

The 78th Legislative Session in Review

Senator Eliot Shapleigh

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78th Legislative Session Budget Highlights

Due to a nearly \$10 billion budget shortfall, the 78th Legislature encountered a daunting challenge in balancing the budget. The state's fiscal crisis called for Sen. Shapleigh to take proactive steps to protect vulnerable Texas citizens such as the poor, the disabled and high-risk youth from losing critical services. A majority of state legislators favored a "no new taxes" approach to balancing the budget and advocated for stringent cuts to rather than pass measures to increase revenue for maintaining services. As a member of the Senate Finance Committee, Sen. Shapleigh aggressively fought health and human service and education cuts, arguing that the budget should not be balanced on the backs of needy Texans. Despite the dismal fiscal environment, Sen. Shapleigh achieved a number of successes for the state and District 29. These are listed below.

Four-year Medical School

- **Authority to Initiate Curriculum Design and Development.** Working with Senator Duncan, a rider was adopted in the Texas Tech University Health Sciences Center at El Paso appropriations pattern. The rider grants the Center the authority to take the organizational and procedural steps necessary to attain accreditation of a four-year medical school.
- **Funding for Construction of Basic Sciences Research Facility.** Sen. Shapleigh worked with the El Paso delegation and Sen. Duncan to obtain an appropriation for Texas Tech University Health Sciences Center (TTUHSC) for retirement of tuition revenue bonds. The Basic Sciences Research Facility is among the existing bond-funded projects approved by TTUHSC's board of regents.
- **Funding for Four-Year Medical School Faculty and Expansion.** A rider in the Appropriations Act designates legislative intent to fund \$2 million for the El Paso medical school out of the Texas Enterprise Fund.

Border Initiatives

- **Mission Preservation.** Created Mission Valley license plate to fund Mission restoration in El Paso's Mission Valley.
- **Border Safety Inspection Facilities.** Secured a rider that directs the Texas Department of Transportation (TxDOT) to develop border safety inspection facilities that can be retrofitted to meet specifications of the one-stop border port prototype. TxDOT would expend up to \$25 million per facility on acquisition of land, planning and development of facilities, constructing the stations, encompassing Intelligent Transportation System technologies and weigh-in motion scales to support regulatory enforcement functions.

- **Colonia Set-Aside Program Allocation.** Placed a rider in the Appropriations Act that obligates 2.5 percent of the yearly allocation of Community Development Block Grant funds and \$2.5 million a year from Department of Housing and Community Affairs to support the operation of the state's Colonia Self-Help Centers.

The rider earmarks El Paso county's portion of the money to be used to provide Internet access and training for parents and their children attending elementary schools in colonias, to establish Technology Centers within elementary school libraries, to purchase wireless devices and laptop computers to loan out from Technology Centers and improve Internet access for students and parents.

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Health and Human Services

- Supported the successful earmarking by rider of up to \$10 million to sustain and add community health service organizations (Federal Qualified Health Centers) and assist with grants for planning, grant writing and initial operating and capital costs.
- Successfully added a rider to the budget authorizing the Texas Department of Mental Health and Mental Retardation to develop a pilot project negotiating a performance agreement with the El Paso Mental Health and Mental Retardation Community Center authority based on priorities identified by the community and expressed in a local service plan.
- Fought to prevent deep budget cuts to health and human services programs such as CHIP and Medicaid that affect thousands of El Pasoans.

Grant Funding

- Successfully opposed a rider that would have prohibited the Governor's Office from awarding a grant to a multijurisdictional drug task force. El Paso has benefited from such grants in the past.

Technology and Workforce

- **Advisory Committee Savings.** Placed riders in state agency appropriations patterns to encourage cost savings for advisory committee meetings through the use of video- and teleconferencing and to arrange for same-day travel to avoid costs of overnight stays.
- **Performance Measure for Skills Development Fund Trainees.** Established a new performance measure that would require the reporting of the percent of skills development fund trainees employed one year later, earning \$9 per hour with health benefits. The target for this measure is set at 75 percent for each year of the biennium.
- **Earmarks Funding for Adult Workforce Education.** Although a rider sponsored by Sen. Shapleigh to use Texas Education Agency federal funding for creation of a demand-driven curriculum was not adopted, Sen. Shapleigh was able to amend the Texas Workforce Commission sunset bill (S.B. 280) to ensure the use of the funding

for the creation of the curriculum. The curriculum will help to bridge the gap between workers' current abilities and jobs that will become available.

Education

- **Evaluation of Programs for Students At Risk of Dropping Out.** A rider was adopted that required the Legislative Budget Board and the State Auditor's Office to evaluate the performance of those programs receiving state and federal funds that target students at risk of dropping out, including but not limited to, AVANCE, Communities in Schools, After-School Initiative, and organizations receiving Capital Fund Grants.

Infrastructure

- **Center for International Intelligent Transportation Research.** A rider in the Texas Transportation Institute's (TTI) appropriations pattern was adopted that requires TTI to develop a plan by January 2004 to establish a Center for International Intelligent Transportation Research. The Center will identify critical cross-border transportation issues, conduct research, propose solutions that will improve the transportation environment in the El Paso area and enhance the efficient, safe and secure movement of people and goods across the United States borders.
- **Public Transportation Report.** Successfully placed a rider in the Texas Department of Transportation's appropriations pattern that requires the agency to develop and submit an annual report to the Legislature on public transportation activities in Texas. The report must minimally include monthly data on industry-utilized standards which best reflect ridership, mileage, revenue by source, and percent consumed of available capacity.
- **Transportation Funding.** Secured funding to help El Paso complete the Loop.
- **Created Military Value Fund.** Established a mechanism for military installations to fund infrastructure projects. Such a fund could help Fort Bliss build a water desalination plant.

Improves Opportunity, Accountability and Outcomes in Higher Education

Higher education is one of the state's most powerful tools for ensuring economic and social well-being across Texas. A college degree produces a person who has both increased earning and spending power, thereby making him or her a valuable member of his or her community. Sen. Shapleigh fought to make access to higher education a reality for Texas citizens through the availability of grants, loans and creative asset-building tools like Individual Development Accounts. He also created a mechanism for holding universities with low graduation rates accountable by authorizing performance reviews. Another accountability measure involves a requirement for the Higher Education Coordinating Board to publish the performance of higher education institutions.

Increases the state's ability to close gaps in higher education

As a member of the Texas Sunset Advisory Commission, Sen. Shapleigh authored the Texas Higher Education Coordinating Board (THECB) Sunset bill (S.B. 286), which defines the statewide goals of *Closing the Gaps*, the master plan for higher education in Texas. The THECB Sunset bill requires the Coordinating Board to articulate implementation strategies for the higher education plan and report biennially to the Legislature on statutory changes required to better support the plan.

The bill also restructured the Teach for Texas Conditional Grant program into a loan repayment program, and now requires Hinson-Hazlewood College Student Loan funds to be distributed through the Texas Guaranteed Student Loan Corporation's Electronic Funds Transfer System for more efficient savings to the state. The bill will also allow colleges and universities to tailor a student's developmental education program to the needs of each student within parameters defined by the Coordinating Board; establishes a loan program for Texas residents from under-represented groups to pursue doctoral degrees; and requires a study on the feasibility of establishing a Mexican-American studies program at junior colleges with a substantial and growing Mexican-American population. The bill took effect September 1, 2003.

Creates a central clearinghouse to rank the state's colleges and universities

Currently, there is no central clearinghouse that provides a simple, yet comprehensive profile of all the state's higher education institutions. Thus, students and parents who seek indicators of the quality of education provided at public universities in Texas must compile information from a variety of sources, requiring a considerable amount of time and resources. Sen. Shapleigh introduced S.B. 337 to require the Texas Higher Education Coordinating Board (THECB) to create a single chart on their web site that would list all public universities in the state and their corresponding performance on 20 measures including average TAKS scores, enrollment percentages by ethnicity, retention and graduation rates, average class size, and the range of degrees offered. The bill was amended into the THECB Sunset bill and took effect September 1, 2003.

Authorizes performance reviews of universities with low graduation rates

The Texas Comptroller of Public Accounts currently conducts “Texas School Performance Reviews” to improve the operational efficiency of public school districts. These reviews have resulted in improved operations, greater accountability, and a significant savings to taxpayers throughout the state. Sen. Shapleigh authored S.B. 571 to authorize the Comptroller to also conduct performance reviews of institutions of higher education, including community colleges and four-year universities and colleges. The performance review would include the institution’s fiscal operations, management, student services and curricula. The bill did not pass out of the Senate Government Organization Committee, but was later modified to apply to higher education institutions with graduation rates less than 30 percent and attached as an amendment to H.B. 2425. The new law took effect on June 20, 2003.

Increases awareness for junior college students about Individual Development Account programs

Individual development account (IDA) programs have been hugely successful across the country as an asset-building opportunity for low-income individuals. IDA programs provide matching funds for individuals’ savings contributions, giving them the opportunity to build savings over a relatively short period of time. IDA savings can be used toward home ownership, small business entrepreneurship, and educational expenses. To increase awareness of this savings opportunity for junior college students, Sen. Shapleigh authored S.B. 968 to direct the Texas Higher Education Coordinating Board to provide information regarding IDA programs to public junior college financial aid offices. By expanding awareness about IDA programs, junior college students could utilize such programs for savings toward future education. The new law took effect on June 20, 2003.

Increases affordable higher education options for Mexican residents

Current law does not allow a public junior college in a county that borders Mexico to charge in-state tuition to residents of Mexico unless the junior college has a partnership agreement with an upper-level university. El Paso Community College, which does not have a partnership agreement with the University of Texas at El Paso, is required to charge students from Mexico a significantly higher foreign student tuition fee. However, the University of Texas at El Paso is allowed to charge students from Mexico in-state tuition, if they demonstrate financial need. Sen. Shapleigh authored S.B. 201 to authorize the governing board of a public junior college district in a county that borders Mexico to charge in-state tuition fees to residents of Mexico who register for lower division courses, and who demonstrate a financial need. The bill was left pending in the Senate International Relations and Trade Committee.

Protects college students from unnecessary charges and fees

Currently, an institution of higher education that accepts payment of tuition, a fee, or other charge by credit card may charge the student a fee for processing the payment. A fee charged may not exceed the amount charged the institution by the issuer of the credit card in connection with the payment, and before accepting a payment by credit card, the institution must notify the

student of any fee to be charged. Higher education institutions wanted to expand this fee, however, to any payment made by a student regardless of whether it was made by credit card, check, cash or electronic funds transfer. Sen. Shapleigh worked with Sen. Shapiro (R-Plano) in order to clarify that an institution of higher education could only charge a student for payments made by credit card or electronic funds transfer. Sen. Shapleigh also worked to ensure that current law was maintained that required the institution to notify the student of any fee to be charged for payments made by these methods. The law with Sen. Shapleigh's amendments took effect on June 21, 2003.

Brings Accountability, 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. State budget cuts resulted in the elimination of Telecommunications Infrastructure Funds (TIF) which significantly funded computers and associated software that contributed to academic achievement. Many schools will no longer be able to afford the costs associated with delivering education through technology. In the face of these constraints, Sen. Shapleigh fought to limit budget reductions in education and to foster the increased access of teachers, parents and students to electronic resources. Sen. Shapleigh's bills associated with public education are discussed below.

Works to create more flexible teaching arrangements in order to ease the teacher shortage

According to the State Board for Educator Certification, the teacher shortage for the 2002 school year was estimated to be anywhere between 37,000 and 40,000. This shortage is expected to get worse as more experienced teachers retire, and they are replaced by new less experienced teachers, who have the highest attrition rate. In response to this crisis in education, Sen. Shapleigh authored S.B. 1150 to allow districts to adopt a policy authorizing job sharing or other alternative work schedules for certified educators. Job sharing could provide a more flexible work schedule to retain qualified teachers that have left teaching prior to retirement or who are contemplating leaving in order to raise children, care for elderly parents, or retire early. The bill was left pending in the Senate Education Committee.

Helps parents by providing more flexible child care arrangements after school

Current law allows a parent to designate a child care facility as the regular location for purposes of their children obtaining transportation to and from school. According to a 1999 National Survey by the Urban Institute, however, 25 percent of child care arrangements for children ages 6 to 12 is provided by a relative in Texas. Depending on the parents' marital status, income and amount of formal child care that is provided in the area, the percent of care provided by a relative could be significantly higher. Sen. Shapleigh authored S.B. 617 to expand current provisions for school districts to also allow a parent to designate a grandparent as the regular location for school bus transportation. S.B. 617 passed the Senate in its original form, but died in the House during the last days of session. A modified version of the bill was amended onto H.B. 3459 and took effect on September 1, 2003.

Mandates reconstitution for low-performing schools

Between 1994 and 2002, the number of schools rated as low-performing in Texas more than tripled, increasing from 54 to 149 campuses. In 2001-02, nearly 70,000 students attended public

schools that were rated as low-performing. Sen. Shapleigh authored S.B. 618 to require the Commissioner of Education to reconstitute any campus rated as low-performing due to test performance on the Texas Assessment of Knowledge and Skills. When a campus is reconstituted, a special campus intervention team will be assembled to determine which educators may be retained or assigned to another position in the district. The bill would also require the Texas Education Agency to publish a list of low-performing campuses no later than August 1st of each year. The new law took effect September 1, 2003 and will apply to schools for the first time during the 2005-06 school year.

Limits reductions to the compensatory education allotment in school finance

As part of the budget cuts, the appropriations bill permitted a reduction in the Compensatory Education Allotment to reflect reductions made to “set-asides” from compensatory education. “Set Asides” refers to a group of programs that receive specifically appropriated funding from the compensatory education allotment. Sen. Shapleigh amended the appropriations bill relating to school finance, H.B. 3459, in order to ensure that the provision only applied to this biennium and that the amount of the reduction was only limited to the reduction made in set-asides.

Fights to make virtual education more accessible and efficient for school children

Advances in technology are providing innovative opportunities to improve the learning process and provide a cost effective means of educating large numbers of students in Texas. In order to make virtual education more accessible for all Texas school children, Sen. Shapleigh worked with Sen. Shapiro (R-Plano) on S.B. 933, which would have established virtual charter schools that provided instruction and curriculum through the Internet.

Because one of the benefits of virtual education is a quality education at a cheaper cost, Sen. Shapleigh amended the bill to limit the funding of a virtual charter school to the actual cost of the education. In order to ensure accountability, Sen. Shapleigh also amended the bill to provide that virtual charter schools were subject to the same accountability standards for bilingual education, special education, TAKS testing, and curriculum requirements as school districts. Sen. Shapleigh also amended the bill to require the Texas Education Agency to continue the work commenced by Sen. Shapleigh’s S.B. 975 from the 77th Session which established the virtual learning pilot project. This amendment would have allowed further study into the effectiveness and benefit to students of virtual education and recommendations for future funding of virtual education by the state. Although S.B. 933 passed the Senate once Sen. Shapleigh’s amendments were added to the bill, it failed to receive approval from the House.

Establishes more accurate methods for counting dropouts in public education

The current method in Texas for calculating dropouts has come under increasing criticism as the absence of accurate numbers hinders the state’s ability to increase education levels. With estimates of the dropout rate in Texas ranging from 5 to 50 percent, the need for more accurate counts is apparent. Sen. Shapleigh worked with Sen. Janek (R-Houston) to create new methods for the Texas Education Agency (TEA) use to calculate the dropout rates in Texas. S.B. 186 requires that Texas calculate dropout rates in accordance with the standards adopted by the

National Center for Education Statistics of the United States Department of Education. Sen. Shapleigh amended S.B. 186 to also require TEA to calculate high school completion rates in accordance with standards and definitions of the federal No Child Left Behind Act of 2001. This method will require TEA to calculate how many students that entered high school as freshman graduated as seniors in four years. The new law took effect on September 1, 2003.

Fights for the fair treatment of children with mental retardation or disabilities

Currently, school districts have approximately seven days to conduct staff development for teachers. Because 80 percent of students with disabilities in Texas spend 50 percent or more of their time in general education classes and based on requests from a number of teachers statewide, the state mandated last session that districts provide some form of staff development related to the instruction of students with disabilities. Even though the state did not mandate how much time had to be spent on the topic, or where and how the information had to be delivered, school district associations sought to remove this requirement from statute this session. Without such a requirement, however, students with disabilities are at risk of receiving inadequate instruction, and teachers risk liability. In support of the fundamental principle of including students with disabilities in regular classes and schools, Sen. Shapleigh fought to restore this requirement. Despite the support of teacher associations and advocates for children with special needs, this amendment did not receive the support of the full Senate.

Sen. Shapleigh was able, however, to include in the school finance appropriations bill, H.B. 3459, language that required the Texas Education Agency and the State Office of Administrative Hearings (SOAH) to jointly determine whether it would be more cost-effective to move all or part of the special education due process system to SOAH. This language was supported by Advocacy, Inc., a group dedicated to promoting the needs of children with disabilities, as it also provided for an examination into the most objective method for these types of hearings. The new law took effect on September 1, 2003.

Creates Online Education Portal

Texas school children do not have equal access to a quality education and the resources that contribute to academic success. For example, not all students are educated in wealthy school districts; not all of them who are candidates can access special education or advanced placement courses; they may not be taught by teachers certified in the subjects they teach; nor do all students feel they can participate in a traditional school on a full day schedule. These inconsistencies are often reflected in differences in student performance that thwart students' abilities to move successfully through the Preschool through grade16 educational pipeline.

