



Summary of Recommendations to the 80th Texas Legislature

January 2007

Acknowledgments

We would like to acknowledge the efforts of all those who have been involved with the publication of this document. TCCRI's Summary of Recommendations to the 80th Texas Legislature represents not only an outline of the recommendations that the Institute has made over the past two years, but also includes a range of new recommendations for consideration by the 80th Legislature. We would especially like to thank all of the individuals and groups who have supported our work and come to meet with us to help shape the policy recommendations contained in this document. In particular, we thank John Colyandro, Brent Connett, April Brown and Tom Aldred for taking primary responsibility for authoring and editing this report.

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Introduction

The Texas Conservative Coalition Research Institute (TCCRI) publishes legislative and policy recommendations based on its core principles of limited government, individual liberty, free enterprise, and traditional family values. In 2006, TCCRI released three major task force reports focusing on illegal immigration, property rights, and state taxation. In addition, numerous policy papers and research papers concentrating on issues ranging from health care to property rights were published by TCCRI throughout 2006.

Each report was the outcome of many months of research, deliberation among task force members, and interaction with subject-matter experts who became involved with the task forces. Additionally, each of the policy papers included specific recommendations for legislative action.

This document summarizes recommendations made by TCCRI during 2006 for consideration by the 80th Legislature. The summary is divided into the following policy areas:

- Health Care
- Public Education
- Property Taxation
- Illegal Immigration
- Property Rights and Land Use
- State Budget and Spending
- Electricity and Telecommunications
- Family Policy
- Law Enforcement and the Judiciary
- General State Policy

In the health care field, TCCRI's recommendations focus on making health care more affordable for individuals and businesses while also promoting personal responsibility and cost-sharing in programs such as Medicaid and CHIP.

The public education reforms recommended by TCCRI promote choice and greater parental involvement in education, as well as the use of private financing for the construction and maintenance of school district facilities, and a fundamental reform of the role of the Commissioner of Education.

Proposed reforms to combat illegal immigration include effectively prohibiting illegal immigrants from voting in elections in Texas and denying access to public assistance programs that are reserved for citizens and legal immigrants. Additionally, the introduction of meaningful sanctions against businesses that employ illegal immigrants is recommended, as is amending the education code so that school districts are no longer mandated to offer bilingual programs.

TCCRI's Property Rights and Land Use Task Force recommended a range of reforms to combat the deficiencies in eminent domain condemnation proceedings. Importantly, better and more narrow definitions of "public use", "slum and blight", and "adequate compensation" in Texas law are recommended. Additionally, reversing two state Supreme Court rulings is critical to restoring property rights by mandating good faith negotiations and requiring full compensation for individuals' losses due to takings.

In other policy areas, TCCRI recommends that the state continue with the outsourcing of eligibility determination for public assistance programs. Recommended fiscal policy reforms include strengthening constitutional spending limits, expanding the Governor's line-item veto authority, and creating a searchable, online state spending database. The state must also continue the process of dedicating budget surpluses to reducing maintenance and operations (M&O) property tax rates with the goal of eliminating the M&O property tax altogether. Further reforms to address the issue of rising property tax appraisals are also outlined.

Strengthening marriage and families, with the objective of reducing reliance on public assistance programs such as Medicaid and TANF, is an overriding concern. Reforming the "no-fault" divorce system, as well as creating marriage incentives and discouraging divorce, will strengthen families and create a more stable environment for children, and help restore marriage to its preeminent cultural role.

In presenting these recommendations, it is hoped that this document will be used as a resource for members of the 80th Legislature to look for ways to meet the objective of implementing a conservative vision for government.

Health Care

Cost-Sharing in State Health Care Programs

Cost-sharing is an essential element for bringing value to health care services. The lack of cost-sharing in the existing Medicaid program shields Medicaid recipients from the real cost of the care they receive and needlessly increases the strain on state resources. Furthermore, the lack of cost-sharing rests on the untenable and illogical assumption that the uninsured (often falsely equated with being “poor”) are incapable of contributing financially to their health care expenses or the cost of insurance. With 2006-07 Medicaid costs in Texas rising to \$15 billion from state general revenue alone, exploring how cost-sharing can alleviate budget pressure is both necessary and timely.

Texas should require Medicaid recipients to contribute a \$3 co-payment for non-emergency access to Emergency Room services. This co-payment should be increased to \$5 for Medicaid recipients earning between 101% and 150% FPL, while those earning more than 150% FPL should be required to contribute a \$20 co-pay. Generic medications should draw a \$1.00 co-pay for all Medicaid recipients (regardless of income) while brand-name medications should attract a co-pay of between \$2 and \$5, depending on the recipient’s income level.

In addition to co-payments, those enrolled in state health care programs should be required to contribute a monthly fee toward the cost of their health care coverage. In general, requiring everyone to pay for their health care costs increases personal responsibility and creates an incentive for people to pursue healthier lifestyles. In addition, higher monthly enrollment premiums could also be charged to people who, through their lifestyle choices, increase their health care costs.

Preventive Care

Studies have shown that Medicaid patients are more than twice as likely as non-Medicaid patients with the same type of illnesses to be admitted to hospital via the emergency room because of an acute event. The majority of these hospitalizations are avoidable through the use of preventive care. A cursory look at the Texas Medicaid program shows that 280,000 recipients, 9% of the total Medicaid population, have asthma, diabetes, heart failure, or a combination of the three. These illnesses are among the most prevalent chronic illnesses, yet are also the most manageable and, in many cases, preventable.

