



The Senate of the State of Texas

COMMITTEES:

Health and Human Services
Nominations
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Installations - Vice Chair
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 and Closure - Chair
Sunset Advisory Commission

Senator Eliot Shapleigh
District 29

January 22, 2008

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Mr. Woody L. Hunt
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El Paso, Texas 79913

VIA FAX & U.S. POSTAL MAIL

Dear Woody,

I read in the *El Paso Times* where you are quoted as defending "(Tom) Craddick as a supporter of the medical school in El Paso."¹

As one who is elected to represent us in Austin, I can tell you that Tom Craddick personally cut Medical School funding in every session from 2003 through 2005, including several special sessions.

In the Senate, we passed funding for the Medical School in three separate budgets. Each time, Craddick removed funding from the budget.

In 2005, on the last day to pass conference committee reports, Craddick removed the \$65 million that we in the Senate had placed in the budget,² and instead re-routed \$13 million to his clinic in Midland and cut the rest.³

¹ *Plenty of cash backs bids to oust longtime El Paso legislators*, Brandi Grissom, *El Paso Times*, January 21, 2008. (Exhibit A).

² *Texas Senate Journal*, 79th Legislature – Regular Session, 78th Day, May 25, 2005 at 3644. (Exhibit B).

³ *Senate Bill 1 Conference Committee Report*, 79th Legislature – Regular Session (General Appropriation Act), Sept. 28, 2005 at IX-91. (Exhibit C).



In October 2006, in his interview with the *Times*, Lt. Governor David Dewhurst confirmed that "the problem was in the House." He went on to say that "I put it on the budget every chance I got."⁴

From the time he took office as Speaker in 2003, Craddick consistently threatened Medical School cuts unless our House members voted for other legislation which was not in the interest of the people we serve.⁵ For example, in March 2005, all five House members voted against Craddick's version of HB 2, the school tax bill, where only households making more than \$100,593 per year would pay less in taxes.⁶ In other words, in El Paso, the top 6% got a tax cut, and the bottom 94% got a tax hike.

Our House delegation made the right call—tax cuts for Craddick's donors are not more important than tax hikes on El Paso homeowners. As you now know, Craddick did not fund the Medical School in the 2005 session.

Ultimately, we all serve the people of El Paso. Our "effectiveness" is not whether we vote for Craddick's agenda, but whether we vote for El Paso's agenda.

Very truly yours,



Eliot Shapleigh

ES/am

Encl:
Exhibits A – F.

⁴ *Lt. gov. blames House for lack of med school funding*, David Crowder, El Paso Times, October 21, 2006. (Exhibit D).

⁵ *Legislator denies offering funds*, Gary Scharrer, El Paso Times, March 28, 2003. (Exhibit E).

⁶ *School Funding Bill is OK'd*, Gary Scharrer, El Paso Times, March 10, 2005. (Exhibit F).

Plenty of cash backs bids to oust longtime El Paso legislators

By Brandi Grissom / Austin Bureau

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AUSTIN -- El Paso's two longest-serving state legislators have stiff primary election challenges ahead.

That much is clear from the significant caches of cash the primary election opponents of state Reps. Pat Haggerty and Paul Moreno showed in the first campaign finance reports of the election cycle this week.

What remains unclear is just which political pockets from across the state will be opening up to the candidates and whether that support will be enough to help the challengers overcome the advantages of incumbency.

"It's hard to tell how the money has aligned until there's really more money in the game," said Ross Ramsey, editor of the online political journal Texas Weekly.

Republican candidate Dee Margo raised \$65,350, about \$30,000 more than Haggerty saw during the last half of 2007, according to reports filed with the Texas Ethics Commission.

And Democratic newcomer Marisa Marquez raised \$21,955, significantly more money than Moreno, between July and December last year.

Even with more cash, Ramsey said, challengers are on an uneven playing field with incumbent legislators who are familiar to voters.

"The challenger has to raise a little more money than the incumbent just to become well known," he said.

Haggerty has long been the lone Republican representative from the border and has been active in El Paso politics more than two decades. Moreno has been a fixture in local and statewide Democratic politics for 40 years.

Both are working to tie their challengers to the much-maligned Midland Republican and Texas House Speaker Tom Craddick.

Craddick's critics call him a despotic leader and twice last year attempted to depose him. He held onto his post, asserting that he had "absolute" authority in the chamber.

Haggerty has been among Craddick's loudest critics and led a walkout from the House chamber last year. He also is a candidate to replace Craddick in 2009.

Haggerty and many political watchers in the state suspect Craddick's supporters will help fund Margo's campaign to relieve the speaker and some Republicans of a political thorn who doesn't always vote the party line.

"This is about the speaker and whether Pat's too liberal," Ramsey said of the race.

Haggerty has defended his voting record as conservative and reflective of the voters in his El Paso district, and has said he gets along with most Republican leaders, just not Craddick.

The first reports don't show any financial aid to Margo from Craddick's usual big-money backers, like Houston homebuilder Bob Perry and San Antonio millionaire James Leininger. Perry did, however, give Margo \$50,000 during his unsuccessful 2006 campaign against Democratic state Sen. Eliot Shapleigh.

And, Margo's two largest donations in 2007 came from prominent El Paso Republicans who have also been generous to Craddick.

Paul Foster, Western Refining president and CEO, gave Margo \$25,000. Since 2003, Foster has also given Craddick about \$32,400.

Hunt Building CEO Woody Hunt donated \$10,000 to Margo's efforts. Hunt has given Craddick \$27,000 since 2002, according to ethics commission reports.

The race, Hunt said, has nothing to do with Craddick but is about more effective Republican leadership in the only GOP-represented district in El Paso.

