

HOUSE JOURNAL

EIGHTY-FIFTH LEGISLATURE, FIRST CALLED SESSION

PROCEEDINGS

TENTH DAY — TUESDAY, AUGUST 1, 2017

The house met at 10:03 a.m. and was called to order by the speaker.

The roll of the house was called and a quorum was announced present (Record 27).

Present — Mr. Speaker(C); Allen; Alonzo; Alvarado; Anderson, C.; Anderson, R.; Arévalo; Ashby; Bailes; Bell; Bernal; Biedermann; Blanco; Bohac; Bonnen, D.; Bonnen, G.; Burkett; Burns; Burrows; Button; Cain; Canales; Capriglione; Clardy; Coleman; Collier; Cook; Cortez; Cospers; Craddick; Cyrier; Dale; Darby; Davis, S.; Davis, Y.; Deshotel; Dutton; Elkins; Fallon; Flynn; Frank; Frullo; Geren; Gervin-Hawkins; Giddings; Goldman; Gonzales; González; Gooden; Guerra; Guillen; Gutierrez; Hefner; Hernandez; Herrero; Hinojosa; Holland; Howard; Huberty; Hunter; Isaac; Israel; Johnson, E.; Johnson, J.; Kacal; Keough; King, K.; King, P.; King, T.; Klick; Koop; Kuempel; Lambert; Landgraf; Lang; Larson; Laubenberg; Leach; Longoria; Lozano; Lucio; Metcalf; Meyer; Miller; Minjarez; Moody; Morrison; Muñoz; Murphy; Murr; Neave; Nevárez; Oliveira; Oliverson; Ortega; Paddie; Parker; Paul; Perez; Phelan; Phillips; Pickett; Price; Raney; Raymond; Reynolds; Roberts; Rodriguez, E.; Rodriguez, J.; Romero; Rose; Sanford; Schaefer; Schofield; Schubert; Shaheen; Sheffield; Shine; Simmons; Smithee; Springer; Stephenson; Stickland; Stucky; Swanson; Thierry; Thompson, E.; Thompson, S.; Turner; Uresti; VanDeaver; Villalba; Vo; Walle; White; Wilson; Wray; Wu; Zedler.

Absent, Excused — Anchia; Faircloth; Rinaldi; Workman; Zerwas.

Absent — Dean; Dukes; Farrar; Krause; Martinez; Tinderholt.

(Krause now present)

The speaker recognized Representative Bernal who introduced Mara Nathan, rabbi, Temple Beth-El, San Antonio, who offered the invocation.

The speaker recognized Representative Walle who led the house in the pledges of allegiance to the United States and Texas flags.

LEAVES OF ABSENCE GRANTED

The following member was granted leave of absence for today because of important business in the district:

Rinaldi on motion of Lang.

The following member was granted leave of absence temporarily for today because of important business in the district:

Workman on motion of Roberts.

(Cyrier in the chair)

CAPITOL PHYSICIAN

The chair recognized Representative Murr who presented Dr. F. David Schneider of Dallas as the "Doctor for the Day."

The house welcomed Dr. Schneider and thanked him for his participation in the Physician of the Day Program sponsored by the Texas Academy of Family Physicians.

LEAVE OF ABSENCE GRANTED

The following member was granted leave of absence for the remainder of today because of important business:

Sanford on motion of Krause.

BILLS AND JOINT RESOLUTIONS ON FIRST READING AND REFERRAL TO COMMITTEES RESOLUTIONS REFERRED TO COMMITTEES

Bills and joint resolutions were at this time laid before the house, read first time, and referred to committees. Resolutions were at this time laid before the house and referred to committees. (See the addendum to the daily journal, Referred to Committees, List No. 1.)

REMARKS ORDERED PRINTED

Representative Howard moved to print remarks between Representative Cain and Representative Walle on **CSHB 11**, Amendment No. 2, on July 31.

The motion prevailed.

RESOLUTIONS ADOPTED

Representative Kacal moved to suspend all necessary rules to take up and consider at this time the following congratulatory resolutions.

The motion prevailed.

The following resolutions were laid before the house:

HR 111 (by D. Bonnen), Congratulating Edward Pisklak of Brazoria on his 100th birthday.

HR 156 (by White), Commemorating the Deep East Texas 2017 BBQ Championship.

HR 157 (by White), Recognizing Matt Wright for his support of the Deep East Texas 2017 BBQ Championship.

HR 173 (by Price), Commemorating the 10th anniversary of the Texas Agricultural Land Trust.

The resolutions were adopted.

On motion of Representative Kacal, the names of all the members of the house were added to the resolutions as signers thereof, with the understanding that a member may remove his or her name from any resolution.

(Dean now present)

HR 173 - PREVIOUSLY ADOPTED
(by Price)

The chair laid out and had read the following previously adopted resolution:

HR 173, Commemorating the 10th anniversary of the Texas Agricultural Land Trust.

INTRODUCTION OF GUESTS

The chair recognized Representative Price who introduced representatives of the Texas Agricultural Land Trust.

REGULAR ORDER OF BUSINESS SUSPENDED

On motion of Representative Kuempel and by unanimous consent, the reading and referral of bills was postponed until just prior to adjournment.

LEAVE OF ABSENCE GRANTED

The following member was granted leave of absence for today because of important business:

Tinderholt on motion of Zedler.

HR 154 - ADOPTED
(by Uresti)

Representative Uresti moved to suspend all necessary rules to take up and consider at this time **HR 154**.

The motion prevailed.

The following resolution was laid before the house:

HR 154, In memory of Isaiah Gonzalez of San Antonio.

HR 154 was read and was unanimously adopted by a rising vote.

On motion of Representatives Gervin-Hawkins and Minjarez, the names of all the members of the house were added to **HR 154** as signers thereof.

INTRODUCTION OF GUESTS

The chair recognized Representative Uresti who introduced family members of Isaiah Gonzalez.

(Speaker in the chair)

**GENERAL STATE CALENDAR
HOUSE BILLS
THIRD READING**

The following bills were laid before the house and read third time:

HB 9 ON THIRD READING

(by Burkett, S. Davis, Morrison, Klick, Walle, et al.)

HB 9, A bill to be entitled An Act relating to maternal health and safety, pregnancy-related deaths, and maternal morbidity, including postpartum depression.

HB 9 was passed by (Record 28): 139 Yeas, 0 Nays, 1 Present, not voting.

Yeas — Allen; Alonzo; Alvarado; Anderson, C.; Anderson, R.; Arévalo; Ashby; Bailes; Bell; Bernal; Biedermann; Blanco; Bohac; Bonnen, D.; Bonnen, G.; Burkett; Burns; Burrows; Button; Cain; Canales; Capriglione; Clardy; Coleman; Collier; Cook; Cortez; Cosper; Craddick; Cyrier; Dale; Darby; Davis, S.; Davis, Y.; Dean; Deshotel; Dutton; Elkins; Fallon; Flynn; Frank; Frullo; Geren; Gervin-Hawkins; Giddings; Goldman; Gonzales; González; Gooden; Guerra; Guillen; Gutierrez; Hefner; Hernandez; Herrero; Hinojosa; Holland; Howard; Huberty; Hunter; Isaac; Israel; Johnson, E.; Johnson, J.; Kacal; Keough; King, K.; King, P.; King, T.; Klick; Koop; Krause; Kuempel; Lambert; Landgraf; Lang; Larson; Laubenberg; Leach; Longoria; Lozano; Lucio; Metcalf; Meyer; Miller; Minjarez; Moody; Morrison; Muñoz; Murphy; Murr; Neave; Nevárez; Oliveira; Oliverson; Ortega; Paddie; Parker; Paul; Perez; Phelan; Phillips; Pickett; Price; Raney; Raymond; Reynolds; Roberts; Rodriguez, E.; Rodriguez, J.; Romero; Rose; Schaefer; Schofield; Schubert; Shaheen; Sheffield; Shine; Simmons; Smithee; Springer; Stephenson; Stickland; Stucky; Swanson; Thierry; Thompson, E.; Thompson, S.; Turner; Uresti; VanDeaver; Villalba; Vo; Walle; White; Wilson; Wray; Wu; Zedler.

Present, not voting — Mr. Speaker(C).

Absent, Excused — Anchia; Faircloth; Rinaldi; Sanford; Tinderholt; Workman; Zerwas.

Absent — Dukes; Farrar; Martinez.

STATEMENTS OF VOTE

When Record No. 28 was taken, I was in the house but away from my desk. I would have voted yes.

Dukes

When Record No. 28 was taken, I was in the house but away from my desk. I would have voted yes.

Martinez

HB 10 ON THIRD READING**(by Walle, S. Davis, Minjarez, Howard, et al.)**

HB 10, A bill to be entitled An Act relating to maternal morbidity and pregnancy-related deaths.

HB 10 was passed by (Record 29): 138 Yeas, 0 Nays, 1 Present, not voting.

Yeas — Allen; Alonzo; Alvarado; Anderson, C.; Anderson, R.; Arévalo; Ashby; Bailes; Bell; Bernal; Biedermann; Blanco; Bohac; Bonnen, D.; Bonnen, G.; Burkett; Burns; Burrows; Button; Cain; Canales; Capriglione; Clardy; Coleman; Collier; Cook; Cortez; Cosper; Craddick; Cyrier; Dale; Darby; Davis, S.; Davis, Y.; Dean; Deshotel; Dutton; Elkins; Fallon; Flynn; Frank; Frullo; Geren; Gervin-Hawkins; Giddings; Goldman; Gonzales; González; Gooden; Guerra; Guillen; Gutierrez; Hefner; Hernandez; Herrero; Hinojosa; Holland; Howard; Huberty; Hunter; Isaac; Israel; Johnson, E.; Johnson, J.; Kacal; Keough; King, K.; King, P.; King, T.; Klick; Koop; Krause; Kuempel; Lambert; Landgraf; Lang; Larson; Laubenberg; Leach; Longoria; Lozano; Lucio; Metcalf; Meyer; Miller; Minjarez; Moody; Morrison; Muñoz; Murphy; Murr; Neave; Nevárez; Oliveira; Oliverson; Ortega; Paddie; Parker; Paul; Perez; Phillips; Pickett; Price; Raney; Raymond; Reynolds; Roberts; Rodriguez, E.; Rodriguez, J.; Romero; Rose; Schaefer; Schofield; Schubert; Shaheen; Sheffield; Shine; Simmons; Smithee; Springer; Stephenson; Stickland; Stucky; Swanson; Thierry; Thompson, E.; Thompson, S.; Turner; Uresti; VanDeaver; Villalba; Vo; Walle; White; Wilson; Wray; Wu; Zedler.