Texas should continue a disease management program in the Texas Medicaid program and target those populations with the most prevalent and manageable chronic illnesses such as diabetes, heart problems, hypertension, and asthma. The state should attempt to leverage its huge Medicaid population to secure an agreement similar to the agreement in Florida, by allowing a pharmaceutical company the opportunity to run a disease management program, guarantee the savings, and assume the risk for proper management. The state should also closely monitor these disease management programs so that their effectiveness can be accurately measured.

Section 1115 Waiver

The Texas Department of Health and Human Services should apply for a Section 1115 Waiver from the Centers for Medicare and Medicaid Services (CMS) to participate in a demonstration project designed to empower certain disabled Medicaid beneficiaries by giving them a cash allowance with which to purchase needed services. Arkansas, New Jersey, and Florida were the first states to be granted Section 1115 waivers. At the national level, this experiment is called the “Cash and Counseling” program. Its purpose is to evaluate how Medicaid beneficiaries, acting as consumers, would fare in a system that allows them to buy their own personal and community-based services, assisted by a consultant, with a defined contribution from their state's Medicaid program. Initial reports have concluded that the experiment is overwhelmingly popular with Medicaid beneficiaries. It should be noted that a certain amount of government paternalism must be accepted in these types of programs if they are to work. Clients will typically need assistance in the management and selection of providers, but this amount of government involvement should be accepted if the programs make provision of Medicaid services more effective.

STAR+Plus

The STAR+Plus managed care model is a necessary element of the Medicaid program as it requires a contract between the carrier and the state, whereby the state fixes the amount of money paid for each patient. This allows budget certainty for the state, while the insurer assumes the risk. Expansion of STAR+Plus is currently under way in Travis, Bexar, and Nueces counties, which will nearly double enrollment in the STAR+PLUS program.

In both urban and rural areas, the managed home and community based services model presently implemented in the STAR+Plus model should be available for the entire aged, blind, and disabled population. This benefit should incorporate self-directed “Cash and Counseling” benefits where appropriate. Ideally, delivery of this benefit should be integrated on the same management platform as the acute care benefit (STAR+Plus or STAR Network). For the aged, blind, and disabled population, mandatory enrollment under existing STAR+Plus rules should be extended to all markets. Blind and disabled beneficiaries aged 0-21 should be mandated to enroll in STAR+Plus.

Also, all provider and regional carve-outs should be ended as there is no justification for not maximizing cost savings through Medicaid managed care programs that have proven to be successful, and are being employed as a model in other states. Savings from expansion of STAR+Plus should be directed to help fund programs like “Building Healthy Families,” which help combat obesity, or initiatives run by the Texas Diabetes Council.

Lone Star Card for Medicaid and CHIP

The state can further promote personal responsibility and encourage the use of private health care options by giving families currently enrolled in Medicaid and/or CHIP a subsidized health care version of the Lone Star Card to shop around in the free market for group or private health care insurance. The Lone Star Card is currently used by the Texas Department of Health and Human Services to deliver the benefits of the Food Stamp program and the Temporary Assistance for Needy Families program (TANF).

The Lone Star Card is presented as payment by Food Stamp and TANF recipients when they purchase approved products such as food items. Adopting a similar approach in the health care market by allowing Medicaid or CHIP recipients to purchase their own health care insurance with a subsidized health care debit card, similar to the Lone Star Card, would be advantageous because it will increase the size of the pool of individuals and families who purchase private insurance. This approach also provides a private-sector solution to the problem of health care coverage, while still allowing the government to play an appropriate role in the funding of health care for those who are genuinely needy.

List Billing

With the non-profit sector currently filling the gap between those enrolled on government programs and those who have private or employer-sponsored health insurance, legislators should focus their efforts on policies that make health insurance more affordable. One option is list billing. Half of all employed, but uninsured Texans work for businesses with fewer than 25 employees. List billing is an approach that creates a more affordable way for small businesses to offer health insurance to their employees. Under a list billing model, instead of having to purchase a costly small group insurance plan, employers can let their employees obtain coverage in the less-expensive individual market. When they are accepted by the insurer, employees agree to have the premiums deducted from their paychecks. With such a large proportion of Texas' uninsured population being employed by small businesses, adopting a list billing approach could significantly improve health care coverage in the state. Another benefit of this approach is that it would allow employers to contribute a fixed amount to health care rather than having to commit an open-ended amount such as 50% of the employee premium.

The Texas Health Insurance Risk Pool

To reflect the necessary and appropriate role that the Risk Pool plays in providing a safety-net to medically uninsurable individuals, the Texas Insurance Code (Section 1506.253) should be amended so that assessments made against carriers are abolished.

The assessments should be replaced by devoting General Revenue to the funding of the Risk Pool. It is recommended that the state direct the annual growth in Insurance Occupation Tax revenues to the Pool as a starting point.

Health Savings Accounts

In light of the benefits associated with HSA's and their success in cutting health care costs through patient empowerment, the Employees Retirement System of Texas (ERS) and the Teacher Retirement System (TRS) should be required to give employees and teachers the option to hold an HSA rather than a traditional insurance plan. During enrollment, ERS and TRS must ensure that enrollees fully understand the HSA option. In preparation for annual enrollment, ERS and TRS should mail all employees a statement of their total compensation that includes the increased cost of benefits over the previous year, and a comparison of total compensation with and without benefits.