Hunt defended Craddick as a supporter of the medical school in El Paso.

Craddick was the only one of the top three state leaders to object for more than two years to providing funding for the Texas Tech University campus in El Paso.

But Hunt said ineffective local lawmakers were to blame for the holdup. Legislators finally approved \$48 million for the school last year. Had it not been for state Rep. Norma Chavez, the only El Paso legislator to support Craddick, Hunt said, the funding may not have happened.

"That (Craddick) was somehow a barrier to that success does not reflect my own experience as someone who was involved in the process," Hunt said.

Margo has not said whether he would vote for Craddick to continue as leader of the Texas House. Craddick became speaker in 2003, and when the 150 House members return to Austin in 2009 he will be running for a fourth term.

"I have no obligation to anybody -- my only obligation will be to the voters and the people of district 78 and El Paso as a whole," Margo said.

The contest between Moreno and Marquez may be more about the adequacy of the incumbent than about Craddick, Ramsey said.

"That race seems to be about whether Paul has been in the Legislature too long," he said.

Marquez and her supporters say 40 years is enough for Moreno and that it's time for new blood to represent the Central El Paso district in Austin.

"Quite honestly, if you look at his record, he hasn't passed a lot of legislation over the last 40 years, if any," said Marquez supporter Robert Brown, president of Desert Eagle Distributing. "I just think it's time."

Moreno, also a fervent Craddick critic, and his supporters say his challenger is aligned with the Republican leader. He said he has represented the district with integrity, and Moreno's supporters say he deserves another term.

The early reports don't indicate any major Craddick supporters gave to Marquez. Though Brown, who gave Marquez \$1,000, has given Craddick more than \$30,135 since 2002.

Brown, Hunt and Foster, among the largest Republican contributors from El Paso, have all also contributed to many local politicians, both Republican and Democrat.

Marquez has said she would not vote for Craddick if elected to the Texas House but instead would choose a Democratic leader.

Harvey Kronberg, editor of the online political journal Quorum Report, said campaign finance reports due next month would be more telling of with whom the candidates are aligned.

For now, he said, Craddick's allies are staying out of the limelight.

"These are pretty sophisticated folks and there's no reason to draw attention to their efforts prematurely, so odds are the serious money doesn't start flowing until" later in the campaign season, Kronberg said.

Greg Rocha, University of Texas at El Paso political science professor, said the challengers' early financial successes could bode well for them and for the incumbents.

For the challengers, he said, other contributors may be more willing to give now that they have shown themselves to be serious contenders with substantial support.

For the incumbents, he said, they can go to supporters with the argument they need even more money to fend off the challengers.

But, Rocha said, money is not the only determining factor in political campaigns and much will depend on how the candidates use those dollars and whether voters connect with their message.

"It's important to have money," he said, "but other things are important as well, and it's better to have it than not have it."

Brandi Grissom may be reached at bgrissom@elpasotimes.com; 512-479-6606.

SECTION 14. Section 232.071, Local Government Code, is amended to read as follows:

Sec. 232.071. APPLICABILITY. This subchapter applies only to the subdivision of land located:

- (1) outside the corporate limits of a municipality; and
- (2) in a county:

(A) in which is located a political subdivision that is eligible for and has applied for financial assistance under Section 15.407, Water Code, or Subchapter K, Chapter 17, Water Code; and

(B) to which Subchapter B does not apply.

SECTION 15. Subsection (i), Section 15.407, Subsection (f), Section 16.343, Sections 17.923 through 17.926, and Subsection (g), Section 17.933, Water Code, are repealed.

SECTION 16. The changes in law made by this Act apply only to an application for financial assistance pending or filed on or after the effective date of this Act.

SECTION 17. This Act takes effect on September 1, 2005.

The amendment to **CSHB 467** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 1.

On motion of Senator Gallegos and by unanimous consent, the caption was amended to conform to the body of the bill as amended.

CSHB 467 as amended was passed to third reading by a viva voce vote.

All Members are deemed to have voted "Yea" on the passage to third reading except as follows:

Nays: Brimer.

COMMITTEE SUBSTITUTE HOUSE BILL 467 ON THIRD READING

Senator Gallegos moved that Senate Rule 7.18 and the Constitutional Rule requiring bills to be read on three several days be suspended and that **CSHB 467** be placed on its third reading and final passage.

The motion prevailed by the following vote: Yeas 30, Nays 1.

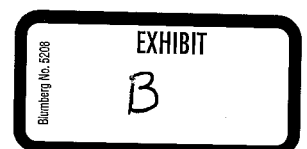
Nays: Brimer.

The bill was read third time and was passed by the following vote: Yeas 30, Nays 1. (Same as previous roll call)

COMMITTEE SUBSTITUTE HOUSE BILL 10 ON SECOND READING

On motion of Senator Ogden and by unanimous consent, the regular order of business was suspended to take up for consideration **CSHB 10** at this time on its second reading:

CSHB 10, Relating to making supplemental appropriations and reductions in appropriations.



The bill was read second time.

Senator Ogden offered the following amendment to the bill:

Floor Amendment No. 1

Amend **CSHB 10** (Senate committee printing) as follows:

(1) In SECTION 1(a)(1) of the bill (page 1, line 23), strike "\$471,800,000" and substitute "\$121,800,000".

(2) In SECTION 1(a)(5) of the bill (page 1, line 32), strike "\$1,010,000,000" and substitute "\$485,000,000".

(3) In SECTION 3 of the bill, between "is appropriated out of the general revenue fund" and "to the" (page 1, line 53), insert "and the amount of \$128,400,000 in matching federal funds is appropriated".