Present, not voting — Mr. Speaker(C).

Absent, Excused — Anchia; Faircloth; Rinaldi; Sanford; Tinderholt; Workman; Zerwas.

Absent — Dukes; Farrar; Martinez; Phelan.

STATEMENTS OF VOTE

When Record No. 29 was taken, I was in the house but away from my desk. I would have voted yes.

Dukes

When Record No. 29 was taken, I was in the house but away from my desk. I would have voted yes.

Martinez

When Record No. 29 was taken, I was in the house but away from my desk. I would have voted yes.

Phelan

HB 11 ON THIRD READING**(by Thierry, S. Thompson, Zerwas, Collier, et al.)**

HB 11, A bill to be entitled An Act relating to pregnancy-related deaths and maternal morbidity, including postpartum depression.

Amendment No. 1

Representative Thierry offered the following amendment to **HB 11**:

Amend **HB 11** on third reading in the SECTION of the bill amending Section 34.001(12), Health and Safety Code, between "obstetric death" and the period, by inserting "~~but not from accidental or incidental causes~~".

Amendment No. 1 was adopted.

Amendment No. 2

Representative Uresti offered the following amendment to **HB 11**:

Amend **HB 11** (as amended on second reading) in Subsection (a-2) of Section 193.001 of the Health and Safety Code by inserting ". if known" between "in the year preceding the decedent's death" and the period.

Amendment No. 2 was adopted.

(Martinez now present)

HB 11, as amended, was passed by (Record 30): 140 Yeas, 0 Nays, 1 Present, not voting.

Yeas — Allen; Alonzo; Alvarado; Anderson, C.; Anderson, R.; Arévalo; Ashby; Bailes; Bell; Bernal; Biedermann; Blanco; Bohac; Bonnen, D.; Bonnen, G.; Burkett; Burns; Burrows; Button; Cain; Canales; Capriglione; Clardy; Coleman; Collier; Cook; Cortez; Cospere; Craddick; Cyrier; Dale; Darby; Davis, S.; Davis, Y.; Dean; Deshotel; Dutton; Elkins; Fallon; Flynn; Frank; Frullo; Geren; Gervin-Hawkins; Giddings; Goldman; Gonzales; González; Gooden; Guerra; Guillen; Gutierrez; Hefner; Hernandez; Herrero; Hinojosa; Holland; Howard; Huberty; Hunter; Isaac; Israel; Johnson, E.; Johnson, J.; Kacal; Keough; King, K.; King, P.; King, T.; Klick; Koop; Krause; Kuempel; Lambert; Landgraf; Lang; Larson; Laubenberg; Leach; Longoria; Lozano; Lucio; Martinez; Metcalf; Meyer; Miller; Minjarez; Moody; Morrison; Muñoz; Murphy; Murr; Neave; Nevárez; Oliveira; Oliverson; Ortega; Paddie; Parker; Paul; Perez; Phelan; Phillips; Pickett; Price; Raney; Raymond; Reynolds; Roberts; Rodriguez, E.; Rodriguez, J.; Romero; Rose; Schaefer; Schofield; Schubert; Shaheen; Sheffield; Shine; Simmons; Smithee; Springer; Stephenson; Stickland; Stucky; Swanson; Thierry; Thompson, E.; Thompson, S.; Turner; Uresti; VanDeaver; Villalba; Vo; Walle; White; Wilson; Wray; Wu; Zedler.

Present, not voting — Mr. Speaker(C).

Absent, Excused — Anchia; Faircloth; Rinaldi; Sanford; Tinderholt; Workman; Zerwas.

Absent — Dukes; Farrar.

STATEMENT OF VOTE

When Record No. 30 was taken, I was in the house but away from my desk. I would have voted yes.

Dukes

HB 28 ON THIRD READING**(by Ortega, Klick, Howard, Burkett, Neave, et al.)**

HB 28, A bill to be entitled An Act relating to the membership of the Maternal Mortality and Morbidity Task Force.

HB 28 was passed by (Record 31): 139 Yeas, 0 Nays, 1 Present, not voting.

Yeas — Allen; Alonzo; Alvarado; Anderson, C.; Anderson, R.; Arévalo; Ashby; Bailes; Bell; Bernal; Biedermann; Bohac; Bonnen, D.; Bonnen, G.; Burkett; Burns; Burrows; Button; Cain; Canales; Capriglione; Clardy; Coleman; Collier; Cook; Cortez; Cosper; Craddick; Cyrier; Dale; Darby; Davis, S.; Davis, Y.; Dean; Deshotel; Dutton; Elkins; Fallon; Flynn; Frank; Frullo; Geren; Gervin-Hawkins; Giddings; Goldman; Gonzales; González; Gooden; Guerra; Guillen; Gutierrez; Hefner; Hernandez; Herrero; Hinojosa; Holland; Howard; Huberty; Hunter; Isaac; Israel; Johnson, E.; Johnson, J.; Kacal; Keough; King, K.; King, P.; King, T.; Klick; Koop; Krause; Kuempel; Lambert; Landgraf; Lang; Larson; Laubenberg; Leach; Longoria; Lozano; Lucio; Martinez; Metcalf; Meyer; Miller; Minjarez; Moody; Morrison; Muñoz; Murphy; Murr; Neave; Nevárez; Oliveira; Oliverson; Ortega; Paddie; Parker; Paul; Perez; Phelan; Phillips; Pickett; Price; Raney; Raymond; Reynolds; Roberts; Rodriguez, E.; Rodriguez, J.; Romero; Rose; Schaefer; Schofield; Schubert; Shaheen; Sheffield; Shine; Simmons; Smithee; Springer; Stephenson; Stickland; Stucky; Swanson; Thierry; Thompson, E.; Thompson, S.; Turner; Uresti; VanDeaver; Villalba; Vo; Walle; White; Wilson; Wray; Wu; Zedler.

Present, not voting — Mr. Speaker(C).

Absent, Excused — Anchia; Faircloth; Rinaldi; Sanford; Tinderholt; Workman; Zerwas.

Absent — Blanco; Dukes; Farrar.

STATEMENT OF VOTE

When Record No. 31 was taken, I was in the house but away from my desk. I would have voted yes.

Dukes

GENERAL STATE CALENDAR**HOUSE BILLS****SECOND READING**

The following bills were laid before the house and read second time:

CSHB 20 ON SECOND READING**(by Ashby, Darby, VanDeaver, Zerwas, Howard, et al.)**

CSHB 20, A bill to be entitled An Act relating to an appropriation of money from the economic stabilization fund to decrease participants' health insurance costs for certain health benefit plans administered by the Teacher Retirement System of Texas.

(Workman now present)

CSHB 20 - REMARKS

REPRESENTATIVE ASHBY: Members, as you recall, back during the regular session the legislature took decisive action to maintain solvency for TRS-Care. In addition to the structural changes to the plan design, **HB 3976**, which passed this house unanimously, included increases to the plan from the state and the school districts totalling approximately \$484 million a year. Like many of you, in the few weeks that I was home, I heard from hundreds of both active and retired teachers across the state about how these changes would impact their lives, and it became apparent to me that more needed to be done if possible. In the days leading up to this special session, I was pleased to hear that our colleagues in the senate, as well as our governor, agreed that more can and should be done for our retired teachers. As a result, I bring to you **CSHB 20** today, which seeks to alleviate some of the financial burden on our retired teachers.

What this bill does is appropriate \$212.7 million from the economic stabilization fund to help bring down the premiums, deductibles, and out-of-pocket expenses for participants in TRS-Care. Now, as you all know, the solvency of TRS-Care is an issue that will continue to face subsequent legislatures. While there are some aspects of this discussion that we cannot control, such as the rapidly rising cost of health care nationwide, I believe it is our duty and obligation to help ease the burden on our retired teachers as best we can.

The changes I bring today provide assistance in the areas where we've heard the loudest cry from those retirees. During the regular session, as you recall, the will of the house was to help retired teachers, and it clearly existed in the form that we needed to inject more money to maintain the solvency of TRS-Care. And as I indicated, the bill passed unanimously in this house. After having many discussions with those of you on this floor, I know that will still exists today to help our retired teachers. And so it's an honor for me to stand before you today, and I believe the time is right to continue to provide some help and assistance to our retired teachers.

REPRESENTATIVE SIMMONS: First of all, I want to thank you for the work that you did during the regular session and your workgroup team. I thought you came up with a great solution then that I supported. I will support this bill as well. As you know, I voted for it in committee. Retired teachers are important in my family; my mom and dad are both retired teachers. In fact, my dad just retired at age 81 as a high school band director.

ASHBY: Wow, congratulations.

SIMMONS: So it's important for sure. The only concern, as we talked about in committee, is the funding source. I know we don't have many options, so I appreciate what you're doing. I'm a little concerned that we're making a one-time payment—which this is a one-time—but it's for an ongoing expense. And so I know that it's not your intent for this to continue to be, in the future, taken out of the ESF, but it would be part of the general budget. Is that correct?

ASHBY: That is absolutely correct, as mentioned in the layout. **HB 3976** was a big step in helping to maintain the solvency of TRS-Care, but you're exactly right. The bill I bring before you today is a one-time expenditure from the ESF. And it's certainly not my inclination to come back to the well of this house and ask for that again, because I'm hopeful that next session we can continue to work on making additional improvements to our TRS-Care system—something I think that everybody in this body shares.

SIMMONS: I want to make sure the body understands that as well, so thank you. I also would assume that as this gets passed out of here and over to the senate, there will continue to be discussions about the funding source and whether or not it ends up being ESF or we magically find some money some other places. Is that—would that be normal?

ASHBY: Absolutely, and thank you for the question. I want to be clear on this. The reason we bring this bill to the floor of the house this morning using the economic stabilization fund is because in looking at the options on the table, and there aren't many, this clearly, in our opinion at this point in time, is the best method to look at because we actually have the cash or the funds to pay for this \$212 million expenditure, which would be right at two percent of the amount in our economic stabilization fund. There's no question that as we go forward that we're going to have to talk about how we go about looking at this. I'll tell this body the same as I told you in committee when you asked the question and same thing I told the governor last week. It's my intention to keep an open mind as we look at methods of finance. At this point, we believe this is the preferred method, but certainly in working with our leadership and working with the other team over there, we share the common vision, as does the governor. We want a bill he can sign before we leave this special session. So we're going to continue to work on this.

SIMMONS: I think this is something that everybody agrees on. As I told you in the committee, I'd be happy to work with you on this in the interim and in the future because I think it's important. It's our largest retiree group in the entire state of our largest employee group in the entire state. So it's very important. We've got to try to thread the needle in the right place. Thank you, Representative Ashby.