Additionally, Texas faces stronger pressures to ensure academic performance with the advent of its new, more rigorous standardized test, the Texas Assessment of Knowledge and Skills (TAKS). Since the test is linked to grade-level promotion requirements, the implications for students and public education funding are serious.

Technology, when widely adopted and effectively used, provides opportunities for districts to meet these increasing challenges. The availability of online courses, customized electronic

learning tools and tutorials, and electronic resources that allow administrative efficiencies and improved communication open up new avenues for expanding access and improving learning that have not traditionally been available. The demands for statewide change of the magnitude described above call for effective and efficient state leadership. The state must rapidly disseminate information and tools that will help students in all districts succeed.

Sen. Shapleigh filed S.B. 699 which creates an online education portal for use by school districts, teachers, parents, and students. This is a cost effective way to improve student performance and help districts respond to new TAKS challenges. S.B. 699 directs the Texas Education Agency, with assistance from the Department of Information Resources and the Texas Higher Education Coordinating Board, to establish and maintain an education Internet portal for use by school districts, teachers, parents, and students. The goal of the education portal is to eliminate impediments that prevent school-aged children in Texas from successfully progressing through the preschool through grade 16 educational pipeline. The portal would provide a single point of access for educational resources, especially interactive tools that are aimed at alleviating inequities in access to education and increasing academic performance. S.B. 699 remained pending in the House Calendars Committee. Sen. Shapleigh amended this initiative to S.B. 1152 relating to TexasOnline which took effect on September 1, 2003.

Establishes a Technology Immersion Pilot Program

Currently, Texas' school children are not all moving successfully through the preschool-through-16 educational pipeline towards guaranteed admission to an institution of higher learning. The state has recognized the importance of helping children overcome barriers along the educational pipeline as evidenced by the establishment of a state P-16 Committee. It cannot, however, continue its current methods of delivering an education to its increasingly diverse population and expect to produce high numbers of college-ready students. Algebra pass rates, high school drop-out rates, and the percent of Texans entering institutions of higher education all support this claim.

Technology offers significant promise for removing many barriers and increasing students' opportunity to learn, as evidenced by recent breakthroughs in neuroscience and brain plasticity research. The old model of having computer labs is not cost effective, takes up valuable space, and is generally not focused on teaching the critical technical and analytical skills required in the 21st century work environment. A 1:1 wireless laptop environment has proved to have a meaningful impact on students' success in the following ways: attendance increases; class participation and achievement increases; drop-out rates decrease; and the use of technology stimulates students' inherent quest for knowledge.

Sen. Shapleigh filed S.B. 396 which directs the Texas Education Agency to establish a Technology Immersion Pilot Program, in which as many as five selected school districts would voluntarily participate. Depending on available funding, all or a portion of students at pilot schools would each receive a laptop computer. The purpose of the pilot is to eliminate barriers to academic achievement through the analysis and assessment of these barriers and the provision of personal computers to a significant number of students within a school or school district. S.B. 396 provides for establishment of teams in participating districts to oversee the pilots, and for an

evaluation of the pilot at the end of the project. This legislation took effect on September 1, 2003.

Fought to continue the Telecommunications Infrastructure Fund Board

The Telecommunications Infrastructure Fund (TIF) was established to provide funding for public schools, libraries, community colleges and non-profit medical establishments, especially in rural areas, to support investments in computers, software and telecommunications networks. The Fund has generated over \$1 billion through fees assessed against certain telecommunication companies and, in some cases the assessments are passed through to the customers of those companies. As a result of the fund, the ratio of computers to students and teachers has significantly improved and libraries have established significant resource sharing programs including TexShare for public and academic libraries and the Texas Library Connection for school libraries, thereby providing access to materials for considerably less. Because the Legislature did not continue funding TIF, the infrastructure that has been established in schools, libraries and other entities is at very high risk of becoming obsolete without an opportunity to replenish it or benefit fully from its use. Sen. Shapleigh filed S.B. 124 which would extend the life of the TIF Board through September 1, 2009 and raise the ceiling of the amount that could be collected for the fund. This bill was left pending in the Senate Finance Committee. Other legislative actions resulted in the sweeping of TIF funds for other purposes, leaving a significant void in educational technology and other funding.

Encourages school districts to develop and implement dual language bilingual programs

A global economy necessitates knowledge of the cultures and customs of others; economic competitiveness is enhanced if citizens are fluent in both English and another language. Texas has well-established bilingual programs already in the public education system that are beneficial to the international issues and events that are increasingly affecting our daily lives.

Dual language bilingual programs create an additive bilingual environment for all students in which the first language is maintained while the second language is acquired. These programs also promote bilingual proficiency, cross-cultural awareness, and high academic achievement in students. Dual language bilingual programs will prepare our students academically and linguistically to be multi-literate citizens in an international community as they master "English-Plus" another language.

Sen. Shapleigh joined Sen. Judith Zaffirini (D-Laredo) and 19 other Senators to pass S.C.R. 50 that encourages school districts to develop and implement dual language bilingual programs in which students may participate throughout their education. The Resolution also encourages that Texas work toward the goal of ensuring that someday every Texas student will master "English-Plus" another language. S.C.R. 50 further requires the Secretary of State to forward official copies of the Resolution to the Commission of Education and the State Board of Education and direct them to share its contents with superintendents and Regional Education Service Centers. The Resolution was signed by the Governor.

Reforms Campaign Finance Laws

Currently, there are inadequacies in Texas' disclosure system in relation to the financing of political campaigns. 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. The bill discussed below addresses this concern.

Works to create more disclosure and transparency in campaign finance laws

Sen. Shapleigh authored S.B. 649 to require campaign contributors of any amount over \$500 to disclose their occupation and their employer. This provision allows the public to determine whether a particular industry or company is giving large amounts through the individual contributions of their executives. The bill also required all candidates to file information about contributions electronically to allow more public access of campaign contributions via the Internet. While S.B. 649 was not given a hearing in the Senate State Affairs Committee, Sen. Shapleigh worked with Sen. Ellis (D-Houston) to incorporate these ideas into the Ethics Bill, H.B. 1606, which took effect September 1, 2003.

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. Faced with a multi-billion dollar shortfall, it is even more 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 for increased disclosure of the management of state investment funds

Investments of large public funds, such as the Permanent School Fund, the Teachers Retirement System, and the Employee Retirement System, are managed by state agencies in concert with national investment brokerage firms. In regard to private investments of these public funds, agencies have bypassed Freedom of Information Act requests to disclose information that would allow for a comparison of the fund and the potential for better management of state dollars. Sen. Shapleigh authored S.B. 650 to require the posting on the Internet of all investment funds administered by or under a contract with any entity of state government. Disclosed information would include the value of the fund, the investment manager and brokerage firm name, the total amount of shares traded, the total commissions paid to the brokers, and fees paid by the fund to the managers. Although the bill was approved by the Senate Government Organization committee, it was not passed by the Senate.

Fights to prohibit corporations who avoid federal income taxes by moving their corporate headquarters to foreign countries from participating in state contracts

Under current law, the United States Government stands to lose more than \$4.78 billion over the next 10 years due to corporations who avoid federal income taxes by moving their corporate headquarters to foreign countries. Because the State of Texas receives 6.36 percent of every federal dollar, this means Texas will lose more than \$304 million. The loss of revenue the state will suffer due to these companies avoiding paying their fair share of taxes will only worsen our already precarious financial position and force the State to continue to reduce needed services and programs even further. Sen. Shapleigh filed S.B. 311 which prohibits companies that reincorporate in tax havens to avoid paying federal income taxes from being eligible for contracts with the State of Texas. The bill was left pending in Senate Business and Commerce Committee.

Improved laws relating to the regulation of investment securities

The recent investment securities scandals have highlighted what some say are shortcomings in the rules and regulations enforcement of investment securities. To protect investors from future risk and allow for better enforcement of the Securities Act, the State Securities Board and the Office of the Attorney General believed that certain sections of the Act needed to be strengthened. Sen. Shapleigh co-authored S.B. 1060 with Sen. Ellis (D-Houston) to expand the definition of a security, allow the Commissioner to provide reciprocal assistance to a securities

regulator from another jurisdiction, subject unregistered investment advisers to penal provisions, and allow the Attorney General to seek equitable relief for a victim of fraud and the disgorgement of any economic benefit obtained through fraud. The new law took effect on May 20, 2003.

Fought to prevent corporate fraud in non-publicly traded entities

In response to corporate malfeasance and fraud committed by the principals of major U.S. corporations, such as Enron and WorldCom, Congress passed the Sarbanes-Oxley Act of 2002 (S-O Act) to address business fraud. These frauds have created significant investor losses and hurt the overall economy. The S-O Act raised the level of accountability for corporate officers who sign-off on financial reports. New certifications required with filings at the U. S. Securities and Exchange Commission (SEC) have enhanced criminal penalties for false and misleading statements on financials. In addition, there are protections for employees of businesses who report suspected wrong-doings.

To address these issues at the state level, Sen. Shapleigh filed S.B. 605, which would have required similar certifications of financial reports filed by certain companies doing business in this state that are not required to make such filings with the SEC. The legislation provided an exemption for small businesses that qualify as “S” corporations, which generally are those with no more than 75 shareholders. Unfortunately the bill died in the Senate Business and Commerce Committee. An effort to amend the bill onto other legislation was successful, only to be stripped in conference committee.

Attempts to generate \$263 million in revenue in a tight budgetary session through the modification of the federal inheritance tax

Texas inheritance tax is a “pick-up” tax where the amount the state collects is equal to the state death tax credit allowed under federal law. Current law automatically conforms to the federal law each time it changes. Thus, since the federal and state laws are connected, the taxpayer’s total tax liability remains the same, however, the revenue is split between the federal government and the state. Current federal law phases out the state death tax credit, which reduces the amount the state collects. For deaths occurring after December 31, 2004, the state would not collect any tax revenue.

To raise revenue in a tight budgetary session, Sen. Shapleigh filed S.B. 1149, which would have broken the connection between the federal estate tax and Texas’ inheritance tax. The measure would have linked our state’s inheritance tax to a prior version of the federal law. This change would have increased the state’s revenue, since the prior federal law allowed the state to collect the full amount of state death tax credit on the value of estates that were subject to the tax at that time. If the legislation had been enacted, according to the Texas Comptroller of Public Accounts, Texas would have gained an estimated \$263 million in additional inheritance tax revenues for the 2004-05 biennium and \$682 million in additional revenues for the 2006-07 biennium. Unfortunately, in a session where the Republican leadership refused to consider tax

measures even of this nature, the measure died in the Senate Finance committee without receiving a hearing.

Increases Protection of the Public through Criminal Justice Measures

During the 78th Legislative Session, Sen. Shapleigh fought to increase protection of vulnerable citizens and improve practices in criminal justice. In particular, his legislative agenda aimed to increase the penalty for assaults against children, protect children against sex offenders, protect victims of identity theft, ensure investigation and prosecution of corporate fraud and encourage the use of more sophisticated sex offender treatment methods by allowing judges to use evaluative standards. He also introduced legislation calling for creation of a Capital Punishment Commission and a moratorium on the death penalty among other measures. Sen. Shapleigh's criminal justice agenda is discussed below.

Fights to increase the penalty for assaults committed against children

In the past, the Texas Legislature had decided that certain classes of individuals were worthy of added protection under the laws of this state. Currently, if an assault is committed against an elderly or disabled individual, it is enhanced from a class C to a class A misdemeanor, which is punishable with probation or jail time. An assault on a child, however, is regarded only as a Class C misdemeanor, which is only punishable by a fine not to exceed \$500. To better address the inappropriate touching of children, Sen. Shapleigh authored S.B. 969 to enhance an assault against a child from a class C to a Class A misdemeanor. This change would have allowed through probation the monitoring of sex offender behavior and state mandated treatment or therapy. The bill was left pending in the Senate Criminal Justice Committee.

Creates more specialized sentencing, treatment and supervision of sex offenders

The treatment of sex offenders is important because the majority of sex offenders eventually return to the community. Treatment providers, the supervising officer and judge must be able to determine if a sex offender is complying with treatment or even admitting wrong doing in order to better set goals and limits for the offender. Current law, however, does not specify the use of evaluative and rehabilitative treatment procedures for sex offenders or the use of such standards in conjunction with probation. As part of the El Paso Sex Offender Task Force legislative agenda, Sen. Shapleigh authored S.B. 1054 to allow judges to use the Texas Council on Sex Offender Treatment standards which are more specifically evaluative on sexual responses and reactions of the sex offender. The use of these standards will give the judge more information in determining whether the defendant is progressing in treatment and the appropriateness of further treatment or specialized supervision. The new law took effect on September 1, 2003.

Fights for the creation of the Texas Capital Punishment Commission and Death Penalty Moratorium

Currently, there are serious concerns about the implementation of capital punishment among both opponents and supporters of the death penalty in Texas including inadequate legal representation for indigent defendants, the use of DNA testing to determine the actual guilt of defendants, cases in which race is a contributing factor in determining a defendant's guilt, and the sufficiency of and delays in appellate review for death row inmates. In fact, the Spring 2003

Scripps Howard Texas Poll showed that 69 percent of Texans believe that our state has executed innocent people. In order to address these concerns, Sen. Shapleigh authored S.J.R. 12 allowing voters to decide whether to provide the governor the power to order a moratorium on executions and S.B. 444 to create the Texas Capital Punishment Commission to study the administration of the capital punishment system in Texas. Neither bill was able to receive approval from the Criminal Justice and State Affairs committee.

Prohibits sex offenders within 1,000 feet of places where children commonly gather

Under current law, a parole panel is required to establish a child safety zone as a condition of parole or mandatory supervision for a convicted sex offender. If a defendant accused of a sex crime with a child is under community supervision, the distance of the child safety zone is specified by the trial judge. However, there are no provisions specifying a minimum distance requirement. Sen. Shapleigh co-authored S.B. 97 with Sen. Barrientos (D-Austin) to require that certain sex offenders maintain a minimum distance of 1,000 feet from schools, day care facilities, playgrounds, and youth centers, and other such places where children commonly gather. During the final days of the session, Sen. Shapleigh worked with House sponsor Rep. Farrar (D-Houston), to amend the bill onto a similar bill relating to the supervision of sex offenders, S.B. 1054. The new law took effect on September 1, 2003.

Creates more protection for victims of identity theft

Currently, consumer reporting agencies allow individuals who are or suspect that they are victims of identity theft to place a security alert on their credit reports. However, security alerts are only advisory in nature and are not always followed by merchants and credit grantors. Moreover, a victim of identity theft is often embroiled in a long process of clearing credit history, financial affairs, or even criminal records. Sen. Shapleigh co-authored S.B. 473 with Sen. Ellis (D-Houston) to allow a victim of identity theft to place a freeze, for a modest fee, on his or her credit report and provides for confidentiality of social security numbers. This bill seeks to prevent identity theft, which is one of the fastest growing crimes in the United States as well as in Texas. This bill took effect on September 1, 2003.

Ensures the efficient investigation and prosecution of corporate fraud in Texas

The state needs to improve its means of addressing corporate fraud and assessing penalties. To better assist district attorneys and county attorneys in investigating and prosecuting corporate fraud, Sen. Shapleigh co-authored S.B. 1059 with Sen. Ellis (D-Houston) which creates a Corporate Integrity Unit within the Office of the Attorney General to assist in the enforcement of the laws relating to corporate fraud or other similar illegal activities. This bill requires companies entering into contracts with the state to immediately report any financial irregularities relating to the contract or the company's financial position. S.B. 1059 also establishes criminal and civil penalties for untimely or inaccurate disclosure of financial reports. The new law took effect on September 1, 2003.

Ensures Guidelines and Penalties for Vehicles Passing Stationary Emergency Vehicles

Currently, Texas law provides no guidelines or penalties relating to vehicles passing certain stationary emergency vehicles on a highway. Sen. Shapleigh was a co-author to S.B.193, by Sen. Barrientos, (D- Austin) a bill is to prevent injuries and fatalities during roadside emergencies and traffic stops by mandating that drivers move over or slow to a safe speed. S.B.193 was signed by the Governor on June 18, 2003 and will take effect on September 1, 2003.

Ensures appropriate penalty for terrorist threats

H.B. 11, by Rep. Keel (R-Austin), addresses the penalties for terrorist acts and threats. One of the crimes in the bill was a terrorist threat, or hoax, and this bill would have changed the penalty from a misdemeanor to a state jail felony. Because Sen. Shapleigh recognized that this would encompass teenagers who may simply be playing a prank, he amended the bill to change the penalty back to a misdemeanor, while still enacting harsher penalties for crimes like murder. This bill became effective September 1, 2003.

Urges Congress to direct the Federal Bureau of Investigation (FBI) to coordinate with Mexican law enforcement to end the murders of young women in Ciudad Juarez, Mexico

The Mexican Border city of Ciudad Juarez has been plagued with the sexual assault and homicides of over 300 young women in the past nine years, and women continue to disappear almost every month. Some of the victims of these brutal slayings are as young as 13 years old and many of them were abducted during broad daylight in well-populated areas. A number of the victims were Texas residents. The attention paid to the murders by Mexican law enforcement is minimal, with clear evidence, such as victims' clothing, shoes, and hair found at the scenes of the murders many months later. The U.S. Department of State blames the limited progress in solving the crimes on police incompetence, prosecutorial ineptitude, and a lack of investigative resources. The Federal Bureau of Investigation (FBI) experts suspect that one or more serial killers are behind the homicides and that at least one of the killers has access to both sides of the Border. It is imperative that the FBI be allowed to have a physical presence in Ciudad Juarez in order to assist in solving these horrendous crimes, especially in the collection of evidence.