(4) Strike SECTION 4 of the bill (page 2, lines 1 through 9) and substitute the following:

SECTION 4. DEPARTMENT OF FAMILY AND PROTECTIVE SERVICES: CHILD PROTECTIVE SERVICES PROGRAM REFORM. In addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2005, the following amounts are appropriated to the Department of Family and Protective Services for the two-year period beginning on the effective date of this Act for the purpose of funding the reforms of the Child Protective Services Program:

(1) the amount of \$200,039,844 is appropriated out of the Economic Stabilization Fund and the amount of \$48,060,705 in matching federal funds is appropriated; and

(2) the amount of \$7,300,000 is appropriated out of the general revenue fund and the additional amount of \$2,900,000 in matching federal funds is appropriated.

(5) In SECTION 7 of the bill (page 2, line 30), strike "\$31,300,000" and substitute "\$66,300,000".

(6) Strike SECTION 8 of the bill (page 2, lines 34-42) and substitute the following:

SECTION 8. TEACHER RETIREMENT SYSTEM OF TEXAS: ADDITIONAL APPROPRIATION FOR RETIREMENT CONTRIBUTIONS. Contingent on the enactment of S.B. No. 1691 or similar legislation by the 79th Legislature, Regular Session, 2005, that becomes law, and in addition to the estimated amounts appropriated for the following purpose by any other Act of the 79th Legislature, Regular Session, 2005, that becomes law, the following additional estimated amounts are appropriated to the Teacher Retirement System of Texas for the state fiscal biennium beginning September 1, 2005, for the purpose of funding the state's retirement contributions for public education employees during the fiscal biennium in a manner that ensures that the state's contributions are based on a rate of 6.22 percent of payroll notwithstanding any other rate specified in an Act of the 79th Legislature, Regular Session, 2005, that makes appropriations for this purpose:

(1) \$100,000,000 is appropriated out of the general revenue fund;

(2) \$4,632,650 is appropriated out of the local funds, as defined by Section 51.009, Education Code, of institutions of higher education for the benefit of the employees of the respective institutions in accordance with Section 51.008(g), Education Code; and

(3) \$104,532 is appropriated out of the Teacher Retirement System Trust Account Fund No. 960.

(7) In SECTION 10 of the bill (page 2, line 53), strike "\$2,112,000" and substitute "\$400,000".

(8) Strike SECTION 12 of the bill (page 2, line 66 through page 3, line 4) and substitute the following:

SECTION 12. TEXAS EDUCATION AGENCY: TEXTBOOKS. In addition to amounts previously appropriated for the state fiscal biennium ending August 31, 2005, the amount of \$175,000,000 is appropriated out of the Economic Stabilization Fund to the Texas Education Agency for the two-year period beginning on the effective date of this Act for the purpose of funding the purchase of textbooks.

(9) Strike SECTION 19 of the bill (page 4, lines 11-20) and substitute the following:

SECTION 19. CONTINGENCY APPROPRIATIONS: HOUSE BILL 2; HOUSE BILL 3. Contingent on the enactment of H.B. No. 2 or similar legislation relating to the public school finance system by the 79th Legislature, Regular Session, 2005, that becomes law, and in addition to other amounts appropriated by the 79th Legislature, Regular Session, 2005, for the Foundation School Program:

(1) the additional amount of \$872,000,000 is appropriated out of the Economic Stabilization Fund and the additional amount of \$1,528,000,000 is appropriated out of the general revenue fund to the Texas Education Agency for the state fiscal biennium beginning September 1, 2005, to implement the provisions of House Bill No. 2 or of that similar legislation that contemplate an increase in the amount of total state revenue provided under the Foundation School Program for the operation of school districts; and

(2) contingent on the enactment of H.B. No. 3 or similar legislation relating to the financing of public schools and property tax relief by the 79th Legislature, Regular Session, 2005, that becomes law, all the additional state revenue that is received during the state fiscal biennium beginning September 1, 2005, that as estimated by the comptroller is attributable to the changes in law made by H.B. No. 3 or by that similar legislation and that may be spent for the purposes of the Foundation School Program is appropriated to the Texas Education Agency for the period and for the purpose described by Subdivision (1) of this section.

(10) In Subsection (b), Section 28 of the bill, between "this section" and "are hereby automatically reduced on a pro-rata basis" (page 5, line 42), insert ", other than estimated appropriations,".

(11) Add the following appropriately numbered Sections to the bill and renumber subsequent Sections of the bill accordingly:

SECTION ____ . TRUSTEED PROGRAM WITHIN THE OFFICE OF THE GOVERNOR: TEXAS ENTERPRISE FUND. (a) In addition to other amounts appropriated for purposes of the trustee program within the office of the governor created by Section 481.078, Government Code (Texas Enterprise Fund), the amount

of \$10,000,000 together with any depository interest retained in the fund is appropriated out of Appropriated Fund No. 0869 (Other Events Trust Fund) to the trustee program within the office of the governor created by Section 481.078, Government Code, for the remainder of the state fiscal biennium ending August 31, 2005, for the purpose of awarding economic development grants described by Subsection (d) of this section.

(b) The amounts appropriated by this section are for the purposes of and are subject to the procedures described by Section 481.078, Government Code.

(c) In accordance with Section 481.078(b), Government Code, the amounts appropriated by Subsection (a) of this section shall be deposited in the Texas Enterprise Fund, and the amounts deposited are appropriated out of the Texas Enterprise Fund to the trustee program within the office of the governor created by Section 481.078, Government Code, for the periods and for the purposes described by this section.