ASHBY: Thank you, Representative Simmons, for your commitment to our retired teachers.

REPRESENTATIVE HUBERTY: Thank you for all your work that you've done on this. I know during the regular session we had a working group talking about this, and we came up with a solution that we didn't get all of the way there from the end.

ASHBY: That's correct.

HUBERTY: And I appreciate you taking the time to do this. So the impact is retired teachers—can you just tell the body, on average what's the average pay that a retired teacher has right now?

ASHBY: Absolutely. Thank you, Chairman Huberty. As a reminder, colleagues, the average retired annuity from the TRS pension for our retired teachers is approximately \$2,000 a month. And when you look at what we've done in **HB 3976**, depending on the situation, that could be half of their monthly annuity now being paid just on their health insurance of TRS-Care. I think it's also important to point out that unlike most people in other public sectors and certainly in the private sector, our active teachers—95, 96 percent of them do not have the option of paying into social security. And so when you talk about retirement security for our retired teachers, in most of the cases there is no social security option out there for them, and so this \$2,000 a month on average is all they get. I think that's why for over 12 years the legislature has held our premiums consistent and constant for our retired teachers, because we all understand and recognize what they have to work with, and we're very sensitive to rewarding and honoring those that are engaged in this very noble profession.

HUBERTY: Chairman Ashby, when's the last time that they got a COLA increase, as an example?

ASHBY: It's been over 10 years.

HUBERTY: Over 10 years. So any impact that we have on increasing premiums—we're not giving them any more money, and they have an average of \$2,000. So any increase that we have is a direct impact to their—they have to cut something out of their budget, right?

ASHBY: Absolutely.

HUBERTY: Which they don't have—you know, think about that, members, for those of us that have to live there on that kind of resource. My last question, Chairman Ashby, is this. What is the impact if we don't do this to those teachers? What is the economic impact it has by us not spending this money?

ASHBY: That's a great question, and of course, it varies depending on the retired teacher and their situation in terms of their annuity as well as their expenditure and which plan they choose to participate in as far as TRS-Care. But I think everybody in this room knows the answer to that question, because I have no doubt that as we have gone back to our districts, that you have heard from our retired teacher community about doing something to try to alleviate some of the burden that was put on them back during the regular session. So I think without question, Chairman Huberty, that what we're doing today is sending a signal that we've heard them. In my district, I can just tell you, this is the number one issue as far as what I have heard about back home. And I know, having visited with dozens of members on this floor, that this is the same in their districts. So today, I think the house can send a strong signal that we have heard that cry and that we're going to respond in the best effort that we can.

HUBERTY: Chairman, thank you for your hard work on this, and thank you for your support of this. This is the most important bill, I believe, we have this session. So thank you very much.

REPRESENTATIVE Y. DAVIS: I want to join those in thanking you for your efforts in this regard. But I have a question with regard to how many other retirees are we not doing anything for. Based on this bill, this is kind of limited in terms of who actually gets some relief, and I'm just curious as to how many other retirees who are retired and not getting any kind of support or help. What's that difference here?

ASHBY: Thank you for the question, and that is a good question. Members, what you're going to see when you look at the plan here is that we've touched just about every group in terms of bringing down the deductibles, as well as the premiums, in every category except for the retiree-only. And as you look at what we did in the regular session, the outcry wasn't from the retiree-only, because those increases were fairly modest. Where you really saw the significant increases in terms of TRS-Care premiums and deductibles was in those retirees and spouses; retirees, spouses, and families; and those with adult disabled children. So what we've done, Representative Davis, is with a limited amount of money of \$212 million, we've applied that to the areas where we felt like that we were hearing the loudest outcry for help.

Y. DAVIS: And I'm not questioning the need to do this for those retirees. My question has to do with how many or what percentage of retirees that we do nothing for. Are you able to tell us that? Because while I've heard from this group I've also heard from my other retirees, and they're concerned that they're being left out. So I just want to ask that question in terms of overall what did we do for the rest of the body of retirees that we support?

ASHBY: Okay, well, I'm going to have to get a little wonky here with you. I have a chart that's been provided by TRS. So when you talk about retiree-only—of course in the Medicare-eligible 65-and-older category, which is the largest category—as you recall, back under **HB 3976**, their premiums were largely held constant at \$147, which is what they had been experiencing. And 116,860 retired teachers fall into that category of Medicare Part A and B. Medicare Part B was 14,257. For the non-Medicare, the pre-65 category, you have exactly 36,365 retiree-only participants in TRS-Care. So the balance of the pre-65 category would experience relief under this bill.

Y. DAVIS: I'm having a difficult time hearing you. Your initial number for Part A and B was 116,000 retirees?

ASHBY: It's 116,860.

Y. DAVIS: For those, are we providing them any kind of relief or any kind of reduction?

ASHBY: Not for the retiree-only. And again, Representative Davis, we didn't increase the premium for that category in the bill back during regular session.

Y. DAVIS: But isn't it true that they've not had any kind of increase in the last few years as well? Isn't that true?

ASHBY: Correct, they have not had a cost-of-living adjustment in, I know, at least over 10 years. I can't be specific.

Y. DAVIS: I just want to illustrate to the members that while this is a first step, and I applaud your efforts—I think it's right that we do something—I don't want us to lose sight that there's 116,000 retirees who will receive no kind of support, increase, or reduction. Is that correct?

ASHBY: That is correct.

Y. DAVIS: And the Part B is 14,000? What was that number?

ASHBY: It's 14,257.

Y. DAVIS: Of those folks, they didn't receive any kind of reduction and/or increase or anything, and they've not had a COLA in the last 10 years as well. Is that correct?

ASHBY: That's correct.

Y. DAVIS: So we are addressing 36,000 retirees only. We're not dealing with the other 130,000 retirees who we've not provided any kind of support or relief for. Is that correct?

ASHBY: I'm going to rephrase, but yes, we're dealing with all of the hundreds of thousands of retirees that participate in TRS-Care by retiree and spouse; retiree, spouse, and family; or retiree, spouse, and children. Yes.

Y. DAVIS: But that's the 36,000. Is that right?

ASHBY: You're talking about people that benefit from the bill?

Y. DAVIS: Yes.

ASHBY: Oh, the people that would benefit? You're looking at over 100,000 retirees that would benefit from the bill, that fall into the other categories.

Y. DAVIS: What was the 36,000 number you gave me?

ASHBY: That's 36,365 was the non-Medicare eligible participants or pre-65 that have only the retiree-only plan currently.

Y. DAVIS: And that's what this bill addresses, right? Isn't this what your bill is addressing?

ASHBY: It addresses both categories, pre-65 as well as the Medicare-eligible.

Y. DAVIS: Okay. And so when I ask you about the 116,000—but they don't get any benefit, right?

ASHBY: No, ma'am. There's nothing in this bill that's going to lower the premium for those retiree-only. So the answer is, you're correct. In the category of retiree-only, for Medicare Part A and B, 116,000, their premiums, because we kept them the same under our new plan—they get no additional relief on their premium.

Y. DAVIS: I want to be clear, because I had some members from my district tell me that they've not received COLAs or any kind of relief in the last 10 or 12 years.

ASHBY: Yes, ma'am, that is correct.

Y. DAVIS: So that is accurate?

ASHBY: Yes, ma'am, it sure is.

Y. DAVIS: I don't want to demean and/or undermine what you're doing for those you're doing it for. I just want us to be clear that we still have work to do because members who don't fit under this category are not receiving any kind of support from this legislature at this time. Is that correct?

ASHBY: Yes.

REPRESENTATIVE KRAUSE: I do appreciate the work you did in the regular session and that you're doing now to take care of this group that we made a lot of promises to. My question is, last session we passed \$2 billion worth of tax relief, property tax relief, but when we got home they only realized maybe about \$120 or \$140 worth of that, and it didn't really have any meaningful effect. What's going to be the actual decrease in premiums for these retired teachers by spending this \$212 million, and is it going to be actually meaningful for them?

ASHBY: Thank you for the question. So let me be specific in my answer to you. We're reducing the deductibles for our non-Medicare pre-65 retirees by half. We're taking it from \$3,000 currently to \$1,500. So that's \$1,500 to the bottom line in their pocket—so \$1,500, which was the most costly part of this plan. Additionally, what we're doing is we're reducing the premiums for those retirees with adult disabled children—approximately \$250 a month for that category. We're reducing the maximum out-of-pocket expenses for all pre-65 retirees by \$1,000 from \$6,650 to \$5,650. We're reducing premiums for both categories, pre-65 and Medicare-eligible, if they have their spouse on the plan. That costs \$71 million of the \$212 million. So it's basically taking the premiums down \$1,000 a month if it's a retiree and spouse participant. And then what we're doing is we're reducing the premiums for those people that participate who have children on their plan, and that includes those with adult disabled children as well. And we're taking those down, again, approximately \$75 to \$100 a month. So all in all, you're looking at \$212 million that we're applying to the categories of participants from our retired teachers that saw the most significant increases under the bill we passed during session, and we're trying to provide some relief to those specific categories.

KRAUSE: Okay, so it sounds like the biggest relief is going to come in those deductible reductions, and that's across the board for everybody. Is that correct?

ASHBY: Yes. Simply put—and getting away from the numbers here—absolutely. What we're doing is we're reducing premiums, deductibles, and maximum out-of-pocket expenses for those participants.

KRAUSE: So you feel very good that we're not going to go home and say, "Hey, we brought you relief," and they're going to say, "What relief? I don't see it." You really feel like this is going to be meaningful?

ASHBY: Absolutely, and I want to be clear. We've worked very closely with the Texas Retired Teachers Association in crafting this and listening to their concerns of the 100,000-plus retired teachers that they represent. So this is not just, you know, staff sitting at a desk throwing darts at a dart board. This is actually coming from those that are impacted and participate in TRS-Care through the Retired Teachers Association. And if I could, I would just add that the active teachers are so engaged in this issue because they are going to be retirees, and so they're invested in what we do here today. So I would just say that when we had a hearing on this bill in the Appropriations Committee last week, the Retired Teachers Association and every teacher group in the State of Texas testified in support of this bill. So yes, you can go back home, and I hope you get credit for what we're trying to do here.

REPRESENTATIVE ZEDLER: Listen, thank you for being here. Everybody agrees that we need to do something about the insurance premiums and things for the retired teachers and for the teachers. Let me ask you this, though. As I understand it, the senate has another way of funding this and that is to have transfer of payments within the budget. Is there any reason why we wouldn't consider doing that so it would match up?