Additionally, the state should implement an HSA program for children under permanent state conservatorship through the Department of Family and Protective Services. Although accommodations have been made to continue providing certain government assistance for eligible foster care children for a limited time when they "age out" of the system, many find themselves without jobs, and without health insurance. Allowing children in the permanent care of the state to accrue money in an HSA would give some of these young adults a cushion as they transition out of state care.

Employer-Sponsored Health Care

Attempts to castigate or publicly embarrass businesses whose employees qualify for public assistance programs such as Medicaid or CHIP should be opposed because they unfairly discriminate against the state's largest employers. Harassing employers who decide that they cannot afford to offer health plans to all of their employees is a political relations stunt aimed at large companies such as Wal-Mart. If the state sets eligibility at a certain level, the assumption has to be that anyone at that level should be eligible. Political leaders should expect that policies that expand the population of eligible beneficiaries would lead to individuals moving off private rolls to free or subsidized health care funded by taxpayers. If this trend is so troublesome, then eligibility levels for the programs should be lowered.

Large employers like Wal-Mart and H.E.B. are criticized for employing people who qualify for Medicaid or CHIP by the very politicians who advocate and implement ever-growing state health care programs. Rather than expanding health care programs on the one hand, and condemning businesses whose employees enroll in them on the other, the state should seek to make insurance more affordable by increasing the pool of insurable individuals through market reforms and reducing the number of health insurance mandates.

Health Opportunity Accounts

As a reform of the Texas Medicaid program, the state should apply to participate in the Centers for Medicare and Medicaid Services (CMS) Health Opportunity Account demonstration project. Under the Deficit Reduction Act of 2005, states can allocate state

and matching federal funds to Health Opportunity Accounts. Medicaid-eligible adults can have up to \$2,500 in an account.

The Health Opportunity Account is accompanied by a high-deductible insurance plan that includes all of the standard state Medicaid benefits. Money in an individual's Health Opportunity Account can be used to meet the out-of-pocket costs associated with the high-deductible insurance plan.

This approach should be pursued in Texas because it is a fundamental reform of the Medicaid program that will increase patient awareness of the high cost of health care, reduce inappropriate use of health care services, and allow individuals greater control and responsibility for their own health care. Each of these are important steps towards reducing state spending on public health care programs, and reducing the cost of health care for everyone.

Personal Responsibility in Medicaid

Following the example of the West Virginia Medicaid Redesign, Texas should introduce a Medicaid Member Agreement which outlines the rights and responsibilities of those who become Medicaid recipients. Specifically, the agreement should underscore the expectation that Medicaid recipients should keep their medical appointments, take treatment and medication as directed, and alert their health care provider when they feel unwell. Medicaid recipients should also be provided with information detailing recommended regular health checks for men, women, and children.

Recipients who consistently fail to adhere to the terms of the agreement should face penalties such as increased co-pays, having some of their Medicaid benefits withdrawn, or, in the instance of a Health Opportunity Account holder, credit should be deducted from their account. Furthermore, individuals who repeatedly fail to comply with their personal responsibility agreement should undergo more stringent eligibility processes than those who are compliant. By contrast, recipients who comply with their agreement or take additional steps to improve or maintain their health should have additional credits allocated to their account; or be given another type of incentive in the event a Health Opportunity Account program has not been implemented.

A Medicaid Member Agreement will increase personal responsibility in the Medicaid program since it establishes expectations for beneficiaries, and rewards success while penalizing those who ignore their responsibilities. Increasing personal responsibility in Medicaid is an important way to lower costs, reduce reliance on expensive emergency care, and to ensure efficient use of Medicaid funds in Texas.

Medicaid Block-Grant Funding

Texas should pursue Medicaid block-grant funding from the Centers for Medicare and Medicaid Services (CMS). The ultimate goal for meeting the needs of Texans who rely on public health care programs is to obtain a per-person block grant from the federal

government, pooling Medicaid, CHIP, indigent care, and even some TANF money so that they can be distributed on a per-family or per-person basis.

Pursuing a block-grant approach to Medicaid (and other programs) will make for a more effective use of taxpayer dollars and provide for budget certainty. Texas' demographic characteristics mean that the state's Medicaid population has different needs than those of other states. It does not make sense to hold all states to the same, cookie-cutter federal mandates. In particular, subsidy amounts could be tied closely to family income and local cost of living; a benefit package that closely corresponds to the needs of Texas' low income populations could be crafted; and, a sliding scale could be introduced so that as families increase their income, their government subsidy would be gradually reduced.

The vision of block-grant funding enables family choice and provides incentives to encourage responsible health choices. Families will be able to choose health care that is most appropriate for them. Block-grant funding will also reduce administrative costs, allow a greater role for the private insurance market (particularly if Health Opportunity Accounts are introduced), and will allow greater individual responsibility for health care costs in Medicaid.

State-Mandated Doctor Contracts

Some physician groups have consistently attempted to circumvent the dynamics of the health care market to strengthen their ability to control the prices for the medical services they offer. Advancing the concept of a government-mandated doctor contract is the latest attempt to shift the pricing of healthcare away from conventional market forces and into governmental arenas which would diminish the checks and balances of medical costs the market provides. Standardized contracts are also objectionable because the elements of the contract proposed to be standardized frequently represent numerous other policy debates, and the contract can tie doctors, patients, and health plan providers to provisions they would not favor individually.