(d) The amounts appropriated by this section for the remainder of the state fiscal biennium ending August 31, 2005, shall be used at the discretion of the governor in accordance with Section 481.078, Government Code, to award one or more economic development grants in relation to certain unique events sponsored by one or more of the following organizations: (1) the National Quarter Horse Association; (2) the National Cutting Horse Association; (3) the American Paint Horse Association; (4) the Automobile Competition Committee for the United States (ACCUS) that is affiliated with the Federation Internationale de l'Automobile; (5) the United States Olympic Committee; (6) the national governing body of a sport that is recognized by the United States Olympic Committee; (7) the International Olympic Committee; (8) the Pan American Sports Organization; (9) the National Football League; (10) the National Collegiate Athletic Association; (11) the National Basketball Association; (12) the National Hockey League; (13) Major League Baseball; (14) the Federation Internationale de Football Association (FIFA); or (15) the International World Games Association.

(e) Any unexpended balances of the amounts appropriated by the other provisions of this section for the remainder of the state fiscal biennium ending August 31, 2005, are appropriated to the trustee program within the office of the governor for purposes of Section 481.078, Government Code, for the state fiscal biennium beginning September 1, 2005, for use before the expiration of the two-year period beginning on the effective date of this Act.

SECTION ____. DEPARTMENT OF AGING AND DISABILITY SERVICES: PAYMENTS FOR AUGUST 2005 NURSING FACILITY AND MENTAL RETARDATION COMMUNITY CENTER SERVICES. The amount of \$62,200,000 is appropriated out of the general revenue fund and the amount of \$85,800,000 in matching federal funds is appropriated to the Department of Aging and Disability Services to make payments for nursing facility services and mental retardation community center services delivered in August 2005.

The amendment to **CSHB 10** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 1.

Senator Ogden offered the following amendment to the bill:

Floor Amendment No. 2

Amend **CSHB 10** as follows:

(1) Strike SECTION 17 of the bill (Senate committee printing, page 3, lines 38 through 54) and substitute the following:

SECTION 17. APPROPRIATION FOR ~~HIGHER EDUCATION FUND~~; CONTINGENCY APPROPRIATION FOR HOUSE BILL 1765 (EMERGING TECHNOLOGY FUND). (a) The appropriation made by this subsection is contingent on the enactment by the 79th Legislature, Regular Session, 2005, of H.B. No. 1765 or similar legislation that becomes law for funding emerging technology industries through a Texas Emerging Technology Fund administered as a trustee program within the office of the governor. If the actual amounts transferred to the Economic Stabilization Fund during the state fiscal biennium beginning September 1, 2005, exceed the amount that the comptroller estimated would be transferred to the Economic Stabilization Fund during that biennium:

(1) the first \$100,000,000 by which the amounts transferred to the Economic Stabilization Fund during the state fiscal biennium exceed the amount of the comptroller's estimate is appropriated out of the Economic Stabilization Fund during the state fiscal biennium beginning September 1, 2005, to the trustee program within the office of the governor for deposit into the Texas Emerging Technology Fund in accordance with the legislation creating the technology fund and is appropriated for the biennium for expenditure for the purposes and under the procedures prescribed by the legislation creating the technology fund;

(2) the next \$100,000,000 by which the amounts transferred to the Economic Stabilization Fund during the state fiscal biennium exceed the amount of the comptroller's estimate is appropriated out of the Economic Stabilization Fund during the state fiscal biennium beginning September 1, 2005, for deposit into the Higher Education Fund for use in accordance with Section 17(i), Article VII, Texas Constitution; and

(3) the next \$25,000,000 by which the amounts transferred to the Economic Stabilization Fund during the state fiscal biennium exceed the amount of the comptroller's estimate is appropriated out of the Economic Stabilization Fund during the state fiscal year beginning September 1, 2006, for equitable allocation to the agencies and institutions eligible to receive a portion of the annual appropriation made under Section 17(a), Article VII, Texas Constitution, to be used by those agencies and institutions for any purpose described by Section 17(a), Article VII, Texas Constitution.

(b) If the 79th Legislature, Regular Session, 2005, does not enact H.B. No. 1765 or similar legislation that becomes law for funding emerging technology industries through a Texas Emerging Technology Fund administered as a trustee program within the office of the governor, and if the actual amounts transferred to the Economic Stabilization Fund during the state fiscal biennium beginning September 1, 2005, exceed the amount that the comptroller estimated would be transferred to the Economic Stabilization Fund during that biennium:

(1) the first \$100,000,000 by which the amounts transferred to the Economic Stabilization Fund during the state fiscal biennium exceed the amount of the comptroller's estimate is appropriated out of the Economic Stabilization Fund during the state fiscal biennium beginning September 1, 2005, for deposit into the Higher Education Fund for use in accordance with Section 17(i), Article VII, Texas Constitution; and

(2) the next \$25,000,000 by which the amounts transferred to the Economic Stabilization Fund during the state fiscal biennium exceed the amount of the comptroller's estimate is appropriated out of the Economic Stabilization Fund during the state fiscal year beginning September 1, 2006, for equitable allocation to the agencies and institutions eligible to receive a portion of the annual appropriation made under Section 17(a), Article VII, Texas Constitution, to be used by those agencies and institutions for any purpose described by Section 17(a), Article VII, Texas Constitution.

(c) The Texas Higher Education Coordinating Board shall equitably allocate among the eligible agencies and institutions the amounts appropriated under Subsection (a)(3) or (b)(2) of this section as the coordinating board considers appropriate to address the needs of each institution or agency for additional resources to acquire, construct, improve, repair, rehabilitate, and equip the buildings, facilities, or other permanent improvements of the institution or agency to the extent of their use for educational and general activities, considering the amount that the agencies and institutions will receive during the state fiscal biennium beginning September 1, 2005, or in a subsequent biennium under the formula established under Section 17(d), Article VII, Texas Constitution.