ASHBY: Sure, and thank you for your question. So when you look at the method of finance that the senate had used, in visiting with Chairman Zerwas, who unfortunately couldn't be with us today, what we believe is that when you talk about the transfer or the delay or deferred payment to our Medicare MCO organizations, essentially, as you recall back during the budget debate, we've already underfunded, intentionally, Medicaid to the tune of \$1.1 billion to \$1.2 billion—which we'll be staring at in a supplemental coming back in the 86th Session. And so two things: One, when you look at the fact that already we don't have any money to make the last payment in the next biennium, the argument kind of rings hollow that somehow we can delay or defer a payment when there's not any money to delay and defer. Secondly, when you talk about the MCO deferral, what I have heard in talking to some of our local health care providers is if they're not reimbursed for the care that they're providing, that's going to have a significant impact on their ability to provide local health care. And certainly that's not to say anything with respect to the MCOs and what they may or may not be doing with respect to bond issuances and whatnot.

And lastly, Representative Zedler—because I really do appreciate that question—when you talk about an MCO deferral, unlike a deferral that we have done in this body numerous times like on a Foundation School Program where we get to come back the next session and true that up, when you look at the MCO deferral that the senate has contemplated, essentially what we're doing is giving the commissioner, not the legislature, the authority to make that payment or not. And so I think there's a lot of questions about whether or not that truly is something that I think adheres to what we all try to adhere to, which is maintaining fiscal responsibility and discipline. And so I don't want to be too critical, because I said a minute ago I'm trying to keep all options on the table,

but at the same time I think that we've really got to think through that. And based on the information that I've been given, I just don't think that's the fiscally prudent thing to do.

ZEDLER: But let me ask you this, because I think for, I believe, everybody the real issue is where do we get the money from. And you're taking the money from the economic stabilization fund, and I think suggesting that this is only a one-time thing because one of the issues with the economic stabilization fund is it should be done for one-time expenses. Was there something that happened during the regular session where we did not go and fund this then—has something happened since then to show that this is a one-time expense?

ASHBY: Well, again, thank you for your question. So let me go back to the regular session. Yes, something has changed. This body unanimously voted to spend \$500 million from the rainy day fund for our retired teachers. That was unanimously. There were, I think, three or four people absent. So everybody was already on record having supported tapping the rainy day fund for our retired teachers. But what happened is when the bill went to the senate, it dropped to \$350 million, and we compromised and used general revenue. So we basically took a three-year solvency bill that we were excited to pass in this body and dropped it down to a two-year Band-Aid. So that's essentially where we are right now with the current law, **HB 3976**. It's a two-year fix.

But as far as the economic stabilization fund, as I said earlier, when you look at \$212 million—and intelligent people can argue about whether or not it should be a one-time expenditure out of the rainy day fund—obviously we're talking about two percent of the rainy day fund. You know, my profession is a banker. And when you're giving me the option of paying cash for something versus putting a credit card debt on another credit card, which is essentially what the MCO deferral is, that just doesn't make good fiscal conservative common sense.

ZEDLER: Well, I agree with you. The difference is that at least we're not taking money out of the economic stabilization fund as opposed to delaying the payment to the managed care organizations who, quite frankly, I think that's the other problem with a lot of what's going on. We're not going after the sources of some of the problems, and some of the sources of the problems are the managed care organizations. So quite frankly, what we ought to be doing is delaying the payments to them, not taking money from the economic stabilization fund. So I think we ought to consider doing that in view of the fact that we're dealing with a private entity that, quite frankly, has done a pretty poor job of managing care.

ASHBY: I'll just comment. I want to be clear. We're talking about TRS-Care with this bill, and what we're going to do, if anything, is provide some additional relief. Your point about mismanagement or abuse in the MCO world—that's a separate discussion as far as Health and Human Services and Article II. This bill—again, what I'm proposing is let's pay cash out of the ESF rather than incur more debt by deferring and delaying a payment. Again, maybe it's just my country common sense, but if you have money in the bank, let's pay for it.

ZEDLER: Well, the difference is the money in the bank for what? It's one-time purposes. It's the economic stabilization fund, and it's really designed for when you have shortfalls as opposed to well, we didn't quite manage things in the budget the way we should have.

ASHBY: I know you've listened to a lot of discussions on this floor, Representative Zedler, as I have. There's a healthy debate about that point you're making on your opinion about whether it's for one-time expenditures or not. We've heard a lot of testimony from people that were there when it was created that that wasn't the case. It was supposed to, as you said, smooth out those economic times when we needed to dip into our mattress or our savings account. But I respect your opinion on that, and I appreciate what you have to say.

REPRESENTATIVE DARBY: Representative Ashby, we certainly appreciate your effort not only during this special session but certainly during the regular session to try to help this group of folks that have been disproportionately, if you will, affected by some of the decisions that the state has made. Would you agree that the state has managed to hold premiums the same for 12, 13 years? Is that correct?

ASHBY: Yes, sir.

DARBY: Okay. And so would you not agree also that tens of thousands of retirees and their families have suffered and will suffer through economic destabilization as a result of the decisions made by this legislature and the rising health care premiums that they and their families are going to have to endure?

ASHBY: No question.

DARBY: My question has to do with the economic stabilization fund. We have what, over \$10.2 billion in that fund?

ASHBY: I believe that's correct. Yes, sir.

DARBY: It's going to rise to somewhere around \$11 billion. Is that correct?

ASHBY: That is correct. And if I could, on that point, Representative Darby, members, for those of you that weren't listening in or weren't in attendance last week at the Appropriations Committee hearing—and this is good news what I'm about to share with you—the comptroller's office testified that from January of this year to July we've already seen an uptick in our economic stabilization fund, and I give Representative Howard credit for asking the question, of about \$150 million. So the point was, why don't we just take the increase in the ESF and apply it to pay for this bill? That's an idea. But my point is that yes, that number is definitely headed in the right direction.

DARBY: That's what I was going to point out. As chairman of House Energy, I'm acutely aware that we're having an economic and business recovery, if you will, in the oil and gas industry, and it's resulting in more severance taxes that will pour over into the stabilization fund. And over the biennial revenue estimate, it should be at least \$150 million more that we should have in that account than originally estimated by the comptroller. Is that not correct?

ASHBY: That is absolutely correct.

DARBY: So I think the point that you're trying to make—and the members behind you and everybody on this floor—is that we have a vulnerable group of people that have, in effect, had their economics destabilized by the decisions that have been made by this legislature and not funding their health care premiums as we've done 13 years previously. So because of that destabilization, we're recognizing that that need needs to be fulfilled. And therefore, we're going to take funds out of an account for economic stabilization, and we're going to stabilize their family's finances, and for that I thank you, Chairman Ashby.

ASHBY: Thank you, Chairman Darby. I couldn't have said it better myself.

REPRESENTATIVE GEREN: Mr. Ashby, are you aware that the rating agencies are concerned with the amount of money that we're accumulating in the rainy day fund, and at some point we're either going to have to give it back to the people paying it—ExxonMobil, Shell, ConocoPhillips—or we're going to have to spend some of it? Are you aware of that?

ASHBY: I am aware of that, and I, like you, have sat through testimony from Comptroller Hegar telling us that fact.

Amendment No. 1

Representative Muñoz offered the following amendment to **CSHB 20**:

Amend **CSHB 20** (house committee report) by adding the following appropriately numbered SECTION to the bill and renumbering the SECTIONS of the bill accordingly:

SECTION _____. Section 1575.202(a), Insurance Code, as effective September 1, 2017, is amended to read as follows:

(a) Each state fiscal year, the state shall contribute to the fund an amount equal to 1.579 [~~1.25~~] percent of the salary of each active employee.

AMENDMENT NO. 1 - REMARKS

REPRESENTATIVE MUÑOZ: This amendment increases the state's statutory contribution to TRS-Care from 1.25 percent to 1.579 percent to demonstrate our commitment to our retired teachers by making it a down payment on a long-term solution for TRS-Care. Currently in **CSHB 20**, we only have a one-time appropriation in the increase of the contribution amount. During the regular session, we increased the statutory contribution with the passage of **HB 3976**. This amendment seeks to build on what we have already done. As y'all are aware, before **HB 3976**, the contribution rate was one percent. **HB 3976** made it 1.25 percent. The one percent has been in effect for about 14 years. So currently, what we're trying to do is to make the 1.579 percent permanent in the future and not just a one-time commitment. And with that, I move passage.

ASHBY: Members, I appreciate Representative Muñoz. As best as I understand what he was just telling me about his amendment—let me say this. If we were back during the regular session and he was offering this amendment, I might feel differently on it, because personally, having studied this along with a number of you, there's no question that we're going to have to have a real serious discussion

in the next session about how we go about funding TRS-Care. But I can also tell you it was a Herculean effort to get from one percent to 1.25 percent that we all voted for in **HB 3976**. But to sit here in a special session without having the privilege of committee discussion, testimony, looking at the impact this would have on our state—and again, I'm not sure how we're going to pay for this. I'm not saying that we shouldn't. I'm just not sure how we're going to pay for this.

And so I think that the prudent thing to do at this point is to hit pause on this amendment. There's no question that we'll probably have an interim study, maybe another joint interim study with the senate, to look at this issue one more time as to how we go about ensuring the long-term solvency of TRS-Care. But I think we need to be careful just coming to the floor and raising the state premium at this point in a special session. And for that reason, unfortunately, I move to table the amendment.

Representative Ashby moved to table Amendment No. 1.

MUÑOZ: Our understanding in working with the association was that the contribution array was to be increased to deal with the additional funds in **CSHB 20**, and what we're trying to do is to make sure that we can make that commitment long term instead of a one-time appropriation. So with that, I would just ask you to vote against the motion to table.

The motion to table prevailed by (Record 32): 89 Yeas, 50 Nays, 1 Present, not voting.

Yeas — Anderson, C.; Anderson, R.; Ashby; Bailes; Bell; Biedermann; Bohac; Bonnen, D.; Bonnen, G.; Burkett; Burns; Burrows; Button; Cain; Capriglione; Clardy; Cook; Cospser; Craddick; Cyrier; Dale; Darby; Davis, S.; Dean; Deshotel; Elkins; Fallon; Flynn; Frank; Frullo; Geren; Goldman; Gonzales; Hefner; Holland; Huberty; Hunter; Isaac; Kacal; Keough; King, K.; King, P.; Klick; Koop; Krause; Kuempel; Lambert; Landgraf; Lang; Larson; Laubenberg; Leach; Longoria; Lozano; Metcalf; Meyer; Miller; Morrison; Murphy; Murr; Oliverson; Paddie; Parker; Paul; Phelan; Price; Raney; Roberts; Schaefer; Schofield; Schubert; Shaheen; Sheffield; Shine; Simmons; Smithee; Springer; Stephenson; Stickland; Stucky; Swanson; Thompson, E.; VanDeaver; Villalba; White; Wilson; Workman; Wray; Zedler.