Legislators should resist attempts to introduce mandated doctor contracts in Texas. State intervention in the health care market typically causes health care costs to rise, and mandated doctor contracts will be no different. According to a survey of Texas health plans, the administrative costs of efforts to comply with a state mandated contract has been estimated at between \$17 million and \$20 million for the industry during the first two years of implementation. It is likely that there will be second phase costs, estimated to be as much as \$10 million annually associated with implementing the modifications necessary to ensure the long term viability of the standardized contract.

The fiscal impact on the state must also be considered. State employees, CHIP, and Medicaid are all dependent on managed care contracts. Any changes to commercial contracts would apply to the contracts governing these programs requiring the state to absorb significant costs in the re-contracting efforts.

Wholesale Drug Distributors

Health and Safety Code (Chapter 431) contains strict drug wholesale licensing requirements that are more stringent than federal minimum standards. In many cases, these rigorous regulations are reasonable in that they help to protect domestic drug distribution from counterfeit or adulterated drugs. However, these regulations are not necessary for manufacturers engaged in distribution (or logistics providers contracted by manufacturers) in the state because manufacturers have not been associated with instances of counterfeiting or adulterating the drugs they produce.

Therefore, while manufacturers should still be subject to licensing regulations, Health and Safety Code (431.4031) should be amended so that manufacturers of wholesale drugs are exempted from the more stringent licensing requirements (such as bonding and detailed criminal history checks) as described in Sections 31.404(b) and (c), 431.405, 431.407, 431.408, 431.412, and 431.413.

Furthermore, Texas statute must be more closely aligned with federal pedigree regulations used to implement the Prescription Drug Marketing Act of 1987 (PDMA). In general, the PDMA exempts only the manufacturer or a wholesale distributor who qualifies as an Authorized Distributor of Record (ADR) from federal pedigree regulations. Therefore, to clarify Texas law with respect to federal minimum pedigree requirements, Health and Safety Code (431.401) should be amended.

Prescription Drugs in Medicaid Managed Care

The managed care population in Medicaid currently accounts for approximately 50% of enrollment, but is expected to grow to 70% by the end of the 2008-09 biennium. This expected growth means that the state must closely scrutinize the costs of Medicaid managed care, and particularly the cost of drugs provided to managed care recipients. Currently, drugs are “carved-out” of the managed care program and the state contracts with a private vendor. This is less efficient and effective than allowing health plan providers to deal directly with drug companies.

The state should consider allowing Medicaid managed care health plan providers to deal directly with drug companies. This would be less expensive (according to a study by the Lewin Group) and would allow managed care providers greater control over their clients' health care.

Public Education

Public School Choice

For conservatives, creating choice in education is a philosophical imperative. Almost one-fifth of Texas public schools fail to meet federal minimum standards – making it all the more absurd that Texas parents are not given a real opportunity to exercise meaningful choice over the school their children attend.

Therefore, the Public Education Grant program should be expanded into a comprehensive public school choice program for which all students in Texas are eligible, regardless of the academic performance of their current school. Any student wishing to transfer from one public school to another should be permitted to do so.

To ensure that all students are able to participate in the school choice program, school districts should not be permitted to reject transfers. Should overcrowding result, campuses could utilize temporary classrooms, which are commonly used in fast-growth districts where facilities construction and renovation cannot keep pace with enrollment growth. Lack of available classroom space should not be held out as an excuse to deny entrance for a student; such an excuse is a nefarious method to undermine the purpose of the school choice program.

[Please see the School Facilities Funding recommendation on Page 18. Enactment of that recommendation would give school districts additional flexibility by allowing them to privately finance the construction of new facilities should they become necessary under the enactment of this recommendation.]

Distance Learning Network

The State Board of Education (SBOE) should establish and operate a distance-learning network. As was the intent of House Bill 1445 (79R) by Representative Madden, a chapter should be added to the Education Code, requiring the SBOE to:

- establish criteria for electronic courses and programs;
- create a list of approved courses for provider school districts; and,
- make this list available to the public.

Only school districts or charter schools rated academically “recognized” or higher would be allowed to provide courses for the distance learning network. Any student enrolled full-time in a school district or charter school would be allowed to take one or more courses available on the virtual network.

The SBOE should establish an initial maximum per-student course cost of \$400. This amount plus 20% (a maximum of \$480 per course), would be paid to the “home” district in which a student participating in the distance learning network is enrolled. The home district would be required to pay the SBOE-approved cost to the district or charter school

providing the electronic course, while keeping the additional 20% to cover its own administrative expenses.

When the virtual school network is operational, students would be able to enroll in a combination of courses offered electronically by the virtual network, and courses taught in the traditional way by their home school district. By ensuring that only strongly-performing school districts are able to contribute courses to the virtual network, the system will allow all students, regardless of the performance of their home school district, to have access to the highest quality of education provided in the state. Equally, a broader curriculum is made available to all students, since they can enroll in courses provided by the virtual network in addition to those taught in their school district.

School Facilities Funding

Amend Texas Education Code (Chapter 44) so that school districts are able to contract with Real Estate Investment Trusts (REITs) for the construction of new facilities. School districts should also be permitted to sell their existing facilities to a REIT and to enter into long-term contracts for the use of the facilities for educational purposes, and for the asset management, capital improvement, and maintenance of the facilities. This recommendation applies the intent of House Bill 2803 (79R) by Representative Morrison to public education facilities across the state. H.B.2803 would have authorized junior colleges and higher education institutions to enter into contracts with REITs for the construction, maintenance and development of their facilities.