(d) The comptroller's estimate described by this section is the estimate made by the comptroller under Subsection (h), Section 49-g, Article III, Texas Constitution.

(2) Add the following appropriately numbered SECTIONS to the bill and renumber the subsequent SECTIONS of the bill accordingly:

SECTION _____. TEXAS A&M UNIVERSITY SYSTEM HEALTH SCIENCE CENTER: IRMA RANGEL SCHOOL OF PHARMACY. The amount of \$10,000,000 is appropriated out of the general revenue fund to Texas A&M University System Health Science Center for the state fiscal biennium beginning September 1, 2005, to pay start-up costs and operational, instructional, and infrastructure support costs related to the Irma Rangel School of Pharmacy.

SECTION _____. TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER: MEDICAL SCHOOL IN EL PASO. The amount of \$37,000,000 is appropriated out of the general revenue fund to the Texas Tech University Health Sciences Center for the state fiscal biennium beginning September 1, 2005, to pay start-up costs and operational, instructional, and infrastructure support costs related to a four-year medical school in El Paso.

The amendment to **CSHB 10** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 2.

Senator Ogden offered the following amendment to the bill:

Floor Amendment No. 3

Amend **CSHB 10** (Senate committee printing) by adding the following appropriately numbered SECTIONS to the bill and renumbering subsequent SECTIONS of the bill appropriately:

SECTION ____ . REIMBURSEMENT OF TUITION REVENUE BOND DEBT SERVICE FOR THE UNIVERSITY OF TEXAS AT DALLAS. (a) The appropriation made by this section is contingent on the enactment of provisions in H.B. No. 3 or H.B. No. 3540 or similar legislation by the 79th Legislature, Regular Session, 2005, that become law and that transfer the money in the permanent funds created by Chapter 63, Education Code, into dedicated accounts in the general revenue fund.

(b) The amount of \$15 million is appropriated out of the general revenue fund to The University of Texas at Dallas for the purpose of reimbursing the institution, during the state fiscal biennium beginning September 1, 2005, for debt service paid in relation to revenue bonds issued in connection with facilities at the institution.

SECTION ____ . REIMBURSEMENT OF TUITION REVENUE BOND DEBT SERVICE FOR PUBLIC INSTITUTIONS OF HIGHER EDUCATION. (a) The appropriations made by this section are contingent on the enactment of provisions in H.B. No. 3 or H.B. No. 3540 or similar legislation by the 79th Legislature, Regular Session, 2005, that become law and that transfer the money in the permanent funds created by Chapter 63, Education Code, into dedicated accounts in the general revenue fund.

(b) Contingent on the enactment of H.B. 2329 or similar legislation by the 79th Legislature, Regular Session, 2005, that becomes law and that authorizes the issuance of revenue bonds to finance facilities at public institutions of higher education, the following amounts are appropriated out of the general revenue fund to the following institutions for the purpose of reimbursing the institutions, during the state fiscal year beginning September 1, 2006, for debt service paid in relation to revenue bonds issued under Section 55.1751, 55.1752, 55.1753, 55.1754, 55.1755, 55.1757, 55.1758, 55.1759, 55.17591, or 55.17593, Education Code, as added by that legislation and as applicable to each institution:

- (1) Tarleton State University System Center–Central Texas, \$2,619,600;
- (2) Texas A&M University–Commerce, \$1,746,400;
- (3) Texas A&M University–Corpus Christi, \$873,200;
- (4) Texas A&M University–Kingsville, \$3,929,400;
- (5) Texas A&M University–Texarkana, \$3,929,400;
- (6) The Texas A&M University System Health Science Center, \$3,056,200;
- (7) Texas A&M International University, \$1,746,400;
- (8) The University of Texas at Arlington, \$3,923,280;
- (9) The University of Texas at El Paso, \$2,615,520;
- (10) The University of Texas of the Permian Basin, \$2,615,520;
- (11) The University of Texas at San Antonio, \$3,923,305;
- (12) The University of Texas Medical Branch at Galveston, \$4,977,240;
- (13) The University of Texas Health Science Center at Houston, \$9,939,009;

- (14) The University of Texas Health Science Center at San Antonio, \$6,538,842;
- (15) The University of Texas Health Science Center at Tyler, \$1,743,680;
- (16) The University of Texas M. D. Anderson Cancer Center, \$3,923,280;
- (17) The University of Texas at Tyler, \$532,500;
- (18) the University of Houston, \$3,360,760;
- (19) the University of Houston—Downtown, \$1,680,380;
- (20) the University of Houston—Victoria, \$504,114;
- (21) Lamar University, \$2,218,750;
- (22) Lamar Institute of Technology, \$266,250;
- (23) Lamar State College—Orange, \$221,875;
- (24) Lamar State College—Port Arthur, \$221,875;
- (25) Texas State University—San Marcos, \$5,768,750;
- (26) the University of North Texas, \$3,520,160;
- (27) the University of North Texas Health Science Center at Fort Worth, \$2,640,120;
- (28) the University of North Texas System Center at Dallas, \$2,200,100;
- (29) Midwestern State University, \$649,960;
- (30) Sam Houston State University, \$1,775,000;
- (31) Stephen F. Austin State University, \$1,609,000;
- (32) Texas Tech University Health Sciences Center, \$1,080,000;
- (33) Texas Tech University, \$4,487,500; and
- (34) Texas Southern University, \$2,621,490.

The amendment to **CSHB 10** was read and was adopted by a viva voce vote.

All Members are deemed to have voted "Yea" on the adoption of Floor Amendment No. 3.