Nays — Allen; Alonzo; Alvarado; Arévalo; Bernal; Blanco; Canales; Coleman; Collier; Cortez; Davis, Y.; Dutton; Gervin-Hawkins; González; Gooden; Guerra; Guillen; Gutierrez; Hernandez; Herrero; Hinojosa; Howard; Israel; Johnson, E.; Johnson, J.; King, T.; Martinez; Minjarez; Moody; Muñoz; Neave; Nevárez; Oliveira; Ortega; Perez; Phillips; Pickett; Raymond; Reynolds; Rodriguez, E.; Rodriguez, J.; Romero; Rose; Thierry; Thompson, S.; Turner; Uresti; Vo; Walle; Wu.

Present, not voting — Mr. Speaker(C).

Absent, Excused — Anchia; Faircloth; Rinaldi; Sanford; Tinderholt; Zerwas.

Absent — Dukes; Farrar; Giddings; Lucio.

STATEMENT OF VOTE

When Record No. 32 was taken, I was in the house but away from my desk. I would have voted no.

Dukes

(Dukes now present)

CSHB 20 - REMARKS

REPRESENTATIVE SCHOFIELD: As you know, what this bill does on the receiving end is very important, and I have not talked to a member of this house who is against giving more money to our retired teachers and making sure that we can shore up their retirement. And we did a pretty good job in the regular session, but we didn't do a good enough job. I haven't found anybody who wants to tamper with that part of the bill. However, taking the money out of the rainy day fund is unnecessary and frankly isn't going to happen. It is a false promise to our teachers. I do not believe the senate is going to go along with it.

So I had proposed an amendment that was ruled to be not germane or changed the purpose that would have allowed you to vote to not take the money from the rainy day fund but to take the exact same amount of money by deferring payments to the managed care organizations by two weeks. That's what the senate chose to do. It actually would not defer any payments to managed care organizations at all, because they don't get paid until the 10th business day of September, irrespective of whether we appropriate the money August 14th or September 2nd as my amendment would have. However, we're not going to have that vote.

What I propose to do for those members for whom voting to break into the rainy day fund is a bad vote for obvious reasons that it's a bad idea to set the precedent of starting to break into the rainy day fund for ongoing expenses when the comptroller has told us that if we're going to lower the rainy day fund it should be for paying down debt on things like roads and things like that that the bonding agencies will notice and will help give us a better rating—so what I am proposing to do is I am going to file a reason for vote with the clerk that will say, for those of us who do not intend to break the rainy day fund but don't want to vote against our teachers either, because this vote puts us up between a rock and a hard place, that we are voting for this bill to move it forward in the process so we can go negotiate with the senate but do not consider the rainy day fund to be the appropriate funding source of this bill. If it comes back that way, I'm not voting for it. But it won't come back that way.

So I am speaking on the bill, not against it, because we do desperately need to provide for our retired teachers the help that they need. So what I am, again, proposing to do—I'm going to vote for the bill even though the rainy day fund is the wrong source in order to get it across to the senate so we can get this priority of the governor's done, let us move forward with the senate, and try to make a better bill.

REPRESENTATIVE STICKLAND: Representative Schofield, have you been getting correspondence and been contacted by retired teachers in your district?

SCHOFIELD: Oh, certainly. I had a town hall meeting where probably a third of the people there were retired teachers, and they were very upset about the fact that although we had given them additional money—was it \$380 million? I can't remember the amount anymore—that it wasn't enough to catch up with the extremely fast rising cost of health care.

STICKLAND: When they asked you to do something about it and to address the situation, did any of them ask you to do it for just a two-year period? Or do they expect this being something that we do ongoing for them?

SCHOFIELD: No, they expect an ongoing, continuing fix. They do not consider this bill or any one single bullet to be the bill that brings them up to where the situation is solved.

STICKLAND: And is it not true that if the rainy day fund now becomes, as this bill is currently proposing, the funding source for subsidizing the cost of TRS-Care, that this is something that we as a body would have to reauthorize every session with more than 100 votes?

SCHOFIELD: I believe it's three-fifths. I don't think it's 100.

STICKLAND: Okay, but we would have to reauthorize this every two years.

SCHOFIELD: In the rainy day fund section, there are two types of votes that need to be three-fifths. One is three-fifths of the members—I think it's both three-fifths of the members present—and the other is two-thirds. I don't know which vote it takes, but it takes a supermajority. The problem is this is not a one-time problem; this is an ongoing problem. And this is not the only group of people in Texas that thinks we need to spend more money. There are people that think that we need to spend more money on mental health. There are people who think we need to spend more money on having youngsters avoiding prison by doing things in their communities that will get them on the right path. There are people that think we need to spend more money on education for people who have disabilities. There are all kinds of very worthy causes, and the purpose of having an appropriations process is to take the amount of money we have available and within that amount of money, prioritize. We prioritized. We passed the budget. Now, we're coming back to take more money out of the rainy day fund. If you start that process, it will never stop.

STICKLAND: So I just want to be clear. Of all the retired teachers who came to you, sent you an e-mail, wrote you a letter, called your office, whatever they did, all of them wanted you to fix the problem, not put a Band-Aid on it, correct?

SCHOFIELD: That is true, and I don't think one of them said we must have the money out of the rainy day fund.

STICKLAND: Members, I'm standing before you today frustrated, because many of us fought and bled for retired teachers. Many of us in the house passed over measures in a budget that provided more than what we ended up with for retired teachers and TRS-Care. I feel like today we are asked to take this very, very tough vote for a lot of us because we have stood with retired teachers. In fact, I can't tell you one bill that I have ever personally voted against what the Texas

Retired Teachers Association took a position on. I feel like this is a disingenuous way to go about this. I think that every one of us knows that this is dead on arrival on the other side of this building. I think that everyone here knows that the governor has spoken about protecting the rainy day fund and not raiding it, that we should be handling our priorities in the regular general revenue and through other means without hitting our state savings account and the rainy day fund. And I am frustrated that today, because of political reasons, folks are trying to, in my opinion, pit me against retired teachers in my district.

So I will be voting against this bill today because I do not think that it is genuine to tell retired teachers we're going to take care of you for just two years, and then we'll deal with the rest of it later. I hear the intentions of Representative Ashby, that he wants to make this a permanent thing. I believe him, but I think that this way is setting a very, very bad tone. I will be voting against it. And I look forward to later in this session finding a bill and having a real solution—a long-term, sustainable solution that I can cast a vote for for my retired teachers—to take care of this problem. I agree it's a problem. This is a bad solution, and the State of Texas and our retired teachers deserve better.

REPRESENTATIVE CAIN: Representative Stickland, do you believe that voting against this bill is voting against retired teachers?

STICKLAND: No, I don't. I think voting against this bill is voting against political maneuvering, and I don't think it has anything to do with retired teachers. I think all of us in here know deep within us that this is not something that's viable. It's not something that has any legs whatsoever. And I think it's time for us to quit playing political games and get to a real solution so we can take care of these retired teachers and fulfill the promises we've made to them.

CAIN: I'm going to give you a quote, and I'm going to ask that you tell me who said it. "But one thing it should never be used for is ongoing expenses like adding personnel or programs just to fill in the operating gaps of an ongoing budget. That's not its purpose." Do you know who said that?

STICKLAND: I believe that was the statewide-elected lieutenant governor.

CAIN: That's correct.

ASHBY: I appreciate the discussion we've had here on this bill this morning. You know, I would just say, in listening to some of the commentary, that this is not a hard vote. This is the only option we're going to have this session to do something for our retired teachers. And so we can bicker on this floor about method of finance, but at the end of the day, this is about helping teachers in many cases that live paycheck to paycheck, that saw their premiums go up, and they're trying to get some help.

So members, again, this is not a difficult vote. I can certainly appreciate those that have some reluctance to use the economic stabilization fund for this purpose, but as we've talked about, there's over \$10 billion in our economic stabilization fund. This is less than two percent that we're talking about. As I mentioned, I hope that I don't have to come to this floor again and ask to tap the ESF to continue to support the solvency of TRS-Care. But in light of the reality

of the situation that we face here today, this is the only option that we have where there's money available to do so. So I'm asking you to do the right thing. Let's send a message to our retired teachers that we value their service, that we appreciate their dedication in a very noble profession, in many cases for over 30 and 40 years, and let's support them. So I ask that you support this bill and vote aye.

STICKLAND: Representative Ashby, you made a comment just now that you said this is the only bill that's going to make it to the floor on this issue. What do you know that we don't know, for some of us who would like to vote for retired teachers but disagree with the rainy day fund?

ASHBY: Well, to my knowledge, and again—

STICKLAND: So it wasn't a definitive statement?

ASHBY: No, it's not a definitive statement, but what I would say is, to my knowledge right now, this is the only bill that is coming to the floor. There were two other bills that were heard in committee that are left pending—one which spends \$1 billion from the rainy day fund and the other that's \$100 million. And the reason why we're at \$212 million, Representative Stickland, is because we felt like it was important to take one issue off the negotiating table with the senate because we can agree on the number, and so that's why we're at \$212 million. So I'm hopeful that after we pass this bill today that we can go to conference with the senate, and we can negotiate our differences in terms of method of finance. And then we can bring a bill back to this floor that we're all proud to support, because I know, just like you, everyone on this floor wants to support and show our support for our retired teachers.

STICKLAND: Representative Ashby, would you have preferred, personally, that this could have come out of general revenue instead of the rainy day fund?

ASHBY: Would I have preferred? Sure, certainly. Absolutely.

STICKLAND: Being on Appropriations, did you fight for that?

ASHBY: Absolutely, we fought for that.

STICKLAND: During the last budget?

ASHBY: Absolutely, we fought for that. And as you recall, back during the negotiations and the compromise on our bill, that's what we did. We ended up using the \$350 million out of GR.

STICKLAND: But it wasn't enough, right?

ASHBY: It was enough to fund us for two years. I think most everybody on this floor would have rather, to your point earlier, have seen a longer-term solution, which is why we proudly voted unanimously for a three-year commitment to our retired teachers.

STICKLAND: So why do you think that we were politically unable to get this money? I mean, I think everyone here—I haven't talked to anyone that doesn't think that \$212 million is an appropriate number and would like to give that to them. Why wasn't it in the regular budget? Can you give me some insight as a member, a vice-chair of Appropriations and the budget?