Seeking to end these atrocious acts, Sen. Shapleigh worked with Rep. Norma Chavez (D-El Paso) to pass S.C.R. 7, which memorializes the U.S. Congress to request that the FBI be directly involved in assisting the Mexican law enforcement authorities in their investigation of the brutal murders of women in Ciudad Juarez, in order to put an end to the violence and bring justice to the families of the victims. The resolution passed at the end of session and will be sent to Congress. The U.S. Department of Justice has already responded to the measure.

Fights to provide a defense to prosecution for gambling offenses to the federally recognized Native American indigenous groups in Texas

The Texas Penal Code fails to address Native American sovereignty in regard to gambling because our state's gambling prohibitions were enacted prior to the current recognitions of Native American indigenous groups and boundaries, and prior to the current exceptions that Texas established to create games of prize, chance and consideration.

Sen. Shapleigh worked with Rep. Terry Keel (R-Austin), to correct this issue by filing the Senate version of H.B. 809, which would have provided a defense to prosecution for gambling offenses limited to the three recognized Native American indigenous groups in Texas: The Tiguas near El Paso, the Alabama-Couhattas near Livingston in East Texas, and the Kickapoos near Eagle Pass. The defense to the gambling would not have been expanded beyond the actual sovereign territory the three indigenous groups inhabit, even if the indigenous groups were to acquire private property elsewhere. An amendment to this measure was later added which would have directed part of the proceeds from gaming activity back to the state. When the measure arrived in the Senate it was offered as an amendment to other legislation. However, it was not allowed to come to the Senate floor for debate.

Improves Access to and Quality of Health Care and Human Services

Texas is in the midst of a health care crisis. Especially along the border, increased unemployment and poverty is accompanied by a high percentage of people who have no health insurance. With the large budget cuts to state health and human services, local governments and other local support organizations can expect to bear a larger burden of providing care. Sen. Shapleigh fought to improve access and quality of care, especially along the Border. The health care and human service related bills are set out below.

Worked to assist local hospitals with the burden of providing emergency health care

The federal Personal Responsibility and Work Opportunity Reconciliation Act prohibits local governments from providing discounted preventive health care services to individuals without lawful residency status unless the state legislature affirmatively enacts legislation explicitly allowing local governments to do so. It is unclear whether the Texas Legislature has passed such legislation, placing the burden of caring for undocumented aliens squarely on emergency rooms.

To avoid adding even more patients to already overworked emergency rooms, the Harris County Hospital District requested it be given the authority to provide undocumented aliens free or discounted non-emergency health care if it so chose. Former Attorney General John Cornyn issued a statement that he would endorse legislation “to allow state and local entities to use their own resources to provide primary and preventive care to undocumented aliens if they so choose.” Former Attorney General Cornyn further urged “the Texas Legislature to pass the appropriate legislation.” In order to clarify Texas’ intent, Sen. Shapleigh co-authored S.B. 309 with Sen. Gallegos (D-Houston) authorizing certain entities to use state or local money to provide health care services and assistance to a person regardless of their immigration status. The bill died in the House during the last days of the legislative session.

Evaluate mental health program contractors

Many Texas children rely on Medicaid and the Children’s Health Insurance Program (CHIP) to provide access and funds for mental health services. However, the level of funding that the Texas Department of Mental Health and Mental Retardation (TDMHMR) receives enables the agency to serve only about 26 percent of children in the agency’s projected priority population. As a result, more than 110,000 Texas children who may qualify for publicly funded mental health services remain untreated. Given the huge unmet need, Texas must ensure that the appropriate delivery of mental health and substance abuse services are being provided, and that federal and state dollars are maximized. Sen. Shapleigh’s S.B. 493 required the Health and Human Services Commission to regularly evaluate program contractors and subcontractors that provide or arrange for the services for persons enrolled in the Medicaid managed care program, and CHIP. The Commission would be required to monitor payment arrangements, penetration rates, utilization rates, provider networks, and reimbursement rates. Based on the evaluation, the Commission would report on alternatives, including appropriate federal waivers, to fund the expansion of the range of mental health and substance abuse services to persons enrolled in the

Medicaid and CHIP programs. Although S.B. 493 did not pass, it was amended onto S.B. 1182, by Sen. Deuell (R-Greenville), which became effective on June 18, 2003.

Develops and coordinates mental health services and activities for young children

Many adult mental disorders have their roots in childhood problems, and thus the effects may be minimized with proper intervention. Research shows that children are most likely to respond to early intervention. Additionally, teachers, caregivers, and mental health providers have growing concerns about the increasing number of very young children demonstrating emotional distress. Until the age of three, all children with mental health needs are entitled to services from the Interagency Council on Early Childhood Intervention. However, after the age of three, children with mental health needs become the responsibility of the Texas Department of Mental Health and Mental Retardation (TDMHMR) and school districts. Children three years of age or older who were once entitled to services may no longer be eligible to receive these services. In response to this problem, Sen. Shapleigh filed S.B. 490, sponsored in the House by Rep. Uresti (D-San Antonio), which directs TDMHMR and the Interagency Council on Early Childhood Intervention to jointly develop a continuum of care for children younger than seven years of age who have mental illness, and a plan to increase the expertise of the department's service providers of mental health issues for this population. This bill was signed by the Governor on May 15, 2003, and became effective immediately.

Improves school-based mental health and substance abuse programs

There is growing recognition that in order for schools to be truly effective, we must do more than teach academics; we must also address children's social and emotional learning. Only 16 percent of children in Texas with mental health needs actually receive services. Of those children, 70 to 80 percent receive services in a school setting. Prevention and intervention programs both help reduce classroom disruption and decrease school violence. School-based mental health programs are proven to reduce the risk of mental illness through population-based approaches. For example, this approach recognizes individuals at increased risk and provides treatment to those who are developing problems. Sen. Shapleigh's S.B. 491, sponsored in the House by Rep. Uresti (D-San Antonio), improves school-based mental health and substance abuse programs, and requires the Texas Education Agency, in conjunction with the Texas Department of Mental Health and Mental Retardation, the Texas Department of Health, and the Texas Commission on Alcohol and Drug Abuse to assess existing school-based mental health and substance abuse programs. The assessment would result in recommendations regarding further development of such programs, including the incorporation of information regarding substance abuse prevention, mental health education, and access to related services. The new law became effective May 12, 2003.

Ensures up to date information on mental health providers

A health insurance plan's directory often lists many more providers than are actually accepting new patients, creating the perception that more providers are available than is actually the case.

Patients need continuous access to a medical home, which has a variety of specialists that patients can be referred to for services within the community. Without this, patients are not ensured continuity of care, and may have a greater risk of compounding health problems in the future. Further, with the increased use of computers and the Internet for directory services, having the most current provider information on Internet sites is critical for patients.

This session, Senator Shapleigh passed S.B. 494, sponsored in the House by Rep. Uresti, (D-San Antonio), which addresses this problem by requiring insurance plans, including but not limited to, Health Maintenance Organizations, Preferred Provider Organizations, and Point of Service, to maintain an Internet site. The Internet site must list physicians and providers, including mental health providers, if appropriate, that may be used by enrollees in accordance with the terms of the enrollees plan. The new law also requires that the site be updated at least quarterly, in order for patients to get the most current available information. S.B. 494 was signed by the Governor on June 22, 2003, and will go into effect on September 1st.

Urges review of state health and human services funding

The state currently spends millions of dollars to provide mental health services to children. However, these services are often provided through channels such as the juvenile justice system or Child Protective Services, because many children are unable to access treatment in a more appropriate setting.

Texas children would benefit from an analysis of where and how Texas funds are being spent, to determine whether there are more effective methods of financing treatment for seriously emotionally disturbed children. In order to better meet the growing need for mental health services and to maximize use of state dollars, the coordination of all publicly funded children's mental health programs is critical. Texas must find a way to address the needs of children with serious emotional disorders. In order to be cost effective, mental health services must be provided before a crisis is reached.

As proposed, Sen. Shapleigh's S.B. 492 required the Health and Human Services Commission to review and evaluate all sources of public funding for programs in this state that provide mental health services to children, including programs provided by the juvenile justice system, the Department of Protective and Regulatory Services, the Texas Council on Offenders with Mental Impairments, and the Texas Education Agency. Unfortunately, the bill did not pass.

Pushes for review of health and human services contracts

Many children in the State rely on Medicaid and the Children's Health Insurance Program (CHIP) to provide access to and funds for mental health services. However, the level of funding that the Texas Department of Mental Health and Mental Retardation (TDMHMR) receives enables the agency to serve only about 27 percent of children in the agency's projected priority population. As a result, more than 110,000 Texas children who may qualify for publicly funded mental health services remain untreated. Given the huge unmet need, Texas must ensure that the appropriate delivery of mental health and substance abuse services are being provided, and that federal and state dollars are maximized.

Sen. Shapleigh's S.B. 493, as introduced, required the Health and Human Services Commission to regularly evaluate program contractors and subcontractors that provide or arrange for the services for persons enrolled in Medicaid, including the managed care Medicaid program, CHIP, and the Texas Health Steps Program, including the comprehensive care program. This legislation did not pass.

Proposes equitable mental health funding throughout the state

Throughout Texas, thousands of people are on waiting lists for mental health and mental retardation services. According to the Task Force on Equity of Resource Allocation, the combination of a large number of uninsured, an expanding population, and a growing awareness of needs has resulted in an increased demand for mental health and mental retardation services across the country, particularly in Texas. The Texas Department of Mental Health and Mental Retardation (TDMHMR) is now serving less than one-third of the estimated priority population for these services. Some indicate that these waiting lists under-estimate the true need for services, and the need will only continue to grow.

Further compounding the shortage of services in Texas is the unequal distribution of state funds allocated to local authorities to provide mental health services. The estimated current per capita expenditure for Mental Health Authorities (MHAs) ranges from \$9.74 in Denton County, to \$30 at Lakes Regional Mental Health and Mental Retardation Center. The fair and equitable distribution of funds is critical given the fact that Texas ranks 47th in the nation in per capita spending for mental health services.

Sen. Shapleigh's S.B. 489 directed TDMHMR to develop and implement a plan to achieve equity in the distribution and funding of mental health services among Texas communities, using existing resources. This legislation did not pass.

Improves the quality of child care in Texas

S.B. 1294, passed in the 77th Legislative Session, established the Teacher Education and Compensation Helps (T.E.A.C.H.) as a pilot program. The T.E.A.C.H. program supports scholarships, education, compensation, and retention of child care teachers. Specifically, the T.E.A.C.H. program gives scholarships to child care workers to complete course work in early childhood education and to increase their compensation. The program, which originated in 1990 in North Carolina, has made a significant impact on the quality of child care in North Carolina. North Carolina has statewide, universal availability of scholarships, and also requires in its licensing standards that lead teachers and directors in licensed child care centers have college courses as a requisite for their positions.

The Texas Workforce Commission (TWC) is currently coordinating with Texas A&M to implement the T.E.A.C.H. model statewide. TWC is also developing plans to provide scholarships, create a training registry and to develop an endowment to pay teacher bonuses with the ultimate goal of enhancing teacher education and retention. Sen. Shapleigh sponsored H.B. 453 (Rep. Villareal, D-San Antonio), which was passed to avoid copyright implications, generate

a cost savings, and to expand implementation of a program similar to T.E.A.C.H., thereby improving the quality of child care in Texas. The bill took effect on June 20, 2003.

Mandates an evaluation of the child care system

State agencies have an obligation to ensure that they are effectively using all funds. Currently, Texas has over 1,000 children receiving child care subsidies under the federal Child Care and Development Block Grant. However, the Texas Workforce Commission (TWC) has no protocol to evaluate the effectiveness of these child care subsidy programs. Without an evaluation tool, no assessment can be made as to whether families have moved forward with the assistance of child care services.

Sen. Shapleigh's S.B. 221 addresses this problem by directing TWC to develop a protocol to evaluate the success of the child care subsidy system through examination of participant and programmatic outcomes and to provide a report with recommendations to the Legislature. Evaluation will be based on participant and program outcomes and will address improvements in parent income earning and training of child care professionals. S.B. 221 was added to the TWC Sunset Bill, S.B. 280, and this provision will be implemented as soon as possible.

Fights to improve the child care system

Every day, 13 million preschoolers, including infants and toddlers, receive child care services in the United States. Child care is necessary to help parents become productive members of the workforce and ensure that every child enters school ready to succeed.

There are at least three state or federally-funded programs that provide early care and education services to low-income families. Each program has distinct goals and identities; however, the population these programs serve is largely the same: low-income families. Unfortunately, these three programs inadequately address the needs of low-income parents, and, therefore, prevent the state from achieving these important outcomes. The Child Care Development Fund (CCDF) provides subsidies that make it possible for a parent to locate full-day/full-year care for their children, but the quality of instruction is often far below the standard necessary to ensure school success. Pre-K offers school-readiness instruction, but is only offered in public-school settings between three and six hours a day for nine months of the year. It is not convenient for most eligible parents to enroll their children in Pre-K unless they can make arrangements to transport their children between the public school and the child-care provider during normal working hours. Head-Start providers often meet the needs of low-income parents, but there are limited funds and not enough available slots.

Sen. Shapleigh filed S.B. 523 to require coordination between CCDF, school districts, and Head Start in three fundamental ways. It streamlines enrollment, requires coordination between all programs, and improves communication with parents. Although this bill did not pass, a similar bill, S.B. 76, by Sen. Zaffirini (D-Laredo), did pass and will become effective September 1, 2003.

Pushes for a comprehensive report on all quality child care services in Texas

The state receives nearly \$400 million a year from the federal government to provide child-care subsidies for low-income parents to help them obtain employment. Four percent of these funds must be spent on quality, but it is difficult to determine whether these funds are being used effectively. Furthermore, most communities raise local contributions to fund quality initiatives. Because of the scarcity of quality funds, it is imperative that local communities share information on how to stretch limited dollars to increase the quality of care for children in child care.

Sen. Shapleigh coauthored S.B.74, by Sen. Zaffirini (D-Laredo) which required the Health and Human Services Commission to produce a comprehensive report on all quality child care services in the State of Texas. Unfortunately, S.B. 74 did not pass.

Creates Border Health Foundation

Sen. Nelson (R-Flower Mound), sponsored an omnibus health and human service reorganization bill, and Sen. Shapleigh worked with her on several amendments. Sen. Shapleigh was able to attach a Border Health Foundation provision, which will create a foundation to raise money for Border Health Infrastructure development. Sen. Shapleigh also added provisions to ensure that there is a local health and human service office presence, that some of the call centers are preserved and kept in Texas, that appointment of agency directors and rulemaking is maintained at the appropriate level, and that state contracting procedures are followed. The majority of this bill will take effect on September 1, 2003.

Advocates for health study

The United States and the United Mexican States share a border of 2,000 miles from Brownsville, Texas, to San Diego, California. The four U.S. states and six Mexican states along the border are home to more than 75 million residents, an increase of about 11 million people since 1960. A significant percentage of these 10 states' population resides in the 23 U.S. counties adjacent to the border, where rapid population growth is putting great pressure on an already inadequate and strained infrastructure.

Sen. Shapleigh's S.C.R. 21, sponsored in the House by Rep. Chavez (D-El Paso), memorializes the U.S. Congress to request that the Secretary of the U.S. Department of Health and Human Services direct the United States-Mexico Border Health Commission to coordinate a benchmark study conducted by universities of each of the adjoining border states in both the United States and the United Mexican States to engage each state's health policy with respect to early intervention and preventive strategies, water and wastewater issues, and other health issues affecting the border. S.C.R. 21 was signed by the Governor on June 22, 2003, and took effect on September 1, 2003.

Calls for study on the uninsured

The State of Texas is facing a health care crisis. Texas has the highest percentage of uninsured population and uninsured children among all fifty states. The city of El Paso is the most uninsured city in the nation, and Houston and Dallas also have very high percentages of uninsured residents.

A comparison of counties shows that 69 percent of Travis County's population has commercial insurance but only 32 percent of El Paso County's residents are commercially insured. Further, Latinos have very high rates of uninsured, largely due to the very low rate of health insurance provided by their employers--just 43 percent compared with 76 percent for whites. Lack of health insurance among Latinos is also related to income and immigration status. A high poverty level among Latinos makes it less likely that they will have the resources to purchase health care coverage out of pocket.

A high number of uninsured in a community translates into a heavy burden on local and county hospital districts and health care providers. Because persons without insurance resort to seeking emergency care when illnesses have already progressed, local taxpayers pay the price for the uninsured, at a much higher cost.

Sen. Shapleigh's S.B. 1079 required the Texas School of Public Health at Houston to conduct an ongoing study regarding persons in Texas who do not have health insurance coverage. The bill required the School to formulate recommendations, and report to the Legislature. Unfortunately, Sen. Shapleigh had to withdraw the bill, due to its fiscal note, but will be focusing on this issue during the interim.

Fights to improve the health of Texans

This session, Sen. Shapleigh filed S.B. 342, an omnibus bill with multiple components that addressed health care in Texas. The bill made the provision of health insurance to companies' employees a factor in awarding government and school district contracts to provide more people with insurance and better access to care. The bill also created a Border Health Corps, which would provide for loan repayment for doctors and nurses for each year of service along the Border.

S.B. 342 further addressed Texas' poor immunization rate by expanding programs to educate physicians, to change the immunization registry program to an opt-out system, and to expand vaccine coverage by the Vaccines for Children Program and other health plans in the state. Access to care was also addressed through expansion of the use of promotores(as), or community health workers. Although this bill did not pass, Sen. Shapleigh will be further pursuing these issues during the interim.