Senator Zaffirini offered the following amendment to the bill:

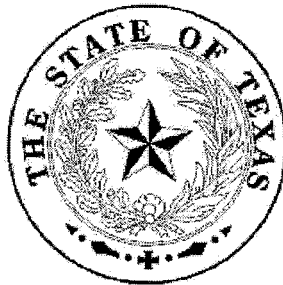
Floor Amendment No. 4

Amend **CSHB 10** by adding the following section to the bill, appropriately numbered, and renumbering the subsequent sections accordingly:

SECTION ____ . "College For Texans" Campaign License Plate. The amount of general revenue funds appropriated by the 79th Legislature, Regular Session, 2005, for the state fiscal biennium beginning September 1, 2005, for the Higher Education Coordinating Board is increased by \$200,000 (estimated) for the biennium to implement the provisions of the legislation establishing the "College for Texans" specialty license plate. The funds provided to the "College for Texans" Campaign are appropriated in accordance with Transportation Code §505.647 for the purposes of the "College for Texans" Campaign. All receipts received during the biennium, estimated to be \$200,000, in the General-Revenue-Dedicated-"College for Texans" Campaign Account are hereby appropriated to the Coordinating Board for the biennium ending August 31, 2007. Any balances on hand at the end of fiscal year 2006 may be carried over to fiscal year 2007 and such funds are appropriated for fiscal year 2007 for the same purpose. This section only takes effect upon passage of S.B. 1227 or similar

Seventy-ninth Legislature

**Text of Conference Committee Report
Senate Bill No. 1, Regular Session
(General Appropriations Act)**



**STATE OF TEXAS
2005**

Editor's Note: Senate Bill 1 Conference Committee Report (Seventy-ninth Regular Session) appropriation figures have been adjusted in this publication to incorporate certain Article IX (General Provisions) appropriations into relevant agency bill patterns, as well as Governor's vetoes, House Bill 10 (Seventy-ninth Regular Session), House Bill 1 (Seventy-ninth First Called Session), House Bill 11 (Seventy-ninth Second Called Session) and other miscellaneous bills. Conforming changes to agency riders and informational items within bill patterns have also been made. Complete copies of legislation affecting Senate Bill No. 1 can be found at www.capitol.state.tx.us.



CONTINGENCY AND OTHER PROVISIONS
(Continued)

The Legislative Budget Board is hereby authorized to resolve any disputes concerning the transfer of appropriations and FTEs from the DSHS to the TCEQ.

*Sec. 14.52. **Contingency Appropriation for Senate Bill 1670.** Contingent upon the enactment of Senate Bill 1670 by the Seventy-ninth Legislature, Regular Session, or similar legislation relating to a motor vehicle financial responsibility verification program, the Department of Transportation shall be appropriated \$5,955,987 in fiscal year 2006 and \$1,946,781 in fiscal year 2007 out of State Highway Fund No. 006 for the implementation of a motor vehicle financial responsibility verification program.

*Sec. 14.53. **Contingency Appropriation for Senate Bill 1704.** Contingent on passage of Senate Bill 1704, or similar legislation relating to juror pay by the Seventy-ninth Legislature, Regular Session, the Comptroller of Public Accounts is appropriated an amount estimated to be \$7,423,000 in fiscal year 2006 and an amount estimated to be \$12,981,000 in fiscal year 2007 out of the Judicial Fund No. 573 for the purposes of implementing the provisions of the legislation. Any amounts deposited to the credit of Judicial Fund No. 573 in excess of estimated amounts for juror pay are hereby appropriated to the Comptroller for the same purpose. Any unexpended balances of these funds remaining as of August 31, 2006 are hereby appropriated to the Comptroller for the fiscal year beginning September 1, 2006 for the same purpose.

Sec. 14.54. **Contingency Appropriation for Senate Bill 1685. Contingent upon the enactment of Senate Bill 1685 or similar legislation relating to the licensing and regulation of wholesale drug distributors by the Seventy-ninth Legislature, Regular Session, the Department of State Health Services is appropriated revenue not to exceed \$92,640 in fiscal year 2006 and \$101,726 in fiscal year 2007 from the collection of fees deposited to General Revenue—Dedicated Account 5024 above amounts identified in the Comptroller of Public Accounts' Biennial Revenue Estimate. In no event shall the amount expended by this provision exceed the amount of additional revenue generated pursuant to Senate Bill 1685.

→ *Sec. 14.55. **Health Care Facilities.** In addition to funds appropriated elsewhere in this Act for the use of the Department of State Health Services, for fiscal year 2006, Strategy D.1.5., Health Care Facilities, the Department is hereby appropriated \$13.5 million from the General Revenue Fund, to be allocated by use of an interagency agreement to health care related facilities in Midland to be operated by the Texas Tech University Health Sciences Center for an OB-GYN Medical Residency Program and a Physician's Assistant Program. The appropriated funds shall be expended in accordance with contractual agreements between the Department and the Texas Tech University Health Sciences Center.

***Sec. 14.56. **Debt Collections.** Contingent upon the enactment of House Bill 2233, or similar legislation by the Seventy-ninth Legislature, Regular Session, and to the extent that an agency contracts with one or more persons to collect delinquent or past due obligations in accordance with Section 2107.003, Government Code, as amended, all sums necessary to pay any contract costs to the person or persons under contract and any court costs collected to the court entitled to the court costs are hereby appropriated to the agency from the collection proceeds. The balance of the proceeds shall be transferred to the General Revenue Fund or to any dedicated or special funds or accounts to which the collection proceeds may belong and are not appropriated for use by the agency.