ASHBY: I can. And Representative Stickland, let me respond by saying I appreciate your vote for **HB 3976**, where we spent \$500 million out of the rainy day fund for our retired teachers. And I appreciate your comments from the front mic that day. They were very helpful in making sure that we had unanimity on this floor. But what I can tell you again is that we voted to spend \$500 million. The answer to your question lies through those doors right there. They were only willing to spend \$350 million. So I can't answer why they didn't agree to our number other than they didn't.

STICKLAND: They didn't, but you ultimately agreed to their's, correct?

ASHBY: Absolutely. We could not afford to have left this chamber during the regular session not to have done something for our retired teachers, because TRS-Care was facing over \$1 billion in unfunded liability. So again, something had to be done. While I think most of us agree that it would have been preferred if we'd had a longer-term fix, we at least walked out of here with a two-year short-term fix to continue retired health insurance for our retired teachers.

STICKLAND: You said earlier that you would have preferred—you said "of course"—that this come out of general revenue instead of the rainy day fund. Do you wish that Representative Schofield's amendment to do just that would have been germane to this bill and allowed it for a vote?

ASHBY: Representative Stickland, I think I have already commented on that method of finance.

KRAUSE: I appreciated your explanation earlier on the effect of this. And again, I'm just going back to that property tax relief. We spent \$2 billion, but now, it's going to cost even more than that every biennium to keep that homestead exemption where it's at. So you said the amount we're spending is going to take the deductible—cut it in half basically from \$3,000 to \$1,500.

ASHBY: That's correct.

KRAUSE: Is it going to take us a lot more than \$212 million next biennium to keep that deductible at that \$1,500 level? And if it is, and it's a tougher economic situation that we find ourselves in, are we going to have to raise that deductible back up to meet that? Or are we just going to have to dip into the rainy day fund more to cover that?

ASHBY: That is a really, really good question, and it's something that I think is important that members know. By voting for this bill today and assuming it were to become law, the unfunded liability that TRS-Care faces that you're all going to walk into—hopefully we return in January 2019—is somewhere between a \$500 million and a \$700 million shortfall. And consequently, if we don't do anything, and we save the \$212 million, then essentially that shortfall will be

reduced by the corresponding amount. So we would be between \$300 million and \$500 million. So to your point, yes, there is a long-term structural unfunded liability in TRS-Care.

KRAUSE: Okay, and honestly, just with the time value of money, it's not going to not just be \$212 million to keep it at that \$1,500 premium. We're going to probably spend \$275 million or whatever just because of the increase in premiums and how much we have to pay to it. I just want to make sure we're thinking. For me, I don't want to say we fixed it and then have the unintended consequences of it coming back more and it costing us more and more every time. That was my question; I appreciate the answer.

CSHB 20 was passed to engrossment by (Record 33): 130 Yeas, 10 Nays, 2 Present, not voting.

Yeas — Allen; Alonzo; Alvarado; Anderson, C.; Anderson, R.; Arévalo; Ashby; Bailes; Bell; Bernal; Blanco; Bohac; Bonnen, D.; Bonnen, G.; Burkett; Burns; Burrows; Button; Capriglione; Clardy; Coleman; Collier; Cook; Cortez; Cosper; Craddick; Cyrier; Dale; Darby; Davis, S.; Davis, Y.; Dean; Deshotel; Dukes; Dutton; Elkins; Fallon; Flynn; Frank; Frullo; Geren; Gervin-Hawkins; Giddings; Goldman; Gonzales; González; Gooden; Guerra; Guillen; Gutierrez; Hefner; Hernandez; Herrero; Hinojosa; Holland; Howard; Huberty; Hunter; Isaac; Israel; Johnson, E.; Johnson, J.; Kacal; Keough; King, K.; King, P.; King, T.; Klick; Koop; Kuempel; Lambert; Landgraf; Larson; Laubenberg; Leach; Longoria; Lozano; Lucio; Martinez; Metcalf; Meyer; Miller; Minjarez; Moody; Morrison; Muñoz; Murr; Neave; Nevárez; Oliveira; Oliverson; Ortega; Paddie; Parker; Paul; Perez; Phelan; Phillips; Pickett; Price; Raney; Raymond; Reynolds; Roberts; Rodriguez, E.; Rodriguez, J.; Romero; Rose; Schofield; Schubert; Sheffield; Shine; Simmons; Smithee; Springer; Stucky; Thierry; Thompson, E.; Thompson, S.; Turner; Uresti; VanDeaver; Villalba; Vo; Walle; White; Wilson; Workman; Wray; Wu.

Nays — Biedermann; Cain; Krause; Lang; Murphy; Schaefer; Shaheen; Stickland; Swanson; Zedler.

Present, not voting — Mr. Speaker(C); Stephenson.

Absent, Excused — Anchia; Faircloth; Rinaldi; Sanford; Tinderholt; Zerwas.

Absent — Canales; Farrar.

STATEMENTS OF VOTE

When Record No. 33 was taken, I was temporarily out of the house chamber. I would have voted yes.

Canales

When Record No. 33 was taken, I was shown voting present, not voting. I intended to vote yes.

Stephenson

REASON FOR VOTE

CSHB 20 would grant much-needed relief to our state's 260,000 public education retirees, whose health care program costs are rising much faster than their ability to pay. As health care costs skyrocket nationwide, the TRS-Care retiree health insurance's program's funding mechanism has been unable to keep pace with the huge cost increases.

In this spring's legislative session, the legislature appropriated an additional \$350 million for TRS-Care, on top of the \$768 million that was added in the 2015 session, in an attempt to keep up with costs. This bill would provide an additional \$212.7 million.

While we wholeheartedly support fiscally-sound relief for the TRS-Care program, the funding source for **CSHB 20** is unwise and not fiscally prudent. The bill would unnecessarily take money from the state's economic stabilization fund (known as the rainy day fund), the state's saving account, for an ongoing expense when better options are readily available.

We voted for this bill, although we disapprove of using the rainy day fund, in the hope that moving the bill to the next stage toward passage will allow the house to negotiate with the senate to craft a final bill that gives relief to our state's retired teachers without breaking into the rainy day fund.

Schofield, Murr, Hefner, Paul, Klick, Leach, Elkins, Burrows, Miller, P. King, Craddick, Wilson, Oliverson, Bohac, E. Thompson, Fallon, Laubenberg, Simmons, Goldman, G. Bonnen, C. Anderson, and Frank

HB 80 ON SECOND READING (by Darby, Guillen, Oliveira, et al.)

HB 80, A bill to be entitled An Act relating to a cost-of-living adjustment applicable to certain benefits paid by the Teacher Retirement System of Texas.

HB 80 - REMARKS

REPRESENTATIVE DARBY: This is part two of our teacher day at the Capitol. It's a pleasure to lay out **HB 80**. In 2013, the legislature provided a cost-of-living adjustment for pre-2004 educator retirees. Governor Abbott has encouraged the legislature to increase benefits for retired teachers seeing dramatic increases in health care costs and plan changes—as we just heard this morning. Provided funds are available and TRS would remain actuarially sound, **HB 80** simply authorizes a one-time cost-of-living adjustment payable to annuitants for educator retirees who have retired after August 31, 2004, and before August 31, 2015. Now, I have an amendment, members, which will clarify some of the confusion that exists with regard to the bill. If you'll allow me to put that amendment on, we'll talk about it.

Amendment No. 1

Representative Darby offered the following amendment to **HB 80**:

Amend **HB 80** (house committee report) as follows:

(1) On page 1, line 8, between "Section 824.702" and the underlined comma, insert "and subject to Section 821.006".

(2) On page 3, lines 14 and 15, strike "beginning with an annuity payable for the month of December 2017" and substitute "as soon as practicable after the board of trustees finds that payment of the adjustment would not violate Section 821.006".

AMENDMENT NO. 1 - REMARKS

DARBY: This amendment simply would allow the bill to function beyond December 2017. Since the fund is not currently actuarially sound and therefore is unable to make any COLA payment this December, it gives TRS the direction to pay a COLA to this group of retirees that did not receive one in 2013, and this is a big if, if the fund is actuarially sound and second if—if the TRS were able to give a COLA and still remain actuarially sound, without additional legislative authorization. So with that, I'll be open to any questions.

REPRESENTATIVE Y. DAVIS: Chairman Darby, I just want to get clarification on it. I understand your amendment basically says this bill takes place "if." Is that correct?

DARBY: That's correct.

Y. DAVIS: So basically, this bill is not a bill. I want to be clear, because when I go back home and have this discussion and we find out that this cost-of-living really didn't occur, I want to be clear that I've asked these questions so that I won't misrepresent to our folks that we did something. And so I want to just get some ideas about what this bill really does. With your amendment and your "if" language, what are we passing today?

DARBY: The reality is it's a two-step process. Once the TRS is actuarially sound and it has the cash revenues, then they would have to come to the legislature to seek our approval. This simply reverses it. This says we're going to give you permission. If the fund ever gets actuarially sound and there are resources to pay this cost-of-living payment, then the legislature is giving permission to go ahead and do that to the TRS board.

Y. DAVIS: So basically we're giving them the permission. We're allowing them to do what the legislature has a responsibility to do.

DARBY: Absolutely. We're simply giving them permission.

Y. DAVIS: My question is, based on this bill, are we talking about something that will happen, and what's the cost for that to occur? What's the projected cost that the TRS would have to be to make it actuarially sound—and the timeline?

DARBY: Well, I'm going to give you two different ways that that could happen if we had the resources to do it, which we do not during this special session. One, if the legislature chose to put \$1.4 billion cash into the fund, that would make it actuarially sound beyond 30 years. The second thing to do would be to increase the contribution rate from the state from 7.7 percent to 8.18 percent. And that's not what this bill does.

This bill simply says if, for example, you have extraordinary stock gains or growth in the fund because of return on investments that the fund has been able to generate—you know, we're seeing record highs in the stock market. So if there

are funds generated that will allow the TRS board to pay this COLA, then we're simply giving our preauthorization that if you meet the actuarial standards that are required by this legislature, then we're giving you permission.

Y. DAVIS: Mr. Chairman, you were not here, but when I came into the legislature one of the things we did on a bill was we gave our authority away to an agency. And when we gave the legislative authority to allow an agency to do something, we ended up not only being in court and in bankruptcy with the company, we ended up having to dismantle a program the state had been involved in for many years or as they were trying to move this forward. So I'm concerned now that you're going to ask us as members of the legislature to give away our legislative authority to an agency to make a decision or take an action that right now is within the legislative authority. Is that correct?