Pushes to disseminate immunization information

Texas currently ranks 42nd among all states for the percentage of fully-immunized two year olds. Some parents are not informed as to what a child should be immunized for and when

immunizations should take place. While some hospitals and birthing centers provide immunization information, the absence of a guarantee that a mother will get this information in this logical location is a missed opportunity to address a critical public health issue.

Sen. Shapleigh filed S.B. 1148 to address this problem. It mandated hospitals and birthing centers to provide an immunization pamphlet developed by the Texas Department of Health (TDH) to each child's mother or guardian following the child's birth and before the mother is released. Although Sen. Shapleigh fought hard to pass this measure, the bill died in Committee. However, through an agreement with the Texas Hospital Association, the information will be distributed to hospitals and birthing centers over the interim.

Seeks to increase Medicaid and Children's Health Insurance Program (CHIP) capitation rates

Many counties along the border and other rural areas of the state have a poor health care infrastructure, and inadequate access to care. Most of these areas have lower Medicaid and CHIP capitation rates than the rest of the state. Capitation rates are based on historic utilization of Medicaid benefits.

For example, for newborn care in Tarrant County, physicians are reimbursed \$420 per patient, but in El Paso County, only \$363. The capitation rate for a child in the CHIP program in El Paso is \$62, but it is \$92 in Lubbock County. Although some contend that the problem is one of low utilization, it is clearly much larger than that. Border counties cannot increase utilization of health services until the infrastructure is expanded, and more health care professionals are actually available to citizens. Sen. Shapleigh introduced S.B. 398 to raise the Medicaid and CHIP capitation rates in strategic investment areas (SIA), to the statewide average. The bill did not pass due to the State's budget crisis, but Sen. Shapleigh will focus on this issue during the interim.

Pushes to address environmental health along the border

The proximity of El Paso to Juarez, a Mexican city with over one million residents that contributes to industrial and air pollution and soil contamination, impacts Texas, but the State has little control. On any given day, hundreds of trucks can be found parked with their motors running near the U.S.-Mexico Border. Numerous trucks sit and wait to cross the Border, while others park overnight with their engines running to maintain air conditioning and/or refrigeration units.

Exposure to diesel exhaust has been associated with asthma-like reactions, and cancerous and noncancerous adverse health outcomes, like lung disease. Rates of asthma, a disease that is exacerbated by poor air quality, have nearly doubled in the last 20 years.

Asthma rates along the Border are particularly high due to poor air quality caused by international bridge crossings and increasingly high traffic as a result of the North American Free Trade Agreement. In fact, about 50 percent of all children enrolled in the Children's Health Insurance Program (CHIP) in Hidalgo and Webb Counties are diagnosed with asthma.

Sen. Shapleigh filed S.B. 462 to address these problems. The bill established the Asthma Research Center at the Texas Tech University Campus in El Paso. The Center would conduct research on asthma and other health problems associated with industrial and environmental pollution, air and soil quality, and motor vehicle traffic along the Border. The bill did not pass due to the State's budget crisis.

Works to improve indoor air quality

In 1995, the 74th Texas Legislature passed HB 2850, which required the Texas Department of Health (TDH) to develop voluntary indoor air quality guidelines for public schools. The guidelines give schools general guidance for the major conditions and concerns that potentially cause poor indoor air quality.

However, Texas school districts are still spending millions of dollars to correct the causes of poor indoor air quality. For example, Hill Elementary School in Austin was closed in 2000 because of an infestation of two potentially dangerous molds. Students were transferred to other campuses, and the school was refurbished at a cost of \$3.5 million. If problems were detected earlier, the costs of remediation would have been greatly reduced.

S.B. 242, filed by Sen. Shapleigh, required school districts to conduct assessments of indoor air quality in schools when significant events that may impact a school's indoor air environment, such as a fire or flood, occur. School districts must also assess air quality if there are confirmed reports of illness among students or staff at a public school that may reasonably be attributable to the indoor air quality of the school, as determined by the superintendent in consultation with school personnel. Although Sen. Shapleigh's Office worked extensively with the Texas Association of School Boards, this bill did not receive a hearing in the Senate Education Committee.

Fights to create wellness programs

In 1983, the Legislature authorized all state agencies to allocate funding for employee wellness programs. Eighty state agencies have submitted wellness plans to the Texas Department of Health (TDH). Some agencies simply have a room for working out, and have massage therapists available occasionally, whereas TDH spends \$30,000 to \$40,000 a year on a comprehensive program.

The City of El Paso implemented a city-wide program to address this, and encourage self-care, independence and healthy lifestyles. Four wellness centers opened in El Paso to serve city employees. Since the wellness centers were established, 95 percent of those who visit return to work. This is a savings to the city in loss of productivity and sick leave pay. The City also benefits by a decrease in the overall burden on insurance, as insurance costs three to five times as much as preventative wellness programs, which results in lower costs to the city. The city of El Paso was under-budget in FY 2002.

Sen. Shapleigh filed S.B. 525, which required each state agency to designate an individual to be the wellness coordinator for the agency. The goal of this legislation was for the state to be proactive in increasing productivity and decreasing the loss in days of work. Although Sen. Shapleigh and the House sponsor, Rep. Naishtat (D-Austin) worked hard to get this bill passed, it died in the House Committee on State Affairs.

Advocates to indemnify physicians who treat Medicaid and CHIP patients

In the lower Rio Grande Valley, the ratio of physicians to population is only 119 per 100,000, and in the upper Rio Grande Valley, it is only 110 per 100,000. All but two of the 43 Border counties, including every county on the Rio Grande, are federally designated medically underserved areas.

Medical malpractice rates are skyrocketing, and are driving even more doctors out of practice and away from the Border. According to the State Board of Medical Examiners, the average amount paid in 2000 on medical liability closed claims was \$219,883. In 2001, that amount increased greatly, to \$259,791, illustrating the malpractice crisis.

Sen. Shapleigh's S.B. 561 added medical malpractice claims for Medicaid and Children's Health Insurance Program patients to the list of incidents in which the state would provide indemnification. The anticipated outcome is to lower malpractice rates and retain physicians who provide care to low-income families in the Medicaid and CHIP programs. This bill did not receive a hearing in the Senate Committee on State Affairs.

Pushes for a practice act for Licensed Vocational Nurses (LVNs)

Licensed Vocational Nurses (LVNs) are a vital component of our health care delivery system. These professionals provide direct basic health care in clinics, hospitals, nursing homes, home health care settings and more. Most health-care institutions could not function without LVNs, especially in light of the shortage of Registered Nurses (RNs).

As we rely more heavily on this profession in increasingly varied settings, medical directors and other administrators need clarification from the Board of Vocational Nurse Examiners (BVNE) to determine whether LVNs may perform certain tasks in specific settings. The BVNE may only state what it believes is appropriate. There are no definitive answers because LVNs are licensed under a "title control act" which simply requires anyone calling themselves a Licensed Vocational Nurse to actually be licensed. A title-control act, unlike a "practice-control act", does not give the BVNE the right to definitively rule on scope of practice nor on practice settings.

Sen. Shapleigh filed S.B. 241, which converts the Vocational Nurse Act (Chapter 302, Occupations Code) from a "Title-Control" Act to a "Practice-Control" Act. This bill did not pass.

Fights to prevent childhood obesity

The number one risk factor for adult obesity, is obesity in adolescence. Poor diet and physical inactivity together account for an estimated 300,000 deaths per year, second only to tobacco use among preventable causes of death. The Texas Department of Health cites obesity as a current public health epidemic. Two out of three Texans are considered obese, and the percentage of obese Texans increased from 43 percent to 61 percent in the last decade alone. Moreover, the prevalence of obesity in Texas children is higher than the nation as a whole. An estimated 40 percent of Texas' 4th graders are obese, and 20 to 30 percent of all children are either overweight or at risk of becoming so.

The Texas Healthy School Kids Act, S.B. 343, would expand upon S.B. 19, passed in the 77th Legislature, to further address the problem of obesity in our schools. The bill addressed school nutrition, physical education, obesity prevention efforts in healthcare, and created the Obesity Prevention Coordinating Council. The bill was not granted a hearing in the Senate Committee on Education.

Pushes for increased vaccine coverage

The Federal Vaccines for Children Program (VFC) has improved immunization rates since its inception in 1994, and Texas has participated in VFC under the Texas Vaccines for Children (TVFC) Program. Currently, TVFC has over 10,000 providers enrolled and continually seeks to enroll new providers. The Educating Physicians in your Community (EPIC) pilot program is a federally funded physician-to-physician immunization education program in the Houston area. Another program, the Assessment of Immunization Records, Feedback on Findings to the Provider with Incentives, and the Exchange of Results and Ideas for Improving the Practice, and the Clinic Assessment Software Application (AFIX/CASA) is a quality assurance process used to assess immunization provider practices. This program is an evidence-based strategy proven to be an effective way to improve immunization coverage. Feedback to the provider is given based on specific case findings, such as a missed opportunity to immunize a child.

S.B. 516, by Sen. Shapleigh, directed the Texas Department of Health (TDH) to report on the Texas Pediatric Society's EPIC pilot program. TDH should make recommendations for expansion, if the pilot proves to be both successful and cost effective, and TDH should also identify possible funding sources. S.B. 516 would also expand the AFIX/CASA program to include providers outside the VFC program. Unfortunately, S.B. 516 did not pass due to the fiscal note.

Requests the Federal Government to act on the immunization problem

An interim report by the Senate Health and Human Service Committee found that a vaccine shortage exists. The federal General Accounting Office (GAO) is studying the issue, and will soon make recommendations to address the problem. In addition, not all children have insurance coverage for Advisory Committee on Immunization Practices (ACIP) recommended vaccines

Senator Shapleigh filed S.C.R. 14 to address this problem. As introduced, the resolution asked Congress to eliminate the inconsistent policy that does not allow CHIP children to be eligible for the VFC Program. This would significantly reduce the cost to the State of Texas to buy vaccines for these children. The resolution would also urge Congress to pass Federal legislation to require coverage for ACIP recommended vaccines for the Employee Retirement Income Security Act (ERISA). Finally, the resolution would ask Congress to take steps to address the vaccine supply shortage. This resolution failed to pass.

Extends pilot program for emergency medical dispatchers

House Bill 3312, passed in the 77th Legislative Session, established a pilot program to test the efficacy of using emergency medical dispatchers located in a regional emergency medical dispatch resource center to provide life-saving and other emergency medical instructions to persons who need guidance while awaiting the arrival of emergency medical personnel. Although the funds were appropriated by the Legislature, they were not certified by the Comptroller. This session, Sen. Shapleigh co-authored S.B. 1409, by Sen. Deuell (R-Greenville) to extend the pilot program for another two years and provide additional options for funding the program. S.B. 1409 became effective on May 28, 2003.

Seeks to regulate mold assessors

Texas has many laws which regulate health-related occupations, such as pest control contractors, water well drillers, and industrial hygienists. We also have laws that require licensure and training for professionals who remove lead-based paint and asbestos. Currently, however, the State of Texas does not regulate mold assessors or remediators, although they can have a big impact on the health of Texans.

A number of complaints have been made concerning unscrupulous companies which claim to be experts, but in reality have little or no training. These inspectors often identify what they believe is dangerous mold, and recommend expensive renovations which they perform themselves. For example, in one situation, the assessor, also the remediator, recommended that a family whose house contained mold move into an apartment owned by a member of his family while renovations were being made on the house.

Sen. Shapleigh's S.B. 243 set up a statewide education and outreach program to inform citizens about how to recognize, prevent and mitigate mold problems, and directed the Texas Department of Health (TDH) to set up a licensure and certification program for inspectors and remediators, to better protect the public. S.B. 243 did not pass.

Helped medically underserved regions of Texas to attract more physicians to their area

Currently, Texas law allows the Texas Department of Health to apply for a federal waiver allowing foreign physicians to stay in the U.S. after completing their education if they agree to work in a medically underserved area. However, the program is limited to Cameron, Hidalgo, Starr, and Willacy counties. This prevents other medically underserved counties in Texas from benefiting from the expertise of a medical professional in their community. In order to expand the program to all medically underserved and health professional shortage areas in Texas, Sen. Shapleigh co-authored S.B. 558 with Sen. Madla (D-San Antonio), which also specified that the physician must plan to practice medicine in the area, rather than accept a job in the area. The new law took effect September 1, 2003.

Increased chances for Texans that need organ transplants to find more donors

The lack of sufficient organ donors relative to the number of citizens who need transplants is a serious problem in Texas. Over 3,500 people in Texas need kidney transplants. Many also need bone-marrow transplants. The State benefits from transplants because Medicaid and state insurance costs are lower for transplants than for dialysis and other chronic treatment methods. In 1999, the federal government passed legislation granting federal employees 30 days paid leave if they serve as organ donors. There are no provisions allowing state employees, however, a leave of absence, without a deduction in salary, for either organ or bone-marrow donation. So that the State may receive all of the benefits associated with increased organ and bone-marrow donation by its citizens, Sen. Shapleigh co-authored S.B. 149 with Sen. Barrientos (D-Austin). While the Senate version of the bill did not pass, the house version of the bill, H.B. 89, took effect on September 1, 2003.

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 United States constitutes hundreds of billions of dollars annually. Further, estimates of the economic costs of the diseases does not account for the 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 unprecedented treatments and potential cures for Alzheimer's disease, cancer, diabetes, Parkinson's disease, as well as other diseases.

Recognizing the potential of stem cell research, Sen. Shapleigh joined forces with Rep. Jaime Capelo (D-Corpus Christi) and filed S.B. 1034, which would have allowed an authorized person to conduct research involving the derivation and use of human embryonic stem cells, human embryonic germ cells, and human adult stem cells--including cells from somatic cell nuclear transplantation. The bill 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 board operating in accordance with applicable federal regulations.

Finally, S.B. 1034 would have directed a physician or other health care provider treating a person with infertility to provide the patient with timely, relevant, and appropriate information sufficient to allow the patient to make an informed and voluntary choice regarding the disposition of any human embryos remaining following the infertility treatment. A patient who donated, for research purposes, embryos, must have consented in writing to the donation. The bill would have prohibited human cloning and would have made the offense a third degree felony.

Encourage Wealth Building by Eliminating Predatory Lending Practices and Increasing Access to Capital and Credit

Throughout the 2002-03 biennium, Senator Shapleigh continued his ongoing efforts to improve the conditions that help all Texas citizens build their assets and their credit standing as well as increase the availability of credit. During the legislative interim, Senator Shapleigh served as the chair of a subcommittee to the Senate Business and Commerce Committee. The subcommittee was charged to monitor trends in local lending practices in all regions of the state and focused on identifying strategies to retain bank deposits made by public institutions in Texas communities, increasing the number of bank “decision making” centers in Texas, increasing the loan to deposit ratio in Texas and developing incentives for lending institutions to locate in all areas of the state.

Public testimony was taken from across the state, expert witnesses were consulted and numerous policy and research sources were reviewed during this process. An extensive report was produced and submitted to the full Business and Commerce Committee at the end of 2002 that included numerous recommendations designed to accomplish the following:

- Increase information necessary for public agencies, advocacy groups and individuals to make informed decisions;
- Increase regulation where necessary to improve the overall climate for borrowers and potentially create more vibrant markets among categories of lenders; and
- Encourage community reinvestment, wealth building and access to credit programs.

Although the report was not adopted in its entirety by the committee, it was included in the committee’s published report as a minority report and has proven to spark considerable attention to these issues that are critical to the future of the Texas border and the state. The report set the stage for six major pieces of legislation. Each is discussed below.

Worked to expand all citizens’ access to capital and credit

Texas currently ranks 48th out of the 50 states in the ratio of loans to deposits in the depository institutions in the state. This means that funds deposited in the state are used outside of the state and less money is available for strengthening Texas’ economy. S.B. 654 was introduced to establish a program that makes grants or interest free loans to eligible institutions that use the money to make loans in distressed areas of the state or provide consumer financial services. It would require lenders to disclose to a potential borrower his or her credit score and information about how that credit score affects borrowing capabilities. To encourage savings practices and allow low-income persons to build resources for education or a home, the bill also would exclude funds held in individual development accounts from being considered a resource in determining whether a person meets the household income and resource requirements for eligibility for public assistance funds. The bill would transfer the regulation of credit service organizations from the Secretary of State’s office to the Office of Consumer Credit Commissioner, which already regulates similar financial operations. Although the bill received a hearing late in the legislative session, it did not pass.

Encouraged the increased availability of capital and credit through greater competition among financial institutions

Over the past decade, the banking environment in Texas has begun to change drastically. The number of state chartered banks is shrinking and the control held by large multi-state banking institutions is increasing. If Texas does not proactively work to protect smaller banks from being overtaken by large multi-state financial institutions, these small banks will not be able to survive and citizens across the state will be denied a very useful avenue for accessing capital and credit. Current law limits the amount of deposits held by a state depository institution to 20 percent of the total amount of deposits in the state held by all insured depository institutions in the state. S.B. 625 would reduce this amount to 15 percent. No institution currently holds more than 15 percent of all deposits, but setting a 15 percent limit will help to ensure the availability of more banking alternatives. The bill met with resistance from financial institutions and did not pass.

Fought to eliminate predatory lending

Predatory lending is characterized by excessively high interest rates or fees, and abusive or unnecessary provisions that do not benefit the borrower. Predatory lenders often target their services to particularly vulnerable consumers. S.B. 1112 requires clear disclosure of loan terms, prohibits misleading representations by lenders, and requires borrower counseling be provided before a high-cost loan can be completed. Certain abusive practices like charging excessive fees that are 50 percent or more higher than reasonable and customary fees; arbitration clauses that require the borrower to travel more than 150 miles; and home loans that exceed the rate threshold would have been prohibited. The bill was not passed by the Legislature.