Sec. 14.57. **Appropriation from General Revenue—Dedicated Account and Funds Consolidation.** If funds appropriated under this Act from a General Revenue—Dedicated Account should be unavailable because of the funds consolidation process, then the appropriation made under this Act shall be considered to have been made from the General Revenue Fund.

*These Article IX appropriations and changes have been incorporated into the applicable agency bill patterns.

**Senate Bill 1685, Regular Session, did not pass. See House Bill 124 for similar legislation.

***House Bill 2233, Regular Session, did not pass. The Governor vetoed this provision. See Governor's Veto Proclamation.

Lt. gov. blames House for lack of med school funding

By David Crowder / El Paso Times

Article Launched:10/21/2006 12:00:00 AM MDT

Republican Lt. Gov. David Dewhurst says the Texas House of Representatives is the reason why the Legislature hasn't funded a full-fledged medical school in El Paso, not Democratic state Sen. Eliot Shapleigh, whose Republican opponent, Donald "Dee" Margo, is suggesting Shapleigh is to blame in campaign ads and forums.

Dewhurst told the El Paso Times editorial board last week that the lack of medical school funding was never an issue in the Senate, where he, Shapleigh and other senators worked together to get the funding.

As lieutenant governor, Dewhurst is president of the Senate.

"The problem was in the House, and it was an issue between the House delegation and the speaker," Dewhurst said. "It was not an issue between Shapleigh and anyone in the Senate, including me.

"We passed the funding for the medical school in the Senate. I put it on the budget every chance I got, and I have gotten assurances that the funding will be there this coming session."

Dewhurst said the funding for the medical school may occur as early as January, once the legislative session opens.

The issue of funding for the medical school is at the forefront of the election contest between Shapleigh and Margo leading up to the Nov. 7 election.

Currently, the Texas Tech University Health Sciences Center provides medical school education for the last two years of a four-year program. Medical students spend their first two years at Texas Tech in Lubbock.

Margo has repeatedly charged that the Legislature's failure to fully fund the medical school is the best example of Shapleigh's ineffectiveness in Austin.

Citing the medical school, Margo told the audience at Ray Pearson's candidates forum in late September, "Our existing leader can't get the job done. He's ineffective."

But Shapleigh said he has pushed through funding measures for the school in the Senate three times since 2005, only to have the funding blocked each time in the House by Speaker Tom Craddick, R-Midland.



As a result, the school's planned 2008 opening to four-year students has been pushed to 2009.

Margo, when asked about his charge this week in light of Dewhurst's comments, did not back down and held to his campaign line.

"The bottom line is we're not going to get it if he is continually condemning the leadership of Texas," Margo said. "You can't condemn Craddick and expect him to provide the funding. ... The bottom line is you have to get along to get things done."

David Crowder may be reached at dcrowder@elpasotimes.com; 546-6194

Archives

THIS STORY HAS BEEN FORMATTED FOR EASY PRINTING

The article you requested is displayed below.

Legislator denies offering funds

Author(s): Gary Scharrer **Staff** **Date:** March 28, 2003 **Section:**
News

AUSTIN -- House Appropriations Chairman Talmadge Heflin on Thursday denied that he offered three El Paso lawmakers \$5 million to help develop a medical school in exchange for their votes on a controversial lawsuit reform measure. "Hell no," Heflin told reporters who asked whether he had done anything improper. "What's the matter? What are you people up to anyway?"

But Rep. Chente Quintanilla, D-El Paso, repeated charges that Heflin made the \$5 million appropriation conditional on votes for lawsuit reform.

Heflin said he talks about money with colleagues every day "because I happen to be putting the budget together."

Heflin, R-Houston, said he has no idea if Quintanilla misunderstood the conversation that Heflin had with him and two other El Paso Democrats, Rep. Joe Pickett and Rep. Norma Chávez on Wednesday afternoon.

"To imply something improper went on is totally improper," Heflin said.

Quintanilla said Heflin told the El Paso legislators that he needed their support for a proposed constitutional amendment to reform medical malpractice and lawsuits. With their votes, Heflin said he would "put \$5 million in the appropriations bill for the medical school for El Paso," according to Quintanilla's version of the 10-minute meeting in a private room behind the House chamber.

Without their votes, "the inference was left" that finding \$5 million for the medical school could be difficult, Quintanilla said.

Pickett and Chávez declined to discuss details of their meeting with Heflin.



House Speaker Tom Craddick, R-Midland, said the allegations are serious but not established as facts.

"On the other hand, a certain amount of horse-trading occurs naturally as part of the legislative process," Craddick said in a statement. "At times, what might seem fair to one member is foul to another."

Craddick said he has not yet discussed the allegations with the four legislators.

"Until this is put to rest, I would remind everyone that these are allegations that are subject to individual interpretation -- not facts," he said.

Quintanilla, a freshman member, said he initially considered Heflin's overture as routine business until he discussed it with Rep. Paul Moreno, D-El Paso, the senior legislator in the 150-member House.

"I didn't realize that it could be illegal to do things like this," Quintanilla said.

Moreno said he told Quintanilla that Heflin had crossed the line if the allegation was accurate.

"I told him, 'As a fellow Chicano, I understand your political hesitancy to speak about this, but you are a first-termer. This is where you start. This is where you make your reputation. ... If you want this type of government to continue, don't do anything about it,' " Moreno said.

Rep. Pete Gallego, D-Alpine, said the allegations recounted by Quintanilla go far beyond normal legislative deal-making.

"Tying specific appropriations to specific votes on specific legislation is far from the norm," he said.

If Quintanilla's version is accurate, Gallego said, "it certainly indicates that (lawsuit reform) is tremendously important to the leadership, and that they are willing to entertain a great number of things in order to ensure its passage."