DARBY: To the contrary, Ms. Davis. We are exercising our legislative privilege by enacting **HB 80**. This is our legislative prerogative.

Y. DAVIS: But no, no, no, no, no. We—

DARBY: But we have binders. There are binders to this. We're saying you can't do that if you're not actuarially sound and you don't have the resources to make that COLA payment.

Y. DAVIS: But in fact, in fact, we are then giving our authority away to allow them to make a decision without our oversight to consider all the other things that might be going on with the state's economy. Is that correct?

DARBY: It's a two-step process. What we're saying in this bill is that we're giving you permission. If circumstances exist that you have the resources available to make this COLA payment and you are actuarially sound both before and after that COLA payment, then we're giving you our legislative permission to move forward with that in case we're not in session, in case this happened while we're not in session.

Y. DAVIS: If you look at what the LBB put out in terms of its fiscal note, it says "the provisions of the bill are not expected to take effect because the statutory requirement for actuarial soundness cannot be met upon payment of the proposed benefit" So we know already that this bill was never going to be implemented because you couldn't meet the guidelines that we have put in place to make it actuarially sound. Is that fair?

DARBY: That's fair. This bill—this is not an appropriation of any funds. This is not taking any rainy day funds or other sources of revenue and putting it into TRS-Care. This is not raising the statutory contribution rates by the state. All this is is exercising our legislative prerogative to say to the board if you meet these guidelines. And that's exactly what the fiscal note pointed out. They are not actuarially sound today.

Y. DAVIS: That's what your amendment does, but the bill leads us to believe that it was related to a cost-of-living adjustment. And in fact, your amendment is now saying that it's not a cost-of-living adjustment. It is allowing the TRS plan to exercise authority that they currently don't have without this bill. Is that correct?

DARBY: When you say they don't have it, they don't have it under the guidelines the legislature has previously prescribed. We said you can't do that unless you are actuarially sound. They can't do that. And they can't do this under my amendment either.

Y. DAVIS: So what I'm asking you—let me make sure because I think it's important. We're here doing this legislative special session talking about TRS and talking about cost of living. We don't need to mislead people. And that's what I'm afraid that we're doing by suggesting that we're doing this cost-of-living bill, and then your amendment says, but unless you're this, this, and this, can you make these decisions when we're not here. And that's not what's being presented and projected to the citizens when it relates to this COLA, and I want us to be clear. Your amendment basically says that this bill is not doing what it originally stated, which relates to a cost-of-living. This bill, with your amendment, says that now they have the authority to do something outside of the legislature. Is that correct?

DARBY: It's not out of the legislature. I simply disagree with your premise.

Y. DAVIS: Okay, well let me ask you differently.

DARBY: Let me answer the question.

Y. DAVIS: Let me ask you differently because you just said it didn't do that.

DARBY: Let me answer the question you asked me.

Y. DAVIS: But you just said it didn't do that, so let me ask the question differently. I might not be asking it clearly for you.

DARBY: Okay.

Y. DAVIS: Currently, can TRS do what you're doing without your amendment?

DARBY: The TRS board would not have the ability to issue a COLA because one, it's not actuarially sound, and two, there are no resources to pay that. So they could not do that.

Y. DAVIS: Okay, that's the answer I'm asking. Without your amendment, they cannot do certain things; with your amendment, you're giving them permission to do certain things. Is that correct?

DARBY: My amendment just says the legislature is involved in this process. We keep hands on, and we have said you cannot issue a COLA unless the legislature approves it and you meet these guidelines. What this amendment simply says is provided you meet the guidelines, provided you are actuarially sound both before and after a proposed COLA payment, and there are resources available to pay that, then you have legislative approval.

Y. DAVIS: And so I just want to go back because I was here when we thought we were being expedient by allowing an agency to make a decision. And I think this is one of these kinds of things where we're now giving up our responsibility and authority to protect the state by allowing an agency to assume responsibility that they currently don't have. That's my question, and that's what I want to raise as a problem.

DARBY: Well, I thank you for raising the question, but I would maintain that we are exercising our legislative prerogative by being here today and debating **HB 80**. We are utilizing our legislative privilege. We are saying to them if you meet these guidelines, if you remain actuarially sound both before and after a proposed COLA, and you have the resources to do it, then the legislature is granting you permission to do that. If that happens and we're not in session, we have exercised our legislative prerogative.

Y. DAVIS: But in fact, we have mechanisms when we're not in session to make financial decisions on behalf of the State of Texas. Isn't that correct?

DARBY: There are mechanisms in place. However, I agree with your premise. We need to have a legislative stamp on this, and by passing **HB 80** we will put our stamp on this process.

Y. DAVIS: But your stamp which you're putting on is that the legislature won't be involved in the decision, but rather, we're going to allow the agency—and I agree that you've set some standards that they must meet, but those standards have always been something that the legislature has exercised in terms of making these decisions. And so I just want members to know that we're now about to go into this process where we're telling people we're doing a COLA, we're doing this, but we, in fact, are not doing it. So I just—

DARBY: You know, I think your point is fair. This is not a COLA. Members of the house, don't tell anybody back home this is a COLA. We're simply saying that if economic and financial circumstances change and resources become available to the TRS board, and you meet the actuarial soundness both before and after the proposed COLA, and there are cash resources available, then we give you permission—legislative permission—to exercise a COLA. It doesn't require you to do it. There's no requirement on the TRS board to do it. It simply says you have our permission to do it. And so that's what this bill does.

Y. DAVIS: So in your mind, what would this bill cost?

DARBY: This bill costs nothing.

Y. DAVIS: No, no—not the bill but in terms of them being able to be actuarially sound and to make these kinds of transactions. What is your thought that this would cost the State of Texas?

DARBY: Well, I mean, you and I support our teachers, retired teachers. I was here and you were here in 2013. Ms. Thompson was obviously here. A lot of people on this floor were here in 2013. We were able to do a COLA for retired teachers that retired up until 2004. So that was a good thing, but it costs money. Today, I'd like to include another group. By the way, there are 200,000 retirees that retired before 2004. There are now an additional 200,000 retirees that retired between 2004 and August of 2015. So there's another group of 200,000 folks that have never received a COLA.

What this bill says is if you are actuarially sound and if you have the financial resources, then you can address the COLA needs for this additional 200,000 retirees. And if we were today talking about how we actually funded

that, it would cost about \$1.47 billion cash, and the fund would be actuarially sound. Or if we increased the state's contribution from 7.7 percent to 8.18 percent, then that would make it actuarially sound. We're not asking to do either one of those things even though you and I would probably agree that we need to strongly consider that.

Y. DAVIS: And Mr. Chairman, I want to be clear. There's no doubt we need to do something for our teacher retirees. There's no doubt about that. The question is how we are approaching it and what kind of discussions we're having relative to the real commitment versus just kind of having these conversations as though we're moving forward when in fact we're not.

DARBY: I agree with you.

Y. DAVIS: And I think it's disingenuous for us to pretend this under a bill that talks about it when basically what we're doing is even worse in my judgment. We're now saying we're going to give them the authority to make the decision on their own and not have to even come back to the legislature, and we just went through this whole pension discussion with all our fire and police. So I'm just questioning why we would give our authority over like that. While I support what it is we need to do, I think it's time for the state to stand up and do it the right way and cover all of our retirees and be honorable with the citizens and not suggest we're doing something when we're not.

REPRESENTATIVE PAUL: Chairman Darby, I want to follow up a little bit of what Ms. Davis was saying. So this authority to the TRS board to do this COLA, would that be a one-time COLA, or is this something they can pass every year and give a COLA?

DARBY: Well, provided they had the resources if they were actuarially sound, then certainly. This covers retirees between 2004 and 2015, that they could have a COLA. We're giving them permission provided they meet these guidelines.

PAUL: It's a one-time to give those people the one-time COLA if they had the funds available and it's actuarially sound—that one increase?

DARBY: That's correct.

PAUL: One time—not something they can go every year and say we're going to have a COLA every year.

DARBY: No, this would be a one-time COLA to those retirees that had not gotten one in the past.

Amendment No. 1 was adopted.

Amendment No. 2

Representative Frank offered the following amendment to **HB 80**:

Amend **HB 80** (house committee printing) by adding the following appropriately numbered SECTION and renumbering subsequent SECTIONS of the bill accordingly:

SECTION _____. (a) Using existing resources, the Teacher Retirement System of Texas shall conduct a study on future cost-of-living adjustments payable to an annuitant receiving a monthly death or retirement annuity, including projections on future cost-of-living adjustments and a review of structural changes affecting cost-of-living adjustments, including the feasibility of offering an alternative annuity payment option to retirees under which the standard service retirement annuity provided under Subchapter C, Chapter 824, Government Code, is payable on a graduated scale with annuity payments increasing on an annual basis. In conducting a study under this section, the retirement system shall only consider alternative annuity payment options that are projected by the retirement system's actuary to have no fiscal impact to the state.

(b) Not later than September 1, 2018, the Teacher Retirement System of Texas shall submit to the legislature a written report on the results of the study and any recommendations for legislative or other action.

(c) This section expires September 1, 2019.

AMENDMENT NO. 2 - REMARKS

REPRESENTATIVE FRANK: Members, this is just a study. One of the problems with TRS is that the payment to the teachers is a fixed payment, and therefore, it buys less over time. One of the options—we give a number of options to teachers when they are deciding what to receive. This requires that TRS does a study to look at an increasing payment over time. Now, it would mean, let's say, if you're supposed to get a \$4,000 fixed payment, fixed annuity over time, this would give them the option to look at perhaps taking a \$3,500 payment that increases every year. It would be cost-neutral to the state. It is just a study. This is something that I've talked to TRS about. They're more than happy to do it, and it's acceptable to the author.

Amendment No. 2 was adopted.

REMARKS ORDERED PRINTED

Representative Cain moved to print all remarks on **CSHB 20** and **HB 80**.

The motion prevailed.

HB 80 - (consideration continued)

HB 80 - REMARKS

Y. DAVIS: I just want to reiterate my commitment to Chairman Darby and to the retirees. What we're trying to do is really important. I think it's important that we recognize that they've not had a COLA in many years, and they are deserving of one. We need to keep them up with the cost of living in the State of Texas, but I think this is just the wrong way to do it.