Promoted financial literacy programs for consumers

Borrowers in Texas face financial hardships as a result of excessive credit card debt, bankruptcy, and an inability to make sound financial decisions about credit and savings matters. Currently, no state agency is charged with creating a coordinated program designed to educate students and adults about the skills necessary to make sound financial decisions regarding credit card debt, student loans, small business ownership, debt management and other relevant financial matters. Without the necessary knowledge and skills, Texans will not be able to improve their credit worthiness and will continue to face financial strains as a result of the lack of access to credit.

Senator Shapleigh introduced S.B. 627, which would direct 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, and work with public institutions of higher education and the Department of Information Resources to make the program available to the public. The bill successfully passed the Senate but did not make it out of the House before the last day of the session.

Requires currency exchange rates and fees in international transfers of money to be clearly disclosed to the public

Many Texans, especially immigrant populations along the border, have the need to send funds to other locations through currency exchange services. More than \$8 billion is sent annually from the United States into Mexico; and, as Texas is home to nearly 20 percent of the Mexican immigrant population in the United States, it is likely that over \$1.5 billion is sent to Mexico from Texas alone.

Transfer fees and charges generally cost between 5 and 29 percent of the money transferred. But these costs are not always explicitly stated. The fee for wire transfer is only part of the cost—the hidden cost is the submarket exchange rate, which can comprise up to 95 percent of the total money transfer costs. The available services do not currently provide adequate posting of all the fees. Having the rates and fees clearly posted is necessary to allow individuals to choose their best options and decrease potential for exploitation.

Senator Shapleigh's S.B. 1583, which successfully passed as an amendment to H.B. 109, requires the disclosure of these fees and rates. The amendment closes loopholes in disclosure rules that had the potential to mislead consumers.

Fought to prohibit the disclosure of customer information without customer authorization

Customers of financial institutions are entitled to a degree of privacy with regard to information that banks possess about them. Unauthorized disclosure of customer information leaves the customer vulnerable to fraudulent activities, or other adverse outcomes. Senator Shapleigh introduced S.B. 796 to address these risks. The bill prohibits a financial institution from disclosing customer information to any person unless authorized to do so by the customer. It establishes the structure through which authorization can be given, defines what constitutes a violation of such authorization and provides recourse for the violation. The bill was not granted a hearing until late in the legislative session and did not pass.

Seeks to create a down-payment assistance program for colonia residents

Texas spends millions of dollars in supplying basic infrastructure to colonias. On average, a single colonia household receives anywhere between \$30,000 and \$80,000 for basic infrastructure, such as waste-water and water hook-ups. Further, millions are spent on paving streets, upkeep, and maintenance.

However, despite the economic aid, colonia residents never hold title to their property and can never build home equity under a contract for deed since most colonia residents do not qualify for traditional home loans. Under a contract for deed, the landowner holds title to the property until the property is paid in full; with extended term contracts, residents may never secure the title and thus never own their property or home.

Further, the continual lack of basic infrastructure in colonias poses serious health risks not only to colonia residents but also to residents surrounding colonias. Dust from unpaved roads has

contributed to the rising epidemic of asthma. Also, the lack of waste-water hook-ups has contributed to the pollution of our water tables, our rivers, and has contributed to diseases such as Hepatitis A.

To reform current colonia policy, Sen. Shapleigh introduced S.B. 1077 which would have redirected funds from the Texas Department of House and Community Affairs (TDHCA) HOME program that is funded by the U.S. Department of Housing & Urban Development under the Cranston-Gonzalez National Affordable Housing Act- 42 U.S.C. § 12701. S.B. 1077 would not have taken money from existing TDHCA colonia projects or programs. The goal of the measure is to allow colonia residents to take part in the American Dream of owning a home with basic utility services. The measure died on the Senate floor.

Enhanced Military Preparedness and Ensured Improvements in Veterans Services

The tragic events of September 11, 2000 and subsequent wars in the Middle East provided Americans with a painful reminder of the tremendous challenges we face to maintain homeland security and the untold sacrifices made by the state's military personnel. Veterans of our armed services warrant our respect and deserve ready access to the benefits they earned, often at great risk. In addition, as the nation's defense infrastructure is threatened by base closures, Texas has a compelling need to retain its military bases, rethink the base missions and protect the country's borders against terrorists and other security threats.

Sen. Shapleigh served through December 2002 as the Chair of the Senate Veterans Affairs Committee (VAC) and, in January 2003, assumed the role of Chair of the Base Realignment and Closure subcommittee to the VAC. In this role, he convened and led a coalition of experts who worked together to pass legislation designed to improve military preparedness and enhance services to veterans. This legislation is discussed below.

Passes Texas Military Preparedness Act

Texas' 18 major military installations are important economic contributors to the state, producing a combined fiscal impact of \$43.4 billion in 2001 and employing more than 220,000 Texans. In fiscal year 2002, Texas ranked second nationally (behind California) in the number of active and civilian personnel. During this period, 274,471 military personnel were located in Texas - including 123,948 active military personnel, 58,076 civilians and 92,447 Reserve and National Guard members. The presence of these military bases is important not only economically but also for the increased level of security protection they offer as well as their vital historical and cultural significance.

Sen. Shapleigh, working with other state government officials and defense and community leaders led this successful effort as a proactive response to the evolving transformation of national defense strategies and the infrastructure changes required to support them by filing S.B. 652. The United State Department of Defense (DOD) has announced plans to facilitate this transition largely through dollar savings associated with the 2005 Base Realignment and Closure (BRAC) process which is estimated to close as much as 25 percent of DOD's base infrastructure. The Texas Military Preparedness Act (S.B. 652) confronts this opportunity in a multi lateral approach.

First, it creates a nine-member Military Preparedness Commission (TMPC), which renames and continues the current Texas Strategic Military Planning Commission (TSMPC) under the Office of the Governor. It relocates the Office of Defense Affairs to the Office of the Governor and places it under the Military Preparedness Commission. It specifies and expands the Commission's responsibilities to provide planning, oversight, and execution authority to the Commission on all state military related matters. The TMPC will advise the Governor and Legislature on military issues as well as industrial and economic development related to or impacted by military communities; develop a database of defense contractors doing business in

Texas; provide information to senior state leaders on actions take by the state and federal government entities affecting military installations and missions; serve as a clearinghouse for defense community loan requests to create infrastructure projects that add value to military installations in Texas; provide assistance to defense communities to attract new defense missions; help design programs to enhance relationships with bases and defense-related businesses; assist communities to recruit and retain defense-related businesses; prepare a strategic plan to foster military value that considers BRAC issues.

Secondly, the Texas Military Preparedness Act contains important fiscal provisions which establish a multifaceted process through which defense communities can obtain low cost loans for infrastructure projects that enhance the military value of their installations. Defense communities seeking a loan under this statute may make a request to the Texas Military Preparedness Commission in accordance with broad criteria established in S.B. 652. The Commission will function as a clearinghouse for community loan requests through its review and determination of the nature and eligibility of the projects. Waste water treatment, transportation, and other infrastructure projects which meet the eligibility criteria for existing state agency financing (e.g. Water Development Board, Texas Department of Transportation) will be routed to the appropriate agency with the Commission's recommendation. Non-typical or unique infrastructure projects not meeting the financing conditions of other state agencies may be funded by the defense communities themselves through local sale of low interest general obligation bonds or issuance of certificates of obligations which are guaranteed by the good faith and credit of the state in an amount not to exceed \$250 million in the aggregate.

Additionally, defense communities may request funds from the Account to prepare a comprehensive Defense Installation and Community Strategic Impact Plan which will address environmental and other planning issues. The effects of urban encroachment which negatively impact military installation training spaces is known to be a major concern of the military services and will be for this BRAC Commission. The Texas Military Preparedness Act addresses this issue by requiring communities to confer with military installations regarding proposed local ordinances or activities which may have an impact on military training operations.

Further, state agencies are encouraged to give issues or project requests that enhance the military value of installations a high priority in the agencies consideration of project funding. Agencies are also required to consider facility space that may be available on federal military installations when seeking facilities to house state agencies. This Act permits state owned land that is adjacent to a military installation to be sold or otherwise conveyed to the federal government if it is to be used for military purposes. It allows the Deputy Land Commissioner to make a determination regarding landowner's preference for a 2,500 foot strip of state owned land adjacent to the military installation if the landowner's intended use is incompatible with the military mission. Communities are encouraged to develop economic initiatives which add military value to their installations. This Act stipulates that local counties or cities may agree in writing to enter into an agreement with an owner of real property located in a reinvestment zone to exempt that property from taxation for a period not to exceed five years.

Also critical in this important legislation is the requirement for each electric utility company doing business in a non-competitive area (where customer choice is not available for the military installation) to ensure that rates charged to federal military customers are discounted at least 20 percent from that of the local standard commercial rate. Sen. Shapleigh worked with each utility company falling into this category and found that most installations are already receiving discounted utility rates. Municipal owned utilities, electric cooperatives, or electric utilities that were providing a discounted rate on December 31, 2002, are exempt from this requirement. In competitive areas of the state, competition has already produced this result. This Act encourages installations in these areas to aggregate their utility requirements to get the best possible rate. Further, it establishes a requirement for the Public Utility Commission to design an incentive program and goals for energy efficiency in non-competitive areas that reward the installations and utility companies for their efforts to reduce the consumption of electricity by at least 5 percent based upon 2002 consumption levels. This Act allows a surcharge or other mechanism to recover costs associated with this program.

And finally, the Secretary of the Army has recently made it very clear that taking care of the troops should be a high priority in all state programs. The Texas Military Preparedness Act establishes a leading edge initiative which requires the Texas Education Agency to pursue the establishment of reciprocity agreements with other states, to permit military dependent children transferring into state schools from out of state, to graduate from Texas high schools if that states high school curriculum is equal to or greater than that of Texas standards. It also permits a transferring student to satisfy the requirements of Section 39.025 through successful performance on comparable exit level assessment instruments administered in another state. The first part of this program will be a study of this plan and will concentrate on the four other largest military states: Florida, Georgia, North Carolina, and Virginia.

The Texas Military Preparedness Act took immediate effect with the Governor's signature on May 28, 2003. To enable this legislation, Sen. Shapleigh filed S.J.R. 55 which allows the issuance of up to \$250 million in general obligation bonds to fund a military value revolving loan account. This proposed constitutional amendment will be submitted to the voters on September 13, 2003.

Provides veterans with the information and tools to identify and acquire entitled benefits

Many Texas veterans are not knowledgeable of the programs and benefits to which they are entitled. The Texas Veterans Commission (TVC) is aware that a significant number of veterans are not knowledgeable of their eligibility for benefits. However, the agency does not have the resources to survey populations to determine those numbers. At the same time, the need changes with the aging of the population and with changes in individual circumstances. The fact that the TVC continues to file increasing numbers of claims each year is direct evidence of a growing financial need among Texas veterans. This growing financial need makes it more important for veterans to be aware of programs and benefits available to them. Sen. Shapleigh filed S.B. 655 which provides veterans with more effective and efficient avenues by which they can take advantage of the programs and benefits offered to them by creating a website that allows veterans to access information on state and federal veterans benefits programs while allowing them to electronically file for selected benefits; directing the TVC to create and distribute both

electronic and hard copy versions of a state veterans benefits booklet; directing the TVC to facilitate the electronic delivery of a veterans newsletter and the electronic initiation of veterans benefits claims by veterans county services officers no later than September 1, 2004; and finally directing the Texas Employment Commission to include on all forms relating to state agency employment a statement regarding the requirement that each state agency have as its goal an agency workforce composed of at least 40 percent veterans. This law became effective immediately upon passage.

Initiates a financial mechanism for Texas to obtain federal dollars for military facility maintenance and repair

Our National Guard facilities are in need of maintenance and repair. The Federal Government's fiscal year ends in September while the state fiscal year ends in August. Federal funds regularly become available to Texas in late August, but due to the time frame and because no avenue exists for Texas to identify and acquire matching funds, those monies are lost. Sen. Shapleigh filed S.B. 1439 which allows the Governor in consultation with the Executive Director of the Texas Military Facilities Commission the authority for directing money appropriated for the purpose of obtaining federal matching funds to be used for projects at military facilities in this state. This Act took effect on September 1, 2003.

Expands information required in the Adjutant General's Annual Report

Members of the Texas reserve military forces are being mobilized to fulfill homeland security requirements as well as world wide contingency commitments at levels not seen since the Korean War. Recent increases in global tensions and the War on Terrorism compound these problems. Since September 11, more than 85,000 guardsmen and reservists have been ordered to full time status, leaving jobs, families, and communities. Approximately 5,000 of these are Texans. The Secretary of Defense identified the need for transformation and streamlining of our military forces to make them lighter, leaner, more lethal, and lastly to improve inter agency process and integration. Sen. Shapleigh filed S.B. 583 which adds the following information to the Adjutant General's annual report taking into consideration national security issues: a listing and description of all Texas National Guard missions that are in progress at the time the report is prepared; and a statement of department plans to obtain and maintain future Texas National Guard missions, including proposed missions that are consistent with the United States Department of Defense's war-fighting strategies, including strategies used in the war on terrorism. This new law took effect September 1, 2003.

Fights to grant equal benefits to members of the state military forces ordered to active state duty

Currently, a disparity exists between privileges and benefits afforded military service personnel serving in a national capacity and those serving in an active state capacity, including guarding airports during homeland security operations, providing natural disaster relief, and assisting in special circumstances, such as locating debris from the space shuttle Columbia. State military forces, including the National Guard, serving in a national capacity are granted protections, including exclusion from hiring discrimination, reemployment privileges, and continuation of

health coverage upon reemployment. Crossing party lines, Sen. Shapleigh co-authored Craig Estes' (R-Wichita Falls) S.B. 1880 which would have granted a member of the state military forces who is ordered to active state duty the same benefits and protections provided certain persons in the uniformed services and military service. S.B. 1800 was left pending in the Senate Committee on Veteran Affairs & Military Installations.

Seeks to Create September 11th Remembrance Day

September 11th will be a date that evokes searing memories and powerful emotions for all Americans. Sen. Shapleigh teamed with Rep. Tommy Merritt (R-Longview) and filed S.B. 961, which would have created September 11th Remembrance Day in honor of the individuals who lost their lives in the terrorist attacks on September 11, 2001, and in honor of the service, sacrifice, and contributions of the firefighters, police officers, and other persons who responded to the attacks. The bill specified that September 11th Remembrance Day shall be regularly observed by appropriate ceremonies and activities in the public schools and other places to properly remember the victims and heroes of September 11th. The House companion of the bill, H.B. 109, was left pending in the House State Affairs Committee.

Protects security and privacy rights

Sen. Shapleigh added several amendments to H.B. 9, by Rep. Flores (D-Mission), which dealt with homeland security. First, Sen. Shapleigh added an amendment to ensure that the Texas Department of Transportation and the Texas Strategic Military Planning Commission were included on the Critical Infrastructure Protection Council. Another amendment requires the location of security cameras in private government offices to be disclosed. Finally, Sen. Shapleigh amended the bill to ensure that warrants are required when law enforcement places global positioning system tracking devices on vehicles. The bill became effective on June 22, 2003.

Improves Government Services and Operations; Fosters Consumer Protection

Throughout the biennium, Sen. Shapleigh served as a member of the Texas Sunset Advisory Commission, a legislative state agency directed to review the effectiveness and efficiency of state government agencies. Under the sunset legislation, an agency subject to review is abolished unless continued by reauthorizing legislation. In addition to authoring the Higher Education Coordinating Board legislation which is discussed on page 4 of this report, Senator Shapleigh sponsored or authored additional sunset legislation discussed below. In addition, he authored other non-sunset legislation that will improve the organization and structure of other governmental entities.

Redefines Telecommunications Planning and Oversight Council (TPOC) role

Currently, the Telecommunications Planning and Oversight Council (TPOC) is authorized to negotiate rates and execute contracts with telecommunications service providers for services. This conflicts with other statutes authorizing the Department of Information Resources to perform this function and creates confusion over how an oversight body can execute and be responsible for state contracts. Also, there is no representative of the Texas Health and Human Services Commission as a member of the TPOC, and members of the TPOC presently serve two year terms that all end at the same time. Staggering the terms would help ensure continuity of the membership. Finally, the TPOC's Annual Report is currently due September 1. Since the fiscal year ends on August 31 of that year, the Annual Report financial information cannot be accurately completed by September 1 of that year; the deadline for submission needs to be extended. Sen. Shapleigh sponsored Rep. Pete Gallego's (D-Apline) H.B. 1576 which solves these issues by first of all deleting the section authorizing the negotiation of rates and execution of contracts with telecommunications service providers, since it conflicts with other statutes authorizing DIR to perform this function. H.B. 1576 allows the Commissioner of TPOC to appoint an HHSC representative as a member. The bill also staggers the terms of Council members, which currently end simultaneously and solves the problem of insufficient time to accurately complete annual reports by extending the deadline to November 1 of any given year. This bill goes into effect on September 1, 2003.

Extends and improves the functions of the Texas Funeral Services Commission

The Texas Funeral Services Commission (TFSC) was first created in 1903 as the State Board of Embalming to license and regulate embalmers in Texas. The law focused on containment of contagious diseases. Today, TFSC's mission is to regulate the funeral industry to protect the public from deceptive funeral practices. The current review is a follow-up to the Sunset Commission's review of the agency conducted in 2001. Despite finding numerous problems at that time, the Sunset Commission concluded that TFSC's role in regulating funerals was necessary.