Quintanilla said he has received two anonymous notes warning him to be careful. One of them was a threat left under his office door, he said.

Both state law and the Texas Constitution prescribe both criminal penalties and removal from office for bribery. But proving bribery allegations is difficult, Gallego said. "There's a big difference between what is unethical and what is illegal," he said.

"I admire his forthrightness and the fact that he was willing to stand up to the plate and make a public statement like he did," Gallego said of Quintanilla.

Some lawmakers privately predict that House leaders will retaliate against Quintanilla for divulging a private conversation with the Appropriations chairman. Gallego, chairman of the House Mexican American Legislative Caucus, said its members would look out for Quintanilla.

Gary Scharrer may be reached at gscharrerelpasotimes.com Photo Caption:Heflin

Photo Caption:Quintanilla

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School Funding Bill is OK'd

By Gary Scharrer / El Paso Times

Thursday, March 10, 2005

AUSTIN -- More than 90 percent of El Pasoans could end up paying higher taxes under legislation designed to pay for lower school property taxes, according to an analysis of the tax bill that Texas lawmakers will consider today.

The tax measure pushed by House Republican leaders would partly swap school property taxes for new and higher sales taxes and a payroll tax. It follows a narrow (76-71) House vote Wednesday night for a controversial school-funding plan.

All five House members from El Paso voted against the school-funding measure, House Bill 2, which requires final but routine action today before it advances to the Senate.

El Paso grandparent Richard Morales made a trip to the Capitol to tell lawmakers "no thanks" to the school property tax cut they are proposing because, he said, he can't afford it.

"I am highly disappointed at what I'm seeing. It's a double whammy and a bigger burden for the people who can least afford it," Morales said. "Thanks, but no thanks."

Morales said the school finance bill and the tax bill both harm lower-income families: "I am definitely frustrated, and I'm getting pretty angry because we've been fighting for more equity on the border.

"We're trying to get more equity for poor school districts, such as we have in El Paso," said Morales, who has four grandchildren. "My concern for them is, what will they do for their education? My concern, obviously, is the future of the younger generation."

Only households making more than \$100,593 a year would pay fewer taxes if House Bill 3 passed, according to a report by the Legislative Budget Board. Families earning less than \$100,000 would pay more taxes than they do today.

Only about 6 percent of El Paso households had incomes of more than \$100,000 in 2003, according to Census Bureau estimates.

Put another way, 94 percent of El Paso households would see their total tax bills go up under HB3, based on census estimates and the budget board analysis.

El Paso's median household income was just under \$30,000, suggesting that the typical El Paso family would incur about a 5 percent increase in their tax payments under HB3.



Morales, a member of the El Paso Interreligious Sponsoring Organization, said he was pleased that El Paso legislators are opposing both the school-funding plan and the tax reform proposal.

The school-funding bill will become void unless lawmakers approve the even more controversial tax measure that counts on more sales taxes and a new payroll tax.

In addition to benefiting wealthier Texans at the expense of middle- and lower-income families, the tax bill has also come under assault by an assortment of consumer and conservative groups.

Lawmakers who vote for the tax bill do so at their own political peril, Rep. Paul Moreno, D-El Paso, said.

"I suppose there will be some empty seats here come next election," he said.

But Republican leaders are pushing GOP legislators to support the tax bill.

"To ensure that the effort to reform our education system and to reduce property taxes stays on course, it is vital that the members of the House follow the leadership of Speaker (Tom) Craddick and Chairman (Jim) Keffer and pass HB3," Gov. Rick Perry said Wednesday night. "I urge the House of Representatives to pass HB3 and send the entire education reform proposal to the Senate so that work can continue and the process can proceed."

Sen. Eliot Shapleigh, D-El Paso, has warned for months that state leaders would try to pass a tax plan that hurt lower-income Texans more than others.

"This debate should be about great schools, not tax cuts for the wealthy," Shapleigh said. "What HB2 and 3 do is the great Texas tax shift. The top 3 percent win, and everybody else loses. In the end there's nothing for schools. I see no support for HB3 in the Senate."

One of the few groups actively supporting the tax plan is the Texas Association of Realtors, which cites economic studies showing that proposed property tax cuts would create jobs.

"Many are ignoring that the benefits of the property tax cut for those in lower-income groups," said Tom Morgan, a spokesman for the Texas Association of Realtors.

"If someone earning \$20,000 a year purchases a \$100,000 home, they will save \$500 on their property taxes with the tax cut. That is close to a third of one month's paycheck, which is a significant savings and makes them that much more able to afford the house."

House members this week are tackling two of the most contentious issues in the Capitol -- taxes and school funding.

The vote against the school-funding plan was easy for El Paso legislators, partly because the measure did not address a court order to spend more money on students who are harder to teach - those from low-income families and students who are deficient in English. About 75 percent of El Paso's 165,000 students come from low-income families.

The school-funding bill is "just not good for El Paso, simply because it creates a caste system," said Rep. Chente Quintanilla, D-El Paso, a retired school administrator.

But Rep. Kent Grusendorf, R-Arlington, said his school-funding bill takes "a historic step toward creating a world-class education system."

"This legislation adds \$3 billion new dollars for teacher pay, schools, and students, cuts local school property taxes by a third and creates new standards for more efficient spending of education dollars," Grusendorf said.

Every education and teacher group opposed the plan.

"HB2 is not an education bill. It is an empty promise. It promises a pay raise -- without the money to make it happen. It promises a health insurance stipend -- but not to the people who need it most," said Donna New Haschke, president of the Texas State Teachers Association.

"In the final analysis, it is really a scheme that uses our schoolchildren to promote a tax system to reward only the wealthiest Texans," she said.

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