wind power is clean, efficient, and renewable. Recognizing this, Senator Shapleigh joined forces with Senator Robert Duncan (R-Lubbock) and co-authored S.B. 836 which would have extended the RPS to 10,880 megawatts (approximately eight percent of the total) by 2015 and designated 500 megawatts for other renewable technologies such as biomass or solar to promote energy diversity. S.B. 836 also would have provided direction to the Public Utility Commission of Texas to work with the industry on planning and constructing electric transmission lines to promote the development of renewable energy in Texas. Lastly, S.B. 836 would have created a more functional process by which renewable energy developers and transmission owners would make the necessary investments to see more renewable energy used in Texas. The RPS sets a long term guide for that investment. Unfortunately, the bill was heard and left pending in the Senate Business and Commerce committee.

Dissolves the Homestead Municipal Utility District (MUD)

The Homestead Municipal Utility District (MUD) is located in the unincorporated eastside area in the County of El Paso's Regional Water and Wasterwater Plan. The Homestead MUD water distribution system is approximately a square mile and lies within a low density, economically depressed area that is just over a square mile. The water system was reconstructed five years ago and will require improvements as the area continues to grow. Homestead MUD does not have a centralized wastewater collection system. On-site wastewater facilities (septic tanks and cesspools are in place). Engineering estimates of probable costs for a wastewater collection system range from \$6.9 to \$15 million dollars. The estimate does not include the construction of a new wastewater treatment plant required for the area. Lastly, Homestead MUD lacks the system capacity to attract and retain qualified administrators and key personnel.

El Paso Water Utilities (EPWU) provides water under a wholesale water agreement to 1,438 metered customers and is supplied by the East Montana Booster Station. Currently, the quantity of water available exceeds the requirements of the Texas Commission of Environmental Quality (TCEQ) (3.46 MGD capacity; TCEQ's requirement 3.22 MGD). In response, Senator Shapleigh joined forces with Representative Chente Quintanilla (D-El Paso) and passed S.B. 1810 which dissolved the Homestead MUD to promote a more efficient, effective, and less expensive method of providing water to East Montana. In the process, S.B. 1810 also allows for the continuation of low water rates and even a possibility of becoming even lower due to the removal of existing administration costs. The El Paso Water Utilities has the capacity to administer and operate Homestead MUD. The bill became effective on June 17, 2005.

Dissolves the Ponderosa and Western Village Water Supply Corporation

The Ponderosa and Western Village Water Supply Corporation (PWVWSC) is located in the unincorporated northwest area of the County of El Paso's Regional Water and Wastewater Plan. The Ponderosa water distribution system lies within a low density, economically depressed area that is approximately .5 square miles. Half of the water system was reconstructed five years ago. Construction and design costs to rebuild the rest of the system range from one-half million dollars to \$744,000. El Paso Water Utilities is currently working with the County of El Paso to obtain an additional \$105,000 in Texas Community Development Program funds to continue the reconstruction of the system. It should be noted that historically, the Ponderosa MUD has lacked the capacity to manage its business affairs. Today, only two of the seven board members allowed by charter are in office. By the end of this month, the last two board members will resign. There is no willingness or interest to continue as a water supply corporation among the membership. Ponderosa met with El Paso Water Utilities and requested the transfer of this private non-profit water supply to corporation to the El Paso Water Utilities. S.B. 1811 allowed for the dissolution of the Ponderosa and Western Village Water Supply Corporation to promote a more efficient, effective, and cheaper method of providing water in the County of El Paso. El Paso Water Utilities has the capacity to administer the grant needed to rehabilitate the water system. Further, El Water Utilities has the ability to operate and maintain the Ponderosa and Western Village Water Supply Corporation with minimal impact to El Paso Water Utilities.

Works to Increase Revenue for Critical Needs and Promotes Fiscal Responsibility and Management

Whether in times of financial crisis or during a prosperous economy, the State of Texas should be funded through an open system that ensures the delivery of essential services and spreads the burden of cost fairly. It is critical that information about the management and use of funds be available, that the state has adequate revenue to provide the services and that everyone pays their fair share. The legislation discussed below addresses these concerns.