To protect the public from potentially deceptive or unfair trade practices, the Sunset Commission recommended substantial improvements in TFSC's policies and operations. The Legislature

continued TFSC for a two-year probationary period and directed the Sunset Commission to evaluate the agency's implementation of needed changes during the 2002-03 biennium. The Sunset follow-up review focused on TFSC's efforts to implement criteria put forth as part of its probationary continuation. Sunset staff evaluated the agency's compliance with recommendations adopted by the 77th Legislature and found that the agency has displayed a commendable effort to comply with the recommendations. The Commission is subject to the Sunset Act and would have been abolished on September 1, 2003 unless continued by the Legislature.

Sen. Shapleigh sponsored Rep. Warren Chisum's (R-Pampa) H.B. 1538 which continues the agency for 12 years. The bill amends the Occupations Code to require TFSC to increase the regulation of cemeteries and also establishes ethics standards. The bill enumerates guidelines for temporary suspension and restriction of licenses, and establishes a three-member disciplinary panel to review these cases. It also provides immunity, civil and administrative, for voluntary disclosure of a violation. Finally, the bill requires TFSC to develop guidelines for the early involvement of consumer and industry stakeholders in its rulemaking process. H.B.1538 requires the Governor to alternate between a public member and an industry member when making appointments to the chair. The chair shall serve a term of three years. It permits a person to begin their training under a licensed funeral director or embalmer prior to or concurrently with going to school and to receive a provisional license during this time period and removes the requirement that a provisional licensee take the written exam given by the Commission. It makes the provision that prohibits vendors of funeral goods and services from making fraudulent statements and false claims to consumers applicable not just to those regulated by the commission, but to any vendor of funeral goods and services. This legislation took effect on September 1, 2003.

Improves the operating procedures for the Texas Commission for the Deaf and Hard of Hearing

Section 81 of the Human Resources Code establishes the operating procedures for the Texas Commission for the Deaf and Hard of Hearing. Over time, there have been changes within the agency that made revisions in the statute necessary in order to more clearly define the agency's current responsibilities and activities and to delegate certain responsibilities to other agencies. Sen. Shapleigh filed S.B. 1595 which was referred to the Senate Committee on Health and Human Services. Sen. Shapleigh sponsored Rep. Elliott Naishtat's (D-Austin) identical version in H.B. 1322 which adds "deaf-blind" to the populations already served by the commission; takes away the requirement of the Commission to set a schedule of fees for interpreter services, allowing the market to determine rates; allows the Commission to establish fees for interpreter training; directs the Commission to appoint an advisory board to assist in administration of its interpreter certification program; authorizes the Commission to charge fees for certification exams and recertification; authorizes the Commission to obtain criminal record information from DPS for individuals applying to work in outdoor training programs; and directs the Commission to develop rules and guidelines for use of revenue generated from the sale of its specialty license plate which passed last session. This new law became effectively immediately upon passage.

Require agencies to develop and use appropriate alternative rulemaking and dispute resolution procedures

In 1997, the Legislature enacted two statutes relating to the use of alternate procedures for rulemaking and dispute resolution by government agencies: the Negotiated Rulemaking Act (Chapter 2008, Government Code) and the Government Dispute Resolution Act (Chapter 2009, Government Code). These statutes provide agencies with authority to develop and use these procedures.

Given the benefits of appropriately using the procedures set out in the laws above, Senator Shapleigh proposed, and the Texas Sunset Advisory Commission adopted, Across-the-Board statutory language to be applied to every agency up for sunset review. The effect is that agencies' enabling legislation will be amended as they undergo the sunset process and they will be required to develop a written, comprehensive plan that encourages the use of alternative procedures and apply their policies as appropriate to internal employee grievances, inter-agency conflicts, contract disputes, actual or potential contested matters and other appropriate conflict areas. The language will require agencies to designate a trained person to coordinate the implementation of the policy they adopt and collect data on the effectiveness of these procedures.

Expands the membership of the Records Management Interagency Coordinating Council (RMICC)

The Records Management Interagency Coordinating Council (RMICC), established by the 74th Legislature in 1995, is required by §441.203 of the Government Code to report on records management issues within Texas state government. RMICC consists of the Attorney General, Comptroller of Public Accounts, State Auditor, Building and Procurement Commission, Department of Information Resources, State Library and Archives Commission, and Secretary of State. RMICC coordinates the management of government records by making recommendations to the Legislature to improve records management processes and accountability; facilitating the transition from paper to electronic records; and developing consistent records management in state agencies.

Sen. Shapleigh teamed with Rep. Scott Hochberg (D-Houston) and authored S.B. 394, which amends § 441.203 of the Government Code to expand the membership of the Records Management Interagency Coordinating Council to include one faculty member of a public senior college or university and two individuals who serve as information resource managers for state agencies in the executive branch of government. The inclusion of these members will give RMICC access to research opportunities in the academic setting and would provide RMICC with knowledgeable guidance on proper electronic records management. This law took effect September 1, 2003.

Continues the Texas Board of Professional Land Surveying

The Texas Board of Professional Land Surveying's main purpose is to protect the public by ensuring that qualified surveyors prepare accurate surveys, which result in the orderly use of

Texas' land. The Board regulates two types of land surveyors: Registered Professional Land Surveyors (RPLS), who conduct land boundary and property surveys for the general public, and Licensed State Land Surveyors (LSLS), who conduct surveys on land under the jurisdiction of the General Land Office and operate as agents of the State. About 3,000 land surveyors are licensed in Texas. The Board enforces the Professional Land Surveying Practices Act and investigates and resolves complaints against land surveyors. The Sunset Commission found that licensing of surveyors is needed to protect the economic welfare of Texans. Although the Board is successful in its mission to license and regulate land surveyors, the Sunset Commission found that some of the processes the Board uses to achieve its mission lack needed structure and are too informal.

Sen. Shapleigh worked with Rep. Solomons (R-Carrollton) and authored S.B. 260 which continues the Board as a separate agency for 12 years, formalizes the Board's processes, and provides the Board with needed accountability, structure and public input. The bill clarifies that the Board has authority to create advisory committees to help the Board develop its exams, requires the Board to establish its enforcement process in rule, authorizes the Board to order restitution as part of an agreement in an informal settlement conference, and provides that dismissed complaints cannot be disclosed to the public.

Continues and Improves the Texas Council on Purchasing from People with Disabilities

The Texas Council on Purchasing from People with Disabilities oversees the State Use Program, which provides for the employment of persons with disabilities in the production of products and services set aside for state procurement. More than 7,000 Texans with disabilities are employed through the State Use Program at 150 community rehabilitation programs across the state. In 2002, these individuals earned almost \$24 million in wages. These earnings enable individuals to be more independent and less reliant on government funded assistance. Sen. Shapleigh introduced S.B. 261, sponsored in the House by Rep. Dunnam (D- Waco), which continues the Council, requires the Council and the Texas Building and Procurement Commission to promote the State Use Program and agency compliance with program requirements, and enhances State Use Program accountability. S.B. 261 will become effective on September 1, 2003.

Transfers the Court Reporters Certification Board to the Office of Court Administration

A focus of the 78th Legislature was to streamline government functions, and consolidate agencies, when possible. The Court Reporters Certification Board currently has only 3 employees and a budget of about \$150,000, and is one of the only state agencies of this size that operates as an independent agency. S.B. 273 by Sen. Shapleigh, sponsored in the House by Rep. Dunnam, administratively attaches the Board to the Office of Court Administration (OCA). The OCA specializes in administrative services, and already performs some functions for the Board. Administrative attachment would not change the functions of the Board, but would change the structure to mirror that of many small agencies in Texas that receive administrative support from larger agencies. The Board would maintain its policy authority over certification and enforcement activities, and would continue to advise the Supreme Court, not the OCA.

In addition to streamlining the agency, the bill is expected to result in a small savings to the State. The consolidation would also prevent the Board from unnecessary costs and size growth in the future. The bill took effect September 1, 2003.

Provides standards and procedures for flame effects and pyrotechnics

Current Texas law contains no uniform standards for the use of flame effects or pyrotechnics. Senator Shapleigh was co-author to S.B. 693, by Gallegos (D-Houston), which adopts standards set forth by the National Fire Protection Association (NFPA) and incorporates them into the Occupations Code in order to create statewide standards and procedures to be applied to the use of flame effects and pyrotechnics in Texas. Specifically, S.B. 693 prohibits the use of such effects unless they comply with NFPA standards and additional requirements, including the presence of certain safeguards, licensed operators, and a permit from the proper local authority. In addition, S.B. 693 sets forth the requirements for obtaining a flame effects or pyrotechnics operator's license, and requires applicants for such licenses to be covered by certain kinds of liability and worker's compensation insurance. S.B. 693 was signed by the governor on June 20, 2003 and will take effect on September 1, 2003.

Reduces rates for counties not affected by increases in mold claims

With the increase in homeowners insurance mold claims across the state, Sen. Shapleigh recognized that it is fundamentally unfair for policyholders in regions of the state without high mold claims to pay the higher rates that result from these claims. Unfortunately, policyholders in these counties have seen dramatic increases in the rates they pay, despite the fact that water claims have not increased.

In response, recognizing that in some parts of Texas, there has been no increase in water claims related to mold, Sen. Shapleigh successfully amended S.B. 14 to require the commissioner of insurance to identify the counties that had substantially lower costs for water damage for homeowners insurance than the statewide average, and calculate a reduction in premiums for those counties to reflect that difference in losses. Companies filing the initial rate filings under the bill would then be required to pass these savings on to policyholders in these counties. S.B. 14 is effective as of December 1, 2003.

Improve Academic Performance, Customer Service and Government Efficiency Through Technology

Texas' willingness to invest in technology is critical to the efficient and effective delivery of government services and to achieving learning outcomes set out in state goals. As a leader in the Texas Legislature on technology issues, Sen. Shapleigh has passionately fought to promote the prudent use of technology and the provision of access to computer equipment, training and services to all Texans without regard to income. Although funding for technology projects was not among the Legislature's priorities because of the budget crisis, several important pieces of legislation were passed that will result in progress toward the state's goals. Two of the most promising pieces of legislation associated with technology are intended to improve academic success among Texas' students. In short, Sen. Shapleigh provided for the creation of a state education portal that could direct parents, teachers and students among others to resources that will stimulate learning and make districts more effective. He also provided for a technology immersion pilot project that will involve distributing computers to students in up to five districts. These education projects are discussed on pages 9 and 10 of this report. The remaining technology bills are discussed below.

Expands the Use of TexasOnline

In August 2000, the State of Texas launched its official e-government site for state and local government business. The site, called TexasOnline, not only reaches across the agencies of our state—it links municipalities, counties, courts and universities as well. Since going live, TexasOnline has brought up dozens of applications and has processed over \$20 million in transactions. Texans can already go online to renew their driver's licenses, pay business sales taxes, and obtain oil and gas drilling permits.

Although TexasOnline has proven to be a successful multi-million dollar asset for the state of Texas, there were issues requiring attention to promote better, faster state government service to Texas citizenry, generate more revenues for the state and foster more efficient processes. Sen. Shapleigh filed S.B. 1152 to address and resolve these issues by better defining e-Pay, making it clear that agencies may use e-pay as a means of accepting credit cards or debit cards for points of sale, telephone and mail transactions.

This bill also expands the base of candidate agencies to add permits, facilities and registrations and applies the subscription fee model to original licenses in addition to renewed licenses. To further market and thus increase usage, this bill requires state agencies to provide a link to TexasOnline via their agency's website.

S.B.1152 also resolves the conflict between the department and authority by having the Governor select the presiding officer and specifically delineating the role of DIR as manager of the contract and the Authority as overseer of TexasOnline. It allows agencies, in lieu of a written signature, an electronic affirmation by the applicant, which attests to the truthfulness and accuracy of the application and allows agencies to use state agency data bases (e.g., Department

of Public Safety), where appropriate, to validate an individual's identity rather than require a notary or third party signature. Additionally, S.B. 652 allows for cost recovery, provides statutory authority for DIR to obtain intellectual property protection, reclassifies motor vehicle registrations as a state service, adds a waiver provision from participation and limits duplication of TexasOnline effort. Finally, this bill instructs DIR to work with the Secretary of State to study the feasibility of on-line notary. This new law took effect on September 1, 2003.

Directs private, for-profit publishers of residential telephone directories to include in their directory a listing for the Texas Online State Internet Portal

Currently, Texas law does not require that private, for-profit publishers of residential telephone directories include in their directory a listing of the TexasOnline Internet address. State agencies have direct links from TexasOnline which allows Texans a centralized location for information on services, regulations and remedies offered by state agencies. In addition, web-based services for state licensees are available on TexasOnline. Sen. Shapleigh filed S.B. 1151 which requires private, for-profit publishers of residential telephone directories to include in their directory a listing for the Texas Online and a statement that the Internet sites for state agencies may be accessed through TexasOnline. This new law took effect on September 1, 2003.

Improves online information sharing

Under current law, the Texas Department of Information Resources (DIR) is required to administer a common electronic system using TexasOnline. A licensing authority can use this system to electronically send occupational licenses and other documents to persons regulated by the authority and to the public; to receive applications for occupational licenses and other documents for filing from persons regulated by the authority and from the public, including documents that can be electronically signed if necessary; and to receive required payments from persons regulated by the authority and from the public. The Government Code requires numerous licensing authorities to participate in this system.

Sen. Shapleigh sponsored Rep. Burt Solomon's (R-Carrollton) H.B. 1166 which requires DIR to implement an automated vehicle to allow a person regulated by one or more licensing authorities to file a single change of address on-line with the DIR and requires the DIR to provide the new address information to all appropriate licensing authorities. This bill also allows the DIR to expand TexasOnline to include additional categories of updated information that license holders may need to provide to more than one licensing authority and authorizes the DIR, if it uses TexasOnline, to recover costs incurred from this development and implementation. H.B. 1166 also requires licensing authorities to share information regarding license holders, especially information related to disciplinary action, with other licensing authorities to the extent it is feasible, allowed by other law, and under appropriate controls for the privacy and confidentiality of the information. This new law took effect on September 1, 2003.

Expands state information on the Internet

A citizenry well-informed of the policies and the activities of its representative government is essential to the achievement of an effective and properly functioning democracy. Texas

government publications are a permanent source of state government information and a primary means for citizens to keep informed. It is the policy of this State to ensure the collection and preservation and to the widespread and timely access to Texas government publications. Information collected and publicly distributed by the Texas government belongs to the people of Texas who ultimately funded the collection and distribution of the information. Sen. Shapleigh filed S.B. 1154 which amends § 441.101, 441.102, 441.103, 441.104, and 441.106 of the Government Code, and requires the Texas State Library and Archives Commission to maintain the existence of the “Texas Records And Information Locator,” or TRAIL, that would allow public access to state publications in an electronic format, including access via the Internet. Specifically, S.B. 1154 requires a state agency to make its printed state publications accessible from the state agency’s website. If the state agency does not have a website, the agency shall deposit into a depository library an electronic source file for each printed publication in the manner prescribed by the commission. Therefore, the public will have electronic access, via online through TRAIL or at depository libraries, to state publications. The Governor vetoed this bill due to an unrelated amendment, however, the Governor stated in his veto proclamation his intent to enact the requirements set out above through an executive order.

Require agencies to research and propose technology solutions

Many state agencies are slow to implement the technological solutions to their business processes because of a built-in bias in favor of traditional ways of doing business. Despite this reluctance, new technology can improve the ability of state agencies to deliver services to clients and provide information to the public. The appropriate use of technology can also reduce the cost of providing services.

For the reasons stated above, Sen. Shapleigh proposed Across-the-Board statutory language that was adopted by the Texas Sunset Advisory Commission. The language will be applied to every agency up for sunset review and amended into their enabling legislation as the agencies are reviewed. The language provides that agency policies will ensure that the public is able to easily find information about the agency through the Internet and that clients of the agency are able to access services and interact with the agency through the Internet. The language will further require affected agencies to ensure that proposed technological solutions be cost effective and developed through the agency’s planning processes.

Authorizes publication of state agency Internet addresses on TexasOnline

Currently, the Texas Utilities Code does not require that private, for-profit publishers of residential telephone directories include in their directory the Internet address of TexasOnline. Many state agencies maintain Internet websites that contain valuable operation and program information. If agency websites are accessed by a greater volume of users this could significantly lessen the large volume of calls currently received and processed by agency staff.

Sen. Shapleigh worked with Rep. Burt Solomons (R-Carrollton) to pass S.B. 1151, which requires private, for-profit publishers of residential telephone directories to include in their directory the Internet address of TexasOnline and a statement that the Internet sites for state agencies may be accessed through TexasOnline. This law took effect September 1, 2003.

Successfully updates the technology access clause

Under the Government Code, a technology access clause was developed to allow for both visual and nonvisual access to automated information systems (AIS). The clause is to be included in all documents and contracts entered into by the state or state agencies that relate to the procurement of automated information system (AIS) products, regardless of the dollar amount. The clause requires, as a condition for the expenditure of state funds on the purchase of an AIS product, that the vendor must represent and warrant: equal access for effective use by both visual and nonvisual means; information that includes prompts for interactive communication, in formats intended for visual and nonvisual use; and the potential for integration into networks for obtaining, retrieving, and disseminating information used by individuals who are not blind or visually impaired.

The nature and job requirements of emergency response personnel, police officers, fire fighters and other personnel called upon to assist in emergency response preclude nonvisual personnel from these jobs. Consequently, the wireless communications devices used by these emergency response personnel should not be required to meet the current requirements of the technology access clause.