Financing the construction, management, and maintenance of existing school facilities, as well as the construction of new facilities, through REITs will produce significant savings to state and local taxpayers. By shifting the financial burden to the private sector, school districts will be able to construct new facilities without having to raise additional tax revenues, while they will also benefit from improved and more efficient management of their existing facilities.

Commissioner of Education

In order to foster a meaningful and frank public debate over education policy, the State Commissioner of Education should be reformed into a statewide elected position which serves as chairman of the SBOE. In this way, the Commissioner of Education would become an authentic “educational leader of the state,” as the Education Code describes. The Commissioner would be able to pursue reforms of the education system based on a statewide mandate, and to provide leadership and direction to the SBOE.

To achieve these ends, the Education Code (Section 7.051) should be amended so that the Commissioner of Education is elected by a statewide ballot in the same fashion as the Governor, Lieutenant Governor, Comptroller of Public Accounts and other statewide leadership positions. Similarly, Education Code (Sections 7.101-3) should be amended so that the elected Commissioner of Education serves as chairman of the SBOE starting with the 2010 election cycle.

Special Education Voucher Program

The Texas Education Agency reports that over the past five years the number of children diagnosed with various degrees of autism has almost doubled. The number stood at more than 17,000 in the 2005/06 school year. A voucher program that allows these and any students with special educational needs to be educated in any school chosen by their families – public or private – would ensure that the particular educational needs of these children can be met in the best way possible.

The example from government programs such as Medicaid and CHIP demonstrates that there is no imperative for the state to mandate the specific school in which a child, and particularly a child with special educational needs, should be educated. Taking Medicaid as an example, the state provides financial aid to those who qualify, yet it is happy to allow recipients to decide where to spend state assistance. Although state hospitals exist, Medicaid recipients are not directed exclusively to these facilities.

Given these points, it is clearly incongruous with other areas of state policy to insist that children who suffer from autism or are otherwise eligible for special education programs must be educated in state-run public schools, or that they should be denied state-funding if they wish to be educated in a school that is not run by the state. Therefore, a voucher program for all autistic students, and any other students exempted from the TAKS test under Education Code Sections 39.027(a)(1)&(2) and 39.027(b) is recommended.

Universal Pre-K

Attempts to introduce state-funded universal pre-kindergarten in Texas should be resisted. Such a program is estimated to cost \$2.3 billion per year. Public education is already one of Texas' largest budget areas, accounting for roughly one-third of annual state spending. Despite this, the Texas Education Agency's 2006 Adequate Yearly Progress (AYP) report reveals that 19% of Texas schools failed to meet federal AYP requirements. Although this represents a slight improvement since 2005, one-fifth of public schools are still failing Texas students and their families.

It is therefore unconvincing to suggest that young children's educational outcomes will be improved if they are allowed into the public education system at an earlier age. Furthermore, most academic studies conclude that if there is any educational benefit for children who attend pre-K, it wears off by the time they enter the third grade. A study of pre-K in Georgia, where taxpayers spent more than \$1 billion on a state-wide program, revealed that overall student test scores failed to improve.

Legislators should also consider that through the existing public pre-K program that is open to homeless, low-income, or limited English proficiency students, students with a parent in the military, the Head Start program, and children in private pre-K, 94% of four year olds in Texas already participate in some form of preschool. Introducing universal

public preschool will simply subsidize those middle and upper-income families who are already putting their children through pre-K.

Property Taxation

The Maintenance and Operations (M&O) Property Tax

The only permanent solution to the challenges posed by rising M&O property tax bills and the need to fund Texas' cities, counties, schools, and special districts is to eliminate the property tax altogether. A new approach that weans the system of local taxation away from reliance on the existing property tax is required. Replacing property taxes with consumption taxes will also eliminate the costly and bureaucratic procedure by which properties are valued.

As a starting point, it is recommended that the school district M&O property tax be abolished. The revenue that the M&O tax currently generates should be replaced with half of the revenue from future state budget surpluses and revenue derived from ending certain exemptions to the sales and use tax.

Appraisal District Boards of Directors

Tax Code Section 6.03 should be amended so that the elected executive of each taxing entity serves on appraisal district board of directors.

The idea of holding appraisal board directors directly accountable by election is not new. House Bill 177 by Rep. Mowery (79 R), for example, would have created mixed boards: half appointed by taxing entities and half elected. Reinventing the wheel by electing new officials to represent both taxpayers and taxing entities, however, is unnecessary.

For the locally elected officials, service on the appraisal board would make decision-making more transparent and require elected officials to be directly involved with justifying rates and appraisals.

By not only electing appraisal board directors, but also requiring that the already-elected taxing entity officials serve, real and long overdue transparency, accountability and responsiveness are injected into the administration of the property tax.

Sales Price Disclosure

Mandatory sales price disclosure as a reform of the appraisal process should be rejected. Without a commensurate lowering of property tax rates, sales price disclosure would result in a large property tax increase. It would also be administratively costly, and of extremely limited use to the appraisal process.

However, if sales price disclosure is made mandatory, it should replace the appraisal process. The sale price of a property would determine its tax liability, which should be "locked-in" and not be allowed to increase until the property is next sold. This approach would create an entirely transparent system of property valuation, and would eliminate the administratively costly appraisal process.