I think there are two things we need to be very careful with. One is we need to be clear that we don't send messages out that we're making commitments and doing and providing support for folks in our communities when in fact we're not. And Chairman Darby indicated that he recognized this was not a COLA and that it should not be presented as such. But I think the way it was presented earlier is that it was, and I think we need to be clear that it's not. The second thing that I

think is very important is that all of us take an oath of office to protect, and we have a fiscal responsibility to protect the State of Texas. And while I don't think there's any folks that would deliberately not do the right thing—I think we have safeguards that we've put in place so that we don't get out of sync with what's good for the State of Texas. But I think that Texas legislative bodies have been given unique authority, and when you start telling folks that they now can make the decision without our oversight, we're sending a very serious message that we're now not taking care of our responsibilities.

Thirdly and lastly, I will tell you I was here when we did this one other time. And I don't know if any of you all remember emissions testing. The State of Texas ended up in long lawsuits. Small businesses got taken out. Businesses which had invested in what Texas said they were going to do based on an agency making a decision created a tremendous amount of turmoil for the State of Texas. Now, I'm not willing to make that mistake. I know many of you were not here, but for those of you who were here, you know that when we delegated that authority it became a serious issue. So I would just question whether or not we ought to be doing this. I, for one, am not going to vote for it. As much as I want to tell my folks back home that I voted a COLA for them, I'm not going to do it this way because I know it's not right, and I know it's disingenuous. And I'd ask for you to examine whether or not you want this on your record this way. With that, I'd be asking you to vote no.

DARBY: We are exercising our legislative prerogative by today hopefully voting out **HB 80**. I think this allows the TRS board to move forward. In the event that they are actuarially sound 30 years or less, funded both before granting a proposed COLA and after granting a proposed COLA, and there are cash resources available to them, then we're exercising our legislative prerogative and saying you can grant a COLA to this group of retirees, which is about 200,000 of our retired teacher retirees that have never received a COLA, have retired since 2004 and prior to August of 2015.

REPRESENTATIVE STICKLAND: Representative Darby, 2013 was my freshman year, and I remember all that we went through and all the work that you did and this body did. And the thing that struck me about it is how much effort the retired teachers had to put into making that a reality and for how long they hadn't received a COLA. They waited for a very, very long time for us to come here and be able to offer that for them and expended a bunch of their own personal time and resources just to get something that I think, frankly, that we made a promise to them that we would do. So I understand that this isn't putting any money, but I think that this is a very big step forward. And I know the retired teachers that I hear from that have worked so hard to voice their opinions in wanting COLAs and to be taken care of appreciate this effort. So thank you for your work on this. I'll be voting yes.

DARBY: Thank you, Representative Stickland. With that, members, I move passage.

HB 80, as amended, was passed to engrossment by (Record 34): 139 Yeas, 2 Nays, 1 Present, not voting.

Yeas — Allen; Alonzo; Anderson, C.; Anderson, R.; Arévalo; Ashby; Bailes; Bell; Bernal; Biedermann; Blanco; Bohac; Bonnen, D.; Bonnen, G.; Burkett; Burns; Burrows; Button; Cain; Canales; Capriglione; Clardy; Coleman; Collier; Cook; Cortez; Cospér; Craddick; Cyrier; Dale; Darby; Davis, S.; Dean; Deshotel; Dukes; Dutton; Elkins; Fallon; Flynn; Frank; Frullo; Geren; Gervin-Hawkins; Giddings; Goldman; Gonzales; González; Gooden; Guerra; Guillen; Gutierrez; Hefner; Hernandez; Herrero; Hinojosa; Holland; Howard; Huberty; Hunter; Isaac; Israel; Johnson, E.; Johnson, J.; Kacal; Keough; King, K.; King, P.; King, T.; Klick; Koop; Krause; Kuempel; Lambert; Landgraf; Lang; Larson; Leach; Longoria; Lozano; Lucio; Martinez; Metcalf; Meyer; Miller; Minjarez; Moody; Morrison; Muñoz; Murphy; Murr; Neave; Nevárez; Oliveira; Oliverson; Ortega; Paddie; Parker; Paul; Perez; Phelan; Phillips; Pickett; Price; Raney; Raymond; Reynolds; Roberts; Rodriguez, E.; Rodriguez, J.; Romero; Rose; Schaefer; Schofield; Schubert; Shaheen; Sheffield; Shine; Simmons; Smithee; Springer; Stephenson; Stickland; Stucky; Swanson; Thierry; Thompson, E.; Thompson, S.; Turner; Uresti; VanDeaver; Villalba; Vo; Walle; White; Wilson; Workman; Wray; Wu; Zedler.

Nays — Alvarado; Davis, Y.

Present, not voting — Mr. Speaker(C).

Absent, Excused — Anchia; Faircloth; Rinaldi; Sanford; Tinderholt; Zerwas.

Absent — Farrar; Laubenberg.

STATEMENT OF VOTE

When Record No. 34 was taken, I was shown voting no. I intended to vote yes.

Alvarado

PROVIDING FOR ADJOURNMENT

At 12:14 p.m., Representative Cyrier moved that, at the conclusion of the reading of bills and resolutions on first reading and referral to committees, the house adjourn until 10 a.m. tomorrow.

The motion prevailed.

BILLS AND JOINT RESOLUTIONS ON FIRST READING AND REFERRAL TO COMMITTEES RESOLUTIONS REFERRED TO COMMITTEES

Bills and joint resolutions were at this time laid before the house, read first time, and referred to committees. Resolutions were at this time laid before the house and referred to committees. (See the addendum to the daily journal, Referred to Committees, List No. 2.)

(Cyrier in the chair)

ADJOURNMENT

In accordance with a previous motion, the house, at 12:17 p.m., adjourned until 10 a.m. tomorrow.

ADDENDUM

REFERRED TO COMMITTEES

The following bills and joint resolutions were today laid before the house, read first time, and referred to committees, and the following resolutions were today laid before the house and referred to committees. If indicated, the chair today corrected the referral of the following measures:

List No. 1

HB 31 (By Capriglione), Relating to oversight of and requirements applicable to state contracts and other state financial and accounting issues; providing a civil penalty.

To Appropriations.

HB 347 (By Elkins), Relating to government transparency and operations.

To Government Transparency and Operation.

HB 361 (By Dale), Relating to the construction of transportation projects by certain regional mobility authorities.

To Transportation.

HB 362 (By Gutierrez), Relating to granting certain local governments general zoning authority around federal military installations; creating a criminal offense.

To Defense and Veterans' Affairs.

HCR 28 (By Pickett), Directing the Texas Commission on Environmental Quality to identify the minimum state motor vehicle inspection and maintenance program required to maintain air quality in compliance with the provisions of the federal Clean Air Act.

To Environmental Regulation.

SB 1 to Ways and Means.

SB 5 to Elections.

SB 6 to Land and Resource Management.

SB 11 to State Affairs.

SB 20 to State Affairs.

SB 60 to Appropriations.

List No. 2

HB 363 (By Howard), Relating to the allocation of certain funds designated for transfer to the retired school employees group insurance fund.

To Appropriations.

HCR 29 (By E. Thompson), Directing the Texas Commission on Environmental Quality to conduct an assessment of the safety and regulation of municipal solid waste facilities.

To Environmental Regulation.

HJR 52 (By Howard), Proposing a constitutional amendment to allocate certain surplus state revenue to the retired school employees group insurance fund.

To Appropriations.

HR 131 (By González), Congratulating Ricardo Flores on his selection as the National Speech & Debate Association 2017 Student of the Year.

To Rules and Resolutions.

HR 132 (By González), Congratulating Rodrigo Estrada on his receipt of a QuestBridg National College Match scholarship.

To Rules and Resolutions.

HR 133 (By Reynolds), Commemorating the 13th anniversary of The Fort Bend Church in Sugar Land.

To Rules and Resolutions.

HR 134 (By Herrero), Congratulating the Robstown High School baseball team on a successful 2016-2017 season.

To Rules and Resolutions.

HR 135 (By Herrero), Congratulating Major Pete J. Sanchez on his retirement from the U.S. Air Force.

To Rules and Resolutions.

HR 136 (By Herrero), Commending Matilde Zambrano for her decades of service at Wilson Plaza in Corpus Christi.

To Rules and Resolutions.

HR 137 (By Herrero), Commending Cruz Pantoja for her decades of service at Wilson Plaza in Corpus Christi.

To Rules and Resolutions.

HR 138 (By Wray), Congratulating Tom "Ike" Morris of San Antonio on his 107th birthday.

To Rules and Resolutions.

HR 139 (By Herrero), Commending Dr. Matilda Delgado Saenz for her service as district director for State Representative Abel Herrero.

To Rules and Resolutions.

HR 140 (By Herrero), In memory of Maria Gutierrez Arevalo of Robstown.

To Rules and Resolutions.

HR 141 (By Herrero), Congratulating the Honorable Ida Hernandez Brazell on her retirement from the Fifth Administrative Judicial Region.

To Rules and Resolutions.

HR 142 (By Price), Recognizing Ray and Zoie White for their service to Lions Clubs International.

To Rules and Resolutions.

HR 143 (By Springer), Congratulating Bowie High School on its receipt of a bronze medal from U.S. News & World Report in the 2017 Best High Schools rankings.

To Rules and Resolutions.

HR 144 (By Springer), Congratulating Gene's Photos on its 50th anniversary and its receipt of a 2017 Texas Treasure Business Award.

To Rules and Resolutions.

HR 145 (By Springer), Congratulating Estes Exterminating of Gainesville for its receipt of a 2017 Texas Treasure Business Award.

To Rules and Resolutions.

HR 146 (By Springer), Commending Frank Moya of Shamrock for his heroism during the Texas Panhandle wildfires of 2017.

To Rules and Resolutions.

HR 147 (By Springer), Commending James Moya of the Shamrock Volunteer Fire Department for his courage and sacrifice during the catastrophic Texas Panhandle wildfires of 2017.

To Rules and Resolutions.

HR 148 (By Springer), Commending Don Pettigrew on his work with the Medal of Honor Host City program.

To Rules and Resolutions.

HR 149 (By Springer), Congratulating Lucy Dean Record of Lockney on her achievements as a musician and teacher.

To Rules and Resolutions.

HR 150 (By Springer), Congratulating the Lindsay High School academic team on winning the 2017 UIL 2A state championship.

To Rules and Resolutions.

HR 151 (By Springer), Congratulating Kinne's Jewelers in Gainesville on its receipt of a Texas Treasure Business Award from the Texas Historical Commission.

To Rules and Resolutions.

HR 153 (By González), In memory of Donald Lewis Benton of El Paso.

To Rules and Resolutions.

HR 155 (By Wu), In memory of Judge Earl Kent Ellis of Houston.

To Rules and Resolutions.

APPENDIX

STANDING COMMITTEE REPORTS

Favorable reports have been filed by committees as follows:

July 31

Appropriations - **HB 20**

Public Education - **HB 21**