Sen. Shapleigh teamed with Rep. Donna Dukes (D-Austin) to pass S.B. 1155, which amends the technology access clause to exempt wireless communication devices used by peace officers, fire fighters, and other emergency response personnel who respond to a public safety emergency. The new measure was enacted into law on June 18, 2003.

Promotes Infrastructure, Economic and Workforce Development, Especially Along the Border

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.

The effects of NAFTA trade policies, for example, are creating new or expanding trade international trade corridors that must be considered in state planning processes. The events of September 11 pose security challenges along the Border, while the need for fast and efficient modes of allowing goods and people to cross international boundaries calls for innovation. Further, the rapid expansion of the Hispanic population along the Border, with associated language barriers imposes grave challenges to workforce development policy-makers. Adult literacy is critical to meeting the workforce needs of the future. And strategies for economic development in the 43-county Texas-Mexico Border region need to be developed. Texas faces an emergency along its southern border and must create economic engines in the region to ensure the future economic health of the Border. Otherwise, the future cost to the state to provide for the region will be staggering and could endanger the state's general economic condition and the welfare of all Texans. Sen. Shapleigh sought, through the bills that follow, to stimulate the state to act to create a vision for the economic health of the Border and the state as a whole.

Directs the Texas Department of Transportation (TxDOT) to create an International Trade Corridor Plan

Currently, little is being done to fully understand Texas trade corridors. At the national level, the Bureau of Transportation Statistics is being urged to take a greater role in the development of freight planning data. Texas needs a transportation system that is capable of sustaining trade growth with Mexico and with other emerging international markets. International trade follows transportation corridors, many of which are intercontinental. It is important that state transportation planners understand how the trade corridors have arranged themselves and how they should be supported within the state's transportation plan.

In the case of highways, past studies have identified "international" corridors, such as I.H. 10 and I.H. 35, but rarely does trade travel on a single interstate. Instead, goods are transported on portions of both the interstate and state highway systems to move from their origins to their destinations. Recognizing the importance of international trade for Texas' economy, Sen. Shapleigh worked with Rep. Fred Hill (R-Richardson) to pass H.B. 3184, which directs (TxDOT) to provide an analysis of the international trade flowing through Texas, by mode, to develop a clearer understanding of which aspects of the Texas transportation system are working well, which need to be strengthened, and whether transportation segments in the state can handle

the future growth. S.B. 963 will require the analysis to provide both a highway and a multimodal perspective, which will aid in the planning for multimodal and highway investments. Further, S.B. 963 will, for the first time, identify the key transportation corridors carrying international trade and would permit more targeted funding from both state and federal sources. Finally, S.B. 963 will strengthen statewide transportation planning in Texas and could attract federal support, given that there is strong recognition of the importance of international trade in Washington D.C. The new measure took effect on June 18, 2003.

Sought to Create Border Community Trade Task Forces

Over the past 15 years, U.S. trade with Mexico has increased 400 percent from \$48 billion to \$239 billion. Yet neither Mexico nor the United States has made the adjustments necessary to handle the growing traffic. California is the single largest exporting state in the country with total exports of \$60.8 billion (as of June 2000), with Texas close behind with a total of \$53.6 billion. Eighty percent of all U.S. trade with Mexico passes through Texas' ports-of-entry, making Mexico the state's most important trading partner. Trade with Mexico accounts for one in every five jobs in the state, and exports make up approximately 14 percent of the state's gross product.

Enhanced trade has increased the number of northbound commercial vehicle crossings from 2.7 million in 1994 to more than 4.3 million in 2001. In Texas, the Federal Motor Carrier Safety Administration reported that the state had 3.1 million Border crossings in 2000--three times more than California, which has the second busiest Border. In fact, Texas is home to the top two busiest crossings, Laredo with 1.5 million and El Paso with 725,000 crossings. In 2001, it is estimated that more than 7 million commercial vehicles crossed the Texas-Mexico Border (in both directions), and that these trips were made by approximately 70,000 to 75,000 commercial vehicles.

Inspection and customs procedures at our ports-of-entry are outdated and cannot keep up with the increase in Border traffic resulting from NAFTA. This had led to congestion and air pollution in Border cities and restricted the movement of goods and people across the Border. To facilitate overland trade with Mexico, the state must identify the current barriers, both procedural and infrastructure-related, to northbound Border crossings at each of Texas' ports-of-entry and identify the infrastructure and staffing needs for each port.

Recognizing the importance of international trade for Texas, Sen. Shapleigh joined forces with Rep. Norma Chavez and filed S.B. 786, which would have directed the Lieutenant Governor and Speaker of the House to establish a Border Community trade task force for each of the four municipalities with the largest populations in the Border region. This task force would have identified procedural and infrastructure barriers to the flow of commerce between the U.S. and Mexico at Texas ports-of-entry. Each task force would have included representatives from U.S. and Mexican federal and state agencies, customs brokers, freight forwarders, motor carriers, drayage operators and maquiladora operators. Each task force would have studied procedures

and practices at its port of entry and identified the infrastructure and manpower resources necessary to expedite commerce from Mexico. The measure died on the House Local and Consent calendar.

Urges Congress to fund one-stop border inspection facilities

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Inspection and customs procedures at our ports-of-entry are outdated and cannot keep up with the increase in Border traffic resulting from NAFTA. This had led to congestion and air pollution in Border cities and restricted the movement of goods and people across the Border. The key to facilitating northbound Border crossings is to automate the information that is received related to cargo, commercial carriers, commercial vehicles, and drivers in advance of the crossing, so as to clear the commercial vehicle for entry before it even arrives at the Border.

Capitalizing on the opening of the U.S.-Mexico Border to commercial vehicle traffic, Sen. Shapleigh worked with Rep. Norma Chavez (D-El Paso) to pass S.C.R. 20, which memorializes the U.S. Congress to fund one-stop border vehicle inspection facilities. The Senate Concurrent Resolution passed on May 31, 2003 and will be sent to Congress.

Fights to Create Border Strategic Investment Commission

Because investment in the Border region is so important to the rest of the state, Texas needs to identify ways to build the economic health and vitality of this region. Given the Texas-Mexico's Border importance to the rest of the state, Sen. Shapleigh introduced S.B. 517, which would have

established a Texas Border Strategic Investment Commission to bring a statewide perspective to strategic Texas-Mexico Border region initiatives. The commission would have identified strategic economic development initiatives in the six metropolitan statistical areas in the Texas-Mexico Border region (Brownsville/Harlingen/San Benito, McAllen/Edinburg/Mission, El Paso, Laredo, San Antonio and Corpus Christi). The measure was heard but died in the Senate International Trade and Technology committee due to fiscal implications in a tight budgetary session.

Pushes for the authorization and issuance of General Obligation Bonds to aid counties in colonia roadway improvement projects

Currently, unscrupulous development and substandard housing conditions along the Texas-Mexico border are prohibited by state law; however, colonias were built in this region prior to 1989 when legislation reform began. Since little is available or affordable to the residents of these colonias, many of them continue to live in neighborhoods without basic services. Sen. Shapleigh joined Sen. Eddie Lucio (D-Brownsville), Sen. David Sibley (R-Waco), Sen. Carlos Truan (D-Corpus Christi), and Sen. Judith Zaffirini (D-Laredo) to secure passage of proposed constitutional amendment, S.J.R. 37, and related enabling legislation, S.B. 1296, that would authorize the Texas Public Finance Authority to issue \$175 million in general obligation bonds to aid counties that serve colonias in roadway improvement projects. The bill will take effect upon adoption of a constitutional amendment.

Seeks to eliminate the benchmark and flex-band system and establish a prior-approval system to regulate insurance companies. Currently, the Texas Department of Insurance (TDI) sets rates for certain insurance companies for personal lines of insurance, involving both passenger automobile insurance and homeowners insurance. To regulate the rates of private passenger automobile insurance and homeowners insurance, current insurance laws require the commissioner of insurance to establish a benchmark rate for each kind of insurance. Current law also provides for a flexibility band (flex band) that allows insurers to file and use rates within a 30 percent range of the benchmark rate. Rates that do not fall within this range are subject to prior approval by the commissioner. However, certain types of insurers, including Lloyd's plan companies, reciprocal or interinsurance exchanges, county mutual insurers, and farm mutual insurers, are exempt from the benchmark and flex-band system. Insurers are also permitted to set premium costs and decline coverage based in part or in whole on credit scoring or insurance scoring.

To address the serious need for insurance reform, Sen. Shapleigh joined forces with Sen. Leticia Van De Putte (D- San Antonio), and co-authored S.B. 400, which would have eliminated the benchmark and flex-band system and established a prior-approval system to regulate insurance companies, including those previously exempted from TDI regulation. The measure would have required insurance companies either to comply with underwriting guidelines that meet certain criteria outlined in the bill or to obtain the commissioner's approval before using a guideline that does not meet the criteria. More important, S.B. 400 would have required insurers to roll back rates to those that were in effect on January 1, 2001. The bill also would have prohibited the use of credit scoring for both underwriting and rating and require both TDI and the office of public

insurance counsel to make underwriting guidelines available to the public. The measure died in the Business and Commerce Committee.

Directs the Texas Education Agency (TEA) to contract with the Texas Workforce Commission (TWC) to develop an adult workforce training curriculum. Over the last year, the downturn in our economy, combined with resulting changes in local economies in Texas, has resulted in increased competition for available jobs. In some regions, additional pressures, such as continued labor reductions due to trade dislocations, have added to labor market competition. These pressures have significantly impacted lower skilled workers. Yet, as competition for jobs increases, the skills required by employers have continued to increase, especially for strong English literacy and employability skills.

Recognizing this statewide need, Sen. Shapleigh joined forces with Sen. Jane Nelson (R- Flower Mound) to pass S.B. 280, which directs TEA to contract with TWC to develop a demand-driven curriculum development process that aims to assist local workforce development partners in bridging the gap between workers and emerging jobs. The plan includes identifying industry sectors that are most likely to benefit from the development of basic skills curricula; a curriculum development process that starts with the skill demands of employers; and a companion credential development process that will provide both employers and workers with meaningful tools to describe the abilities and competencies required for entry level work.

One of the most significant issues addressed by the Sunset Advisory Commission during the interim was the critical need for demand-driven training and workplace literacy skills to meet the needs of both employers and employees. After lengthy discussions and much testimony, the entire Sunset Commission voted to fund and include the language in the TWC Sunset bill. Unfortunately, the contingency rider that would have appropriated the funds for the development of the curriculum, was stripped from the legislature's budget bill under heavy pressure from the House of Representatives. The measure, under S.B. 280, became effective on June 23, 2003.

Streamlines transportation services in Texas

Sen. Ogden (R-Bryan-College Station), sponsored an omnibus transportation bill that will have a significant impact on transportation in Texas. As a member of the Infrastructure Development and Security Committee, Senator Shapleigh added several important amendments to improve the bill. The amendments authorize municipalities to participate in Regional Mobility Authorities (RMAs), and allow RMAs to contract with Mexico and New Mexico. They also create one-stop Border inspection stations in Laredo, El Paso, and Brownsville to streamline state and federal functions at the Border. Related to this, Sen. Shapleigh's amendment creates intermodal hubs as a means of economic development by providing a central location where cargo containers can be easily and quickly transferred between trucks, trains and planes. Finally, Sen. Shapleigh changed language to ensure that the Texas Department of Transportation's "Quick Take" provisions allow for the highest level of citizen protection. The majority of this bill will take effect September 1, 2003.

Creates El Paso Mission Valley License Plate

Sen. Shapleigh added an important measure for the Border to a bill sponsored by Sen. Deuell (R-Greenville), H.B. 2971. The amendment creates the El Paso Mission Valley license plate, to be designed by the Texas Department of Transportation and the Socorro Mission Restoration Effort. A portion of fees will be deposited into an account administered by the Texas Historical Commission, to benefit the Restoration Effort.

Seeks to Authorize the Texas Department of Transportation to use the Design-Build Method

Currently, schools, universities and local political subdivisions are the only entities with the ability to use the design-build method of construction. The design-build method of construction allows an architect, engineer, and builder to form a team and bid on a construction project together with the contractor heading up the team. Sen. Shapleigh co-authored S.B. 1499, by Sen. Madla (D-San Antonio), which authorized the Texas Department of Transportation to use the design-build method for certain transportation projects. S.B. 1499 did not pass.

Prevents proliferation of colonias by authorizing counties to regulate certain aspects of residential land development in unincorporated areas

There is a concern that colonias lack basic services such as water, wastewater systems, electricity, and paved roads. If counties in which the colonias are located are allowed to regulate residential land development, then the proliferation of colonias may be prevented. Sen. Shapleigh joined Sen. Eddie Lucio (D-Brownsville), Sen. John Carona (R-Dallas), Sen. Troy Fraser (R-Horseshoe Bay), Sen. Mike Jackson (R-LaPorte), Sen. David Sibley (R-Waco), Sen. Carlos Truan (D-Corpus Christi), Sen. Leticia Van de Putte (D-San Antonio), Sen. Royce West (D-Dallas), and Sen. Judith Zaffirini (D-Laredo) to secure passage of S.B. 517. S.B. 517 amends the Local Government Code to set forth provisions authorizing the commissioners court of a county, counties of which are located within 50 miles of an international border, to regulate certain aspects of residential land development in its unincorporated areas by adopting certain building codes and regulations relating to buildings, lots, and tracts. S.B. 517 passed in the Senate; however, it died in the House.

Allows the county of El Paso to not pay into the tax increment fund any of its tax increments produced from property located in a reinvestment zone

Under the Texas Tax Code, a taxing unit is not required to pay into the tax increment fund any of its tax increment produced from property located a reinvestment zone. However, because under current law the County of El Paso has a population of more than 230,000 and borders Mexico, it is required to pay. In December of 2001, under Chapter 311 of the Texas Tax Code, the City Council of El Paso passed two ordinances (No. 14996, No.14999) establishing Tax Increment Finance Districts (No.2, No.3) within the City of El Paso. After both ordinances were

passed, El Paso County expressed its desire not to participate in the Tax Increment Finance Districts and would not pay into the tax increment fund set up by Ordinance No. 14996 and No. 14999.

Both the City of El Paso and the County of El Paso signed memoranda of understanding establishing that the County of El Paso would not be required to pay the City of El Paso any portion of its tax increment into the tax increment fund, and that the County of El Paso would waive its right to appoint a director to the board of directors of the zone. However, this arrangement is not consistent with current law.

Working with officials of El Paso County, Sen. Shapleigh teamed with Rep. Joe Pickett (D-El Paso) to introduce and pass S.B. 353 which repealed the problematic section of the Texas Tax Code and allows El Paso County to not pay into the tax increment fund any of its tax increments produced from property located in a reinvestment zone. The new measure, one of the first to be signed into law, took effect April 24, 2003.

Seeks to establish a program for designating highways as state scenic byways

The 77th Texas Legislature directed the Texas Department of Transportation (TxDOT) to study whether Texas should join the National Scenic Byways Program. TxDOT's study found that the program would provide for the special designation of roads that are aesthetically, culturally, or historically significant and enable Texas to receive additional funding, while allowing local governments to choose whether to participate. Sen. Shapleigh was co-author to S.B. 511, by Sen. Nelson (R-Lewisville), which requires TxDOT to establish a program for designating highways as state scenic byways. S.B. 511, however, did not pass.

Raises El Paso's property tax refund threshold

When a municipality overcharges a property taxpayer \$500 or more, the city has to place the item on the city council agenda for approval prior to any refund being made. From January to March 2003, the city of El Paso placed 390 tax refunds applications on the city council agenda. If a cap of \$2,500 had been in place, only 94 or 31 percent of these would have been on the city council's agenda. This represents a potential reduction of 69 percent in the work done by various city government offices. Unfortunately, this type of request happens on a weekly basis, and creates an unnecessary administrative burden on our cities. In the case of El Paso, the threshold has not been revised since the inception of the Property Tax Code in 1979.

On behalf of the city, Sen. Shapleigh joined forces with Rep. Norma Chavez (D-El Paso) to file and pass H.B. 3540, which raised the current property tax refund threshold in El Paso, from \$500 to \$2,500. In doing so, H.B. 3540 provides for faster refunds to local taxpayers and less administrative burden for cities. The new law took effect on September 1, 2003.

Enables municipal courts of record in El Paso the ability to use audio recordings

El Paso was previously excluded in the last municipal court rewrite (The Municipal Courts of Record Act) in an effort to retain some of its unique characteristics. However, this decision excluded El Paso from some beneficial provisions, such as the ability to use audio recordings in an effort to create a record. For example, many times there is no record of the proceedings to establish a record in case the case goes to appeals. The individual, for numerous reasons, does not provide or is not aware that a court stenographer is necessary and loses out on creating any sort of record of the proceedings.

At the bequest of city leaders, Sen. Shapleigh joined forces with Rep. Chente Quintanilla (D-El Paso) to file and pass H.B. 3624 to allow municipal courts of record in El Paso the ability to use audio recordings. Allowing the use of audio recordings is cost effective and offers citizens a simple way to create a record. The new measure became law on September 1, 2003.

Reforms Customs Brokers Operations

Goods sold for export are exempted from taxation by the U.S. Constitution. Custom brokers allow foreign citizens to receive a sales tax refund on goods purchased in Texas for export to another country. Easy refund of state sales taxes makes purchases in Texas more attractive to shoppers from Mexico. These sales generate countless jobs in the Border region and throughout the state. By tightening the laws governing the custom brokers industry we can increase sales tax revenue by reducing fraud and keep this important industry viable.