The Appraisal Cap

The constitutional cap on property tax appraisal increases should be lowered to 5%. Currently, the 10% appraisal cap (first enacted in 1997) prevents the appraised value of a home from increasing by more than 10% in any given year. In theory this protects against appraisal creep, a backdoor method by which property taxes increase. However, tax bills since the enactment of the 10% appraisal cap indicate that, in practice, the cap gives local governments too much room to increase tax bills.

Appraisals have increased dramatically across the state, but especially in Harris County where the taxable value of homesteads rose by more than 46% from 1996 to 2001, causing tax bills to increase by nearly 57%. Under the current cap, an increase of 46% in five years is allowed. If the cap is lowered to 5%, however, the maximum five year increase in appraisals would be 25%.

In the absence of reforms that abolish the M&O property tax, lowering appraisal caps to 5% is one of a range of measures that, along with increasing accountability in the appraisal process, and rejecting sales price disclosure, should be implemented to ensure that property tax bills do not continue to spiral upward.

Property Tax Reductions

The legislature should enact M&O property tax reductions for property owners who do not have children in public schools. By providing a 25% reduction of the annual M&O portion of a property tax bill to property owners who do not have children in public schools, the state could provide meaningful tax relief to those who make no direct use of the public school system.

Property tax reductions already exist for property owners over the age of 65, through an additional homestead exemption, and the senior tax freeze. Extending these forms of tax relief to a group that does not directly utilize the public school system is therefore not without precedent.

Additionally, property owners who are married and reside in the same property for 10 years should qualify to have their M&O tax bill for that property reduced by 25%. The state should provide meaningful incentives for marriage and family formation. One of the best ways to do this is to provide married couples with property tax relief

The Roles of State and Local Government

The blurring of the lines between local and state government in Texas has created a situation in which all levels of government are doing too much inefficiently. The cost of the resultant duplication of services is met by taxpayers. This situation can be remedied with a clarification of what each level of government is responsible for, so that the role of each tier of government is clearly defined, and service delivery (and the financing of that

service) is limited to one level of government. Areas of policy which are the responsibility of the state should be funded by state taxes, while local government entities should fund their own responsibilities through local taxes.

Most importantly, the state should stop the practice of “overseeing” local operations and efforts as if cities and counties were state agencies under sunset performance review. Special interest groups should take policy questions to local governments for debate instead of the current practice of convincing state legislators that one-size fits all across the state with regards to issues like zoning, building permit processes, trash collection and library and park operations. After careful study, the state should find the best way to constitutionally prohibit unfunded mandates and should also closely examine the need for regional governments. These recommendations will require serious legislative effort and study, comprehensive re-writes of statutory law, putting constitutional amendments to the voters for approval, and a general change in the way the state approaches local issues and local governments.

Illegal Immigration

Citizenship Status: Driver's Licenses and Texas Identification Cards

To improve the integrity of Texas' electoral system, citizenship status should be placed on Driver's Licenses and Texas Identification Cards. Specifically, Transportation Code (Chapter 521) should be amended by adding "citizenship status" as a feature that a Driver's License must include. The citizenship status of the license-holder or card-holder should be indicated through one or more of the following methods:

- A stamp on the license or identification card;
- A code placed in an existing information field on the license or card;
- Changing the orientation and/or layout of the card;
- Issuing non-citizens with a different color license or card; or
- Placing citizenship information in the magnetic strip on the license or card.

Whichever approach is adopted, election officials and law enforcement officers must be able to easily identify the citizenship of the card holder whenever the card is presented as identification.

Voter Identification at Polling Place

Voters should be required to present a Driver's License or Texas Identification Card at their polling place. Election Code §63.001(b) should be amended so that, on offering to vote, a voter must present a voter registration certificate and a valid, unexpired Texas Driver's License or a valid, unexpired Texas Identification Card that proves the voter is a United States citizen.

Importantly, Transportation Code, Chapter 521, Subchapter R, should also be amended to provide Texas Identification Card fee waivers for the indigent (based on objective eligibility standards, such as qualification for the Lone Star Card) so that the cost of obtaining a Texas Identification Card (necessary for voting under this recommendation) does not preclude an individual from receiving one.

Applications for Early Voting Ballots-by-Mail

To protect the process of voting by mail from fraud, Election Code §84.002 should be amended by adding the requirement that an application for an early voting ballot include the applicant's telephone number and either a Driver's License number or Texas Identification Card number.

Cross-Check of Voter Rolls against Death Records

As a further check against election fraud, Election Code §18.061 should be amended by adding subsection (f) to require the Secretary of State to conduct regular cross-checks of

the statewide computerized voter registration list against death records maintained by the Department of State Health Services.

Responses to Jury Summons Disqualify Voters

Given that the Harris and Bexar county voter registration officials discovered non-citizens on their voter rolls based on responses to jury summons, the Legislature should ensure that if a person returns a jury summons claiming he is not a citizen, he is *automatically* stricken from the voter rolls. Therefore, Election Code §16.0332 should be amended so that the voter registrar shall immediately cancel a voter's registration upon receipt of a returned jury summons that lists non-citizenship as an excuse.

Increased Funding to the Attorney General to Investigate Election Fraud

To further combat election fraud, the Special Investigations Unit (SIU) in the Office of the Attorney General should be given increased funding. The SIU currently assists local officials in investigating and prosecuting election fraud. Specifically, the Legislature should appropriate funds to the SIU for the investigation and prosecution of illegal votes cast by non-citizens.