Fights to Increase the State's revenue by protecting the State Estate Tax

The revenues generate by the state inheritance tax represent a sizeable portion of the State General Revenue Fund. The inheritance tax in Texas is a “pick up” tax on the federal inheritance tax; instead of having a distinctly separate inheritance tax, Texas piggy-backs on the federal inheritance tax. Thus, the tax due to Texas is equal to the federal credit allowed for state inheritance taxes paid. This system takes advantage of the federal credit to reallocate part of the total tax from the federal government to the state. However, with current Federal laws phasing out the federal estate tax, the inheritance tax revenue that Texas has enjoyed will soon diminish and eventually be eliminated completely if Texas’ tax laws are not amended. Other states are protecting themselves from the immediate and large revenue loss by choosing not to conform to the federal change. Decoupling the state inheritance tax from the federal portion and creating a stand alone tax does not constitute a tax increase. The change in law merely retains a tax that the states already levy. Decoupling from federal inheritance taxes will protect Texas against the loss of a steady and sizable revenue stream. Unlike other tax revenue streams, the inheritance tax and other estate taxes are fairly consistent and not subject to the ebb and flow of the economy. As Texas is heavily reliant on the varying revenue generated by the sales tax, it is particularly important to protect the revenue streams that are consistent. S.B. 73 would have protected this revenue source by decoupling the State Inheritance tax from the federal tax. This bill did not pass as it was never heard by the Senate Finance Committee.

Fights to increase funding for the Texas Workforce Commission's child care services

The lack of affordable child care has traditionally been a barrier to employment, education, and training for parents who are dependent on, or at risk of becoming dependent on, public assistance. Texas Workforce Commission (TWC)-funded child care services serve two purposes: (1) to assist low-income families in maintaining or transitioning toward self-sufficiency by providing child care subsidies to eligible parents who are working or participating in education or training, and (2) to promote early physical, emotional, social, and intellectual development of children, who are the state's future workforce. Senator Shapleigh authored S.B. 97, which would impose an additional \$1 tax per pack of cigarettes and direct that the revenue generated from the tax be appropriated to TWC to provide child care services for low-income

families through providers who meet the Texas Rising Star provider criteria. The bill died in the Senate Finance committee.

Searches for sources of revenue to expand access to high technology in public schools

The Telecommunications Infrastructure Fund (TIF) was created as a source of revenue that the state used to expand access to broadband services by funding the development of broadband infrastructure. Originally, schools, libraries and medical service providers could apply for funds from the TIF Board for infrastructure projects; however, in 2003, the Governor eliminated the TIF Board and essentially ended the oversight of the TIF Fund. While TIF assessments are still being collected, no TIF-funded projects are under way. S.B. 1745 directed TIF Fund monies directly to the Texas Education Agency to be used for the expansion of technology immersion in public schools. Unfortunately, amid the school finance rancor, S.B. 1745 was largely ignored as a part of the solution to the funding crisis. The bill was referred to the Senate Finance Committee, but never received a hearing.

Encourages wealth building by creating Individual Development Accounts (IDAs)

Many low-income residents do not have the financial resources to establish financial savings accounts and are thus, considered "unbankable." As a result, it is often difficult, if not impossible, for those individuals to build even a modest savings account to help them budget against unexpected expenses or plan for future expenditures which require savings. The federal Assets for Independence grant program provides up to \$1 million in grants (over a five-year period) to public and private entities on a one-to-one match basis to create Individual Development Accounts (IDAs).

Privately matched IDA programs currently exist in Texas based on separately issued grants subject to the \$1 million cap. In response, Senator Shapleigh co-authored along with Senator Gonzalo Barrientos (D-Austin) S.B. 1538. The purpose of this bill was to establish a state-sponsored program to provide state matching funds for IDAs which are interest-bearing, tax-free savings accounts restricted to families and individuals at or below 200 percent of the federal poverty level. Similar to a 401(k) retirement account, IDAs help provide low income individuals with an asset-building strategy that rewards work and savings, fosters self-sufficiency, and increases financial literacy. S.B. 1538 would have authorized the creation of the individual development account program to provide savings incentives and opportunities to eligible low-income, working individuals, or households. Unfortunately, the bill was left pending in the House General Calendars. The provision was then amended onto H.B. 2233 but it did not pass when H.B. 2233 was killed on a point of order in the House Chamber during floor debate.

Ensures that transactions dealing with state-owned lands are free of conflicts of interest

In response to a bill that would give the School Land Board authority to operate as a real estate fund using state owned land, Senator Shapleigh felt it was important to ensure that any transactions dealing with public lands are open to the closest scrutiny. Senator Shapleigh successfully amended H.B. 2217 by Representative McCall by including several provisions to ensure that any actions taken by the school land board in relation to the powers granted to it by the bill are free from conflicts of interest. The amendment mandates that the Board receive

annual training regarding state ethics laws through the Texas Ethics Commission, adopt and enforce an ethics policy, requires certain disclosures and reports of circumstances that might present a conflict of interest between a private individual contracted by the Board and the general public, and provides for regular reports to the Legislature about the Board's actions. Further, Senator Shapleigh's successful amendment explicitly provides that Chapter 2263 of the Texas Government Code applies to any investment managers appointed pursuant to the bill. Chapter 2263 is a current Texas law that relates to ethics and disclosure requirements for outside financial advisors and service providers. The amendment also inserted a provision that requires any lessee of land whose lease includes the right to produce groundwater from the land shall comply with any groundwater conservation district rules.