Fighting off attempts to eliminate customs brokers profession and identifying needed reform measures, Sen. Shapleigh worked with colleague Rep. Norma Chavez (D- El Paso), to file and pass H.B. 109, which requires online documentation of all tax exemptions, increases the licensing fees required for custom brokers to cover the cost of administering the new documentation requirements, provides for a higher level of bonding from custom brokers, and requires quarterly reports of all exemptions from the brokers. In addition, H.B. 109 allows the Texas Comptroller of Public Accounts to require brokers to repay to the state any improperly documented or granted sales tax refunds, and charge a penalty. The bill also requires greater documentation on goods exported and increases the cost of tax refund stamps to cover administrative costs. The new measure became effective on January 1, 2003.

Protects State's Natural Resources

Seeks to regulate the sale of water transported by pipeline

Currently, there is no legislation regulating the sales of water being transported by pipeline. With certain regions in the state projected to run out of water soon, transporting water from one region or water basin to another region will be a necessity for some cities. This necessity will attract entrepreneurs. The water utilities or municipalities that might possibly be buying water from these business entities do not have any leverage that will enable them to protect the consumers' interest as they negotiate the price of water.

In light of this situation, Sen. Shapleigh authored S.B. 326 which would protect the consumer's water rates by:

- fixing the rate for water sold at a level that permits the seller a reasonable return, and preserves the financial integrity of the seller;
- providing for a fair return to the seller;
- prohibiting the seller from discriminating against suppliers;
- ensuring that all suppliers are treated equally in regards to price;
- ensuring that competitors have equal access to the pipeline;
- making suppliers receive a state permit requiring them to provide continuous service; and
- ensuring that a contract exists and has had public input.

The measure died in the Senate Natural Resources committee without receiving a hearing.

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.

Sen. Shapleigh joined forces with Rep. Robert Puente (D-San Antonio), and filed S.B. 606 which would have created a pre-numbered statewide uniform manifest system to accompany liquid-waste shipments from cradle-to-grave. Additionally, S.B. 606 would have required a person who

generates, collects, conveys, 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.

Prevents certain illegally harvested desert plants from being sold

The current trend in home landscaping towards xeriscaping, a water-conserving landscaping method, combined with tough Arizona laws regulating the desert plant trade, have made the West Texas desert area a prime target for the illegal harvesting of cacti and other succulents. So-called "cactus rustlers" take desert plants from public land, or do so from private land with no permission. The plants are then sold for profit in Texas and other states, especially Arizona and California. Some private landowners also harvest desert plants on their own land. The removal of these plants in large numbers is seriously damaging to the delicate desert ecosystem. A recent study commissioned by the World Wildlife Fund-US concluded that some of the plants "may become threatened and even disappear locally if conservation measures are not implemented."

Sen. Shapleigh worked with Rep. Robert Puente (D-San Antonio) and authored S.B. 970 which requires that those who harvest certain specified desert plants be registered with the Texas Department of Agriculture. To ensure that a shipment of desert plants was harvested by someone who is registered, TDA will issue identification markers with each registration. An identification tag is required for every transaction involving the sale of at least 25 of the specified desert plants. While the bill passed both chambers and had the support of the Senate Natural Resources and the House Agricultural & Livestock committees, it was vetoed by the Governor.

Seeks to authorize certain counties to regulate land development

Currently, the Texas border is plagued by a rash of unincorporated subdivisions that lack basic services, such as water, wastewater systems, electricity, and paved roads. These areas are known as "colonias." The lack of basic infrastructure, such as water and waste water hook-ups, has led the State to spend millions of dollars toward supplying colonias with basic infrastructure. Further, the lack of basic infrastructure, such as paved roads and waste water hook-ups, poses a serious health threat not only to colonia residents, but also to citizens surrounding colonias.

Sen. Shapleigh worked with Rep. Joe Pickett (D-El Paso) authored S.B. 395, which would have amended the Local Government Code by adding Chapter 236 to provide a border county, with a population of 650,000 or more and includes territory located within 50 miles of an international border, the necessary tools to prevent the proliferation of colonias and ensure that existing buildings meet the requirements set by International Residential Code. The legislation died on the Senate floor.

Pushes for public hearings for all air quality permits

The Texas Commission on Environmental Quality (TCEQ) issues air quality permits to companies that may emit toxic substances into the environment. However, there is no requirement that these companies prove that they have the financial resources to cover a clean-up, if emissions do effect the environment or health of residents.

For example, ASARCO, inc. has three plants in Texas, which have caused adverse environmental effects. ASARCO operated a lead smelter in El Paso for over one hundred years, which resulted in unsafe levels of lead and arsenic in the soil. Because the plant is located in close proximity to residential neighborhoods, the contamination has effected the health of citizens. The State of Texas, City of El Paso, U.S. Department of Justice and Environmental Protection Agency (EPA) were in negotiations for years, which is an unacceptable time frame when health issues exist. Because of the shortage of governmental funds, and ASARCO funds, as the company is near bankruptcy, El Paso was left with a major health problem and clean-up, which private industry should have taken responsibility for.

In response to this problem, Senator Shapleigh filed S.B. 397, which required TCEQ to hold a public hearing on the issuance, renewal or amendment of an application for an air quality permit if the EPA has named the company applying as a responsible party for environmental contamination. The purpose of the bill was to give the public input on an issue that may effect residents' environment and health. Unfortunately, the bill did not receive a hearing in the Senate Committee on Natural Resources.

Authorizes law enforcement agencies to remove personal property from roadways

Under current law, the Texas Department of Transportation (TxDOT) is the only agency protected from liability when removing personal property from roadways. Under normal circumstances, TxDOT officials arrive in a timely manner to remove the property. However, if TxDOT is delayed and the property remains in the roadway, traffic may back up. This situation delays motorists, increases the risk of road accidents, and endangers law enforcement officials at the scene. Sen. Shapleigh was co-author to S.B.165, by Sen. Carona (R-Dallas), which authorizes law enforcement agencies to remove personal property from roadways and protects agencies from liability when performing this function. S.B.165 took effect on June 20, 2003.

Spearheads Local Improvement Projects

Throughout the past two years, Sen. Shapleigh has energetically worked to engage the citizens of District 29, along with public and private partners, in projects aimed at improving the well-being of people. From cleaning up sites throughout the region, to making computers available to families, to working to make insurance available to the uninsured, these projects mobilize people and provide leadership and volunteer opportunities. The major projects that have been implemented are discussed below.

Bridges the Digital Divide through the Frontier of the Americas Program

Frontier of the Americas (FOA) is a program designed to bridge the digital divide along the Texas-Mexico border region of El Paso through the use of laptop lending libraries. Parents who participate in the program receive formal training on laptops to include basic computer skills and access to the Internet, and are able to check out laptops from their area elementary school libraries. The program sponsors Internet connectivity for users so that they may participate in online training courses, use e-mail and connect with a broader community. FOA provides tangible benefits not only to parents but to their children as well. The main goals of the program are:

- narrow the technology gap between low-income households and the community at large by providing internet access and training for parents in the school communities being served;
- teach the benefits of using technology to improve quality of life and the home learning environment by providing access to resources through the Internet; and
- improve the connection between home and school and increase parental involvement in the schools being served.

The FOA uses a “Train-the-Trainer” model whereby participants understand that they can utilize technology, receive training and Internet connectivity in exchange for training two peers in the same fashion as they were trained. This model allows the rapid adoption of the program and maximization of benefits to the community.

Promote use of health insurance programs through Insure El Paso

Insure El Paso is a project designed to encourage utilization and to promote the use of health insurance programs. The goals include:

- maximize enrollment in TexCare Partnership (CHIP and Medicaid) and Medicare;
- promote renewal in TexCare Partnership (CHIP and Medicaid);
- provide general information on “Open Enrollment” opportunities to encourage maximum participation in existing insurance programs;
- provide information on how to use insurance to maximize benefits and minimize health problems; and

- develop a private health plan to be offered to the residents of El Paso County which would include a cost structure, a strategic employee pool, public policies and incentives.

Each year, a series of events is scheduled in a one week time period: Insure El Paso Week includes a week of events and activities to encourage El Pasoans to sign up for existing governmental and private insurance programs. Events to date include: School-based sign-ups for TexCare, CHIP and Medicaid, Health Insurance "CLINIC" for area businesses, a CHIP/Medicaid Health Line to promote TexCare Partnership during local news reports and to receive calls from families eligible for the programs, Medical Appreciation Day, and Medicare Blitz - assistance to senior citizens eligible for Medicare.

Another component of the Insure El Paso effort is "targeted on-going outreach", which is critical to ensure that families sign-up for and renew in existing government and employer-based insurance programs. On going outreach efforts include: direct mail to existing clients to promote one health-related topic per month to encourage utilization and promote benefits of having insurance, check stuffers to targeted employees with business-sponsored insurance programs to encourage participation in open enrollment period, on-going public service announcements and paid advertising to promote enrollment in business-sponsored insurance programs, and Pathway to Lifelong Health and Learning - an initiative to make available applications for each insurance program to families of each newborn at area hospitals, private pediatrician offices and private clinics, together with each new citizens to the United States enrolled and graduating from area Immigration and Naturalization Service programs.

Identify and Encourage College Attendance through the Top Draft Program

Top Draft is a multi-levelled program that includes:

- early identification and recruitment (at the ninth grade) of top regional talent;
- summer institutes at UTEP;
- full-ride scholarship packages to UTEP;
- internships and jobs while in college; and
- a cash stipend for completing the program.

El Paso is suffering from a severe brain drain. While El Paso area schools graduate many academically competitive students, our most intelligent and talented youth are choosing other schools and regions over UTEP and El Paso, ultimately contributing to those areas' economic development and prosperity. The goal is to keep these students in El Paso, with the hope that they will also choose to invest their talents and money in our city while receiving their degrees and after they complete their studies.

Secured board and commission positions for qualified El Pasoans through the Nominations Project

This is a project to identify qualified El Pasoans to serve on one of the over-200 state boards and commissions in Texas so that El Paso's voice is heard at the state level. From large agencies like the Texas Department of Transportation to small agencies like the Texas Accountancy

Board, Texas depends on citizens to help it run its government. While the Governor has the exclusive power to make these appointments, the proactive efforts by Sen. Shapleigh and the community will help to demonstrate that El Pasoans are qualified and willing to serve on these boards.

Beautify El Paso through the El Paso Pride Project

El Paso Pride is a project designed to instill pride in our community through efforts such as beautification and revitalization of the state's medians, borders and adjoining public sites, and clean-up events around the city and county. When people are proud of their city, they invest more time and energy into their community, thus improving the economy. Sen. Shapleigh, along with the El Paso County Attorney's Office, the regional office of the Texas Commission on Environmental Quality, the City of El Paso, Keep El Paso Beautiful and various businesses and community based organizations have been working on the El Paso Pride effort. A youth environmental awareness campaign has been built in and there are now more than 1,000 high school students participating.

El Paso Pride has been very successful. Many events, including the *Environmental Summit*, *Gift to the Mountain day*, *Gift to the River*, *Texas Trash Off* and several other clean-up efforts have occurred over the last three years. The *Environmental Summit* is a productive coalition of various government agencies, the business community, and the people of El Paso, who have come together to determine the environmental issues that El Paso is faced with and to come up with solutions to overcome these issues.

Sets a Vision for the Franklin Mountains through Development of a Strategic Plan

The Franklin Mountains, in addition to providing a grand and scenic background in El Paso, is one of the area's greatest natural resources. Currently, Franklin Mountains State Park is America's largest urban park. Over the years, many stalwart El Pasoans have made this park a natural wonder that promotes our vibrant Chihuahuan desert environment and the resiliency of our people.

The purpose of the project is to create a strategic plan for the Franklin Mountains State Park to include new land acquisitions for the park, a master trail program, additions to the tramway, and expanding access to the park. The Franklin Mountains State Park Steering Committee was organized to address these opportunities and develop the plan. The goal of the committee is to complete the work by the fall of 2003, so that the master strategic plan for the Franklin Mountains can be incorporated into the state park plan.

Showcases local art talent through the Paseno Art in Austin Project

The Paseno Art in Austin project is an annual photo contest that showcases the talent of El Paso area students and the beauty of El Paso's people, places and cultures. The contest encourages students to explore and discover the variety of people and cultures that El Paso has to offer and that make this city unique. The competition was developed to create an interest for students

participating in pursuing the arts as a profession and to develop knowledge and pride in their hometown.

The photos submitted are printed, framed and displayed at the Senecu Fine Arts Society. Winning photographs are exhibited at the State Capitol in Austin. One goal of the project is to have an El Paso photo up at every office in the State Capitol.

Establish El Paso as the Soccer Capital of the West

Soccer is El Paso's fastest growing youth sport. Sen. Shapleigh's office has coordinated several initiatives to increase El Paso's participation in soccer and the availability of soccer facilities over the past couple years. Through this project, soccer will give El Paso the reputation as the soccer capital of the west. Goals have been set to focus the community on achieving the project vision. These include creating a nationally recognized "Sun Bowl International Youth Soccer Tournament" by 2005; creating two quality soccer complexes by 2007; starting 250 south/central youth soccer league teams by 2010; starting two quality club teams by 2005; and creating 50 quality regional soccer fields by 2007.

Mexican Revolution Walking Tour

Supported by El Paso businesses, this project involves the erection of historical markers that will depict the people, places, and events that took part during the Mexican Revolution. Ten sites have been identified including the Elite Confectionary, the El Paso Laundry and Cleaners Company, La Patria Newspaper, the Popular Dry Goods Company, The Colon Theatre, the Toltec Building, the Roma Hotel, the Federal Courthouse—Kress, The Ricahrds Caples, and the Teresa Urrea Home.

Develops Fact Book

This project obtains and publishes statistics on health, the military, the economy, education, voting, workforce, banking, water, and other information relating to El Paso and the El Paso area.

Promotes Mission Valley projects through a Citizen Steering Committee

In 1999, a community-rooted coalition was formed to promote the interests and needs of the citizens of Mission Valley. Every six weeks, the Senator meets in person or by teleconference with participating members to discuss a number of local projects underway. Among these projects are:

- **Socorro Mission Preservation Project.** This project is aimed at conserving the historic Socorro Mission, founded in 1843. For the past two years, Historic Missions Restoration, Inc. has partnered with other organizations, such as ASC State and Local Solutions, Inc. to provide a job training program centered on preserving the mission. This undertaking integrates historic preservation with adult job training under the auspices of the Upper Rio Grande Workforce Development Board. Partners include Cornerstones Community

Partnerships, the Tigua Native American Tribe, the National Trust for Historic Preservation, the EL Paso Archeological Society, the North American Community Service, the International Council on Monuments and Sites, the City of Socorro, the Engineering Department at New Mexico State University, La Purisma Restoration Committee, and the Texas Historical Commission.

- **Rio Vista Farming Complex.** Rio Vista Farming Complex was established in the 1930s by the Works Progress Program to house the homeless during the country's depression. It continued to be a working facility into the 1960s, long after most of the other poor house complexes in the nation had been closed. During the complex's history, it also housed neglected or abandoned children, prisoners of war, and the elderly. It served as a processing center for Braceros—Mexican workers who came to the United States to work temporarily on the nation's farms. The complex has two renovated buildings and a working community center that regularly schedules English GED, sewing, and computer classes. The buildings are also used for community activities. This location holds great promise for future development. Community members have envisioned that the complex could potentially offer conference rooms, a gift shop, food, cultural fiestas, an art gallery or similar features.
- **ISTEA Project—Transportation Tourist Information Center/Murals.** This project is funded by the Texas Department of Transportation and the City of El Paso. It entails a Tourist Information Center and the design for the four murals that will be placed on four corners of an area highway. Plans are currently in progress to make the murals a reality.
- **Bienvivir Senior Facility.** This facility is a non-profit organization established in 1987. It provides comprehensive health and health-related services to an exclusively frail population that would otherwise need institutionalization. The services allow the elderly to live at home at a 12 to 20 percent savings to the government.
- **Coalition Against Violence on Women and Families on the US/Mexico Border.** This coalition of El Paso/Juarez women's organizations, labor unions, university professors, students, religious leaders and elected officials was formed out of concern for the women murdered and at risk of murder in the region. Since 1993, more than 250 women in Juarez have been murdered and 450 more are missing. The coalition has held marches against the violence and Sen. Shapleigh has fought for attention to this important issue by making pleas to the U.S. and Mexican Governments.
- **Mission Valley Summit.** In 1999, the Mission Valley Summit was held to discuss issues of importance to the community. The community decided to focus on public transportation, job training, education and affordable housing. Working together, the community has improved its economic situation, attracted tourism, and increased the availability of housing. The collaboration among the community members continues.
- **Horizon Summit.** Working with the Mayor of Horizon, Sen. Shapleigh joined with the citizens to hold a summit aimed at positioning Horizon in marketing, communication and development affairs. With assistance from a consultant, the community aims to attract

development that realistically coincides with the size and scope of the area. Opportunities for such development projects as a water park, a spa retreat, a dude ranch, a survival school, a desert monastery and others have been identified and the community plans to move forward on evaluating and possibly implementing some of these ideas.

- **Montana Vista Summit.** Located on the far east side of El Paso County, Montana Vista is unincorporated and identified as a conglomerate of neighborhoods. About 100 community residents attended the summit and team leaders were identified to follow through on the issues of the participants. Sen. Shapleigh and Rep. Chente Quintanilla, along with several state agencies, worked on the priorities of water, trash, parks, government and medical services and efforts are ongoing to improve Montana Vista.