Matricula Consular Cards

The Matricula Consular is a card issued to Mexican citizens by Mexican consular offices in the United States and elsewhere. The card is available to any Mexican citizen living outside Mexico, and is especially popular among illegal immigrants since the card is issued without taking immigration status into account. The Matricula Consular card is an unreliable form of identification.

Therefore, Transportation Code §521.142 should be amended, and Chapter 2057 added to the Government Code, so that no state agency in Texas is permitted to accept a Matricula Consular card as evidence of a person's identity, a person's immigration status, or as a secondary or supporting proof of a person's identity.

Birthright Citizenship

The citizenship that is automatically conferred upon anyone born on United States' soil clearly motivates families to illegally cross our borders. In the 109th United States Congress, H.J.R. 46, by Congressman Ron Paul (R-TX), proposed an amendment to the Constitution that declared:

“Any person born after the date of the ratification of this article to a mother and father, neither of whom is a citizen of the United States nor a person who owes permanent allegiance to the United States, shall not be a citizen of the United States or of any State solely by reason of birth in the United States.”

Although H.J.R. 46 was not adopted by the 109th Congress, the Texas Legislature should pass a resolution in support of any similar bills filed in the 110th United States Congress that seek to restrict birthright citizenship.

CHIP Prenatal Care Program

The 2006-2007 General Appropriations Act (Article II, Rider 70) utilized a provision made by the Centers for Medicare and Medicaid Services, allowing states to provide CHIP benefits to unborn children.

In Texas, the eligibility for the subsequently-created CHIP Prenatal Care Program should be restricted to the unborn children of U.S. citizens or legal residents. To achieve this, the legislature should ensure that eligibility for the CHIP Prenatal Care Program is based on the immigration status of at least one of the child's parents.

Public School Enrollment

Education Code (Section 25.002) should be amended so that disclosure of a child's residency status is required at the time of enrollment in a public school. Each school district should then be required to submit statistics to the Texas Education Agency that indicate:

- (a) How many students it has enrolled who do not have documentation confirming either their citizenship or legal resident status; and,
- (b) What percentage of total school district enrollment comprises students described in (a).

The amended version of the Texas Education Code (Section 25.002), as described above, should make clear that disclosure of a child's residency status is required for statistical reasons only, and that while such disclosure is a precondition of enrollment in a public school, it cannot be used to prevent a child from enrolling.

The "Emergency Medical Care" provision in EMTALA

The Emergency Medical Treatment and Active Labor Act of 1978 (EMTALA), requires Emergency Rooms to treat anyone who has an "emergency medical condition", regardless of their citizenship or ability to pay for the treatment. It is this provision that paves the way for anyone, including illegal immigrants, to receive free health care in American hospitals at great cost to taxpayers.

The legislature should pass a resolution supporting the re-definition of "Emergency Medical Care" in the Emergency Medical Treatment and Labor Act of 1986 (EMTALA), so that only the rarest births which genuinely pose a threat to the life of the mother or child are handled in emergency rooms.

Access to Punitive Damages

Civil Practices and Remedies Code (Chapter 41) should be amended so that illegal immigrants cannot receive punitive damage in civil lawsuits. Understanding that the legal system should never reward those who break the law, an individual who breaks federal law by entering and remaining in the country illegally should not be permitted to benefit from a civil proceeding. Making it generally understood that courts in Texas will not ignore a person's illegal status and will discourage illegal immigration.

Remittances

The Mexican government already collects a fee on remittances received by its citizens. Yet in the United States neither federal nor state governments levy such a fee – despite the cost of illegal immigration to American taxpayers, particularly with respect to uncompensated health care. It is appropriate, therefore, to add Chapter 279 to the Finance Code so that:

“A money transmission business shall charge a fee on a money transmission that originates in this state and is transmitted to a destination in Mexico or in Central or South America. The amount of the fee is eight percent of the total amount sent by the money transmission.”

To reflect the burden that illegal immigrants who do not have health insurance place on Texas' hospitals and health care providers, the revenue raised from this fee should be credited to the indigent health care support account under Section 64.002 of the Health and Safety Code.

In-State Tuition for Illegal Immigrants

To reflect the fact that granting in-state tuition to illegal immigrants places legal U.S. residents at a financial disadvantage in terms of college tuition, and that it derives little benefit to the state since illegal immigrants cannot work lawfully in Texas, illegal immigrants and legal aliens who are not on a path to citizenship should not qualify for in-state tuition. Education Code (Section 54.052) should be amended so that in order to qualify for in-state tuition, an individual must be either a U.S. citizen, or a legal resident, who meets the other existing criteria under Chapter 54 of the Education Code.

Employer Sanctions

Despite employer sanctions being central to the Immigration Reform and Control Act of 1986, enforcement of sanctions has been woefully poor at the federal level. Removing the demand for illegal labor by creating significant disincentives for employers to break the law will cause a decline in the supply of jobs and employment potential for illegal immigrants. With no guarantee of finding a job, the incentive to come to the U.S. illegally will be dramatically reduced, and a decline in illegal immigration is likely to follow.

Therefore, employers found to be knowingly employing illegal immigrants should be penalized in the following ways:

- Insert a Chapter in the Labor Code that details a monetary penalty, equal to the amount that was paid by the employer to illegal immigrants during the financial year, to be paid to the state by any business found to be employing one or more illegal immigrants.
- Amend Chapter 62 of the Labor Code so that the act of paying wages or any other compensation constitutes an admission by the employer that they have confirmed that the employee is authorized to work in the U.S.
- Amend the gross margins tax created by House Bill 3(79S3) to include an additional tax penalty equal to ten percent of their tax liability for each undocumented employee a company is found to be employing.
- End property tax exemptions for any business or individual found to be employing “unauthorized aliens.”
- Prohibit any business that is found to have employed “unauthorized aliens” for three out of any five years from conducting business in the state for a period of six months.

Additionally, employers should be required to attest under penalty of perjury that they have not employed illegal immigrants. Specifically, certificates of formation for all businesses filing with the Secretary of State should be accompanied by an affidavit stating that the company will not hire “unauthorized aliens.”

The gross margins tax created by House Bill 3(79S3) should be amended so that each taxable entity is required to declare that it employed no “unauthorized aliens” when submitting its reports to the Comptroller for each tax year.

Bilingual Education

Despite the provision in the Texas Education Code that “English is the basic language of this state,” approximately 700,000 students with limited English proficiency are considered eligible for bilingual education, which accounts for 5% of all education spending in Texas. Educational attainment results from California suggest that scaling back bilingual education programs can have a positive impact on student achievement. This, coupled with the growing cost of bilingual programs and the shortage of qualified bilingual teachers in Texas, leads to the conclusion that bilingual education programs in Texas public schools should be ended.

Therefore, Education Code §29.053 should be amended so that school districts are no longer mandated to offer bilingual education or a special language program to their limited English proficiency students. Equally, English-speaking students should be excluded from bilingual programs by removing §29.058 of the Education Code so that students who do not have “limited English proficiency” are no longer permitted to participate in bilingual education programs.

Border Security

Border sheriffs should be provided with increased funding and resources. State-led initiatives such as *Operation Laredo* have decreased border crime by at least 65% in border counties. Increasing funding for border security will further reduce drug trafficking, people smuggling, and other types of crime.

Local Law Enforcement

In *United States vs. Vasquez-Alvarez* (176 F.3d 1294, 1295), the Tenth Circuit of the U.S. Court of Appeals concluded that there is “a preexisting general authority of state or local police officers to investigate and make arrests for violations of federal law, including immigration laws.”

Additionally, in *United States vs. Santana-Garcia* (246 F.3d 1188,1194), the Tenth Circuit held that federal law “evinces a clear invitation from Congress for state and local agencies to participate in the process of enforcing federal immigration laws.”

Allowing state-level law enforcement officials to detain illegal immigrants on the basis of their illegal residency status or illegal entry alone is a vital tool for combating illegal immigration. A resolution supporting the passage of House Resolution 6095 through the United States Congress should be passed. H.R. 6095 affirms that:

“[L]aw enforcement personnel of a State or a political subdivision of a State have the inherent authority of a sovereign entity to investigate, identify, apprehend, arrest, detain, or transfer to Federal custody aliens in the United States (including the transportation of such aliens across State lines to detention centers), for the purposes of assisting in the enforcement of the immigration laws of the United States in the course of carrying out routine duties.”

Sanctuary Cities

House Amendment 1139 (by Congressman John Culberson [TX-7]) to House Resolution 5672 blocks federal law enforcement funding for cities and counties that have adopted “sanctuary policies.” Sanctuary policies generally prevent local law enforcement officers from asking individuals they arrest, detain, or stop whether they are in the country legally. To reflect the harmful impact that sanctuary policies have on efforts to restrict illegal immigration, a resolution in support of House Amendment 1139 is recommended.

Human Trafficking

Existing Penal Code §20A.02 stipulates that if a person’s involuntary detainment is for sexual purposes the penalty is a felony of the first degree only if the person held is under 14 years of age or if the trafficking results in the death of the person. Legislation should be considered to make all human trafficking for purposes of sexual exploitation a first degree felony.

Increased penalties will serve to keep convicted human traffickers incarcerated for longer periods of time and will provide a deeper sense of justice: the traffickers have profited from depriving people their due liberty; in kind their liberty should be deprived.

Property Rights and Land Use

“Public Use” in the Texas Constitution

Rather than an expansive definition that contemplates all types of public uses, such as reservoirs, roads, and public buildings, a narrow definition of “public use” should be included in the Texas Constitution. The Constitution should be amended to define public use as an act that “results to the public some definite right or use in a business or undertaking to which the property is devoted.” This language is borrowed from the Texas’ Supreme Court’s 1905 decision in *Borden v. Trespalacios Rice & Irrigation Company* and was used by the Court to define its strict interpretation of the phrase. If applied today, the definition would appropriately limit the purposes for which governmental takings may be applied, possibly limiting the number of condemnations conducted while better protecting Texas landowners.

“Public Use” in Statute

Chapter 21 of the Texas Property Code, which governs the eminent domain condemnation process, should be amended to specify that a political subdivision may exercise its right of eminent domain only for a public use. The chapter should further define public use as follows:

1. The possession, occupation, or use of the land by the general public or by state or local governmental entities;
2. The use of the land for the creation or functioning of public utilities;
3. The providing of channels of trade or travel; such as airports or sea ports.
4. The advancement of purposes for which a political subdivision levies ad valorem taxes.

“Public Purpose” in Eminent Domain

Chapter 251 of the Local Government Code lists extraneous “public purposes” for which municipalities may exercise their power of eminent domain and is too permissive with regard to the purposes for which a municipality may exercise its right of eminent domain. Therefore, this chapter should be repealed. Texas cities, like other political subdivisions in this state, should be strictly required to exercise their power of eminent domain for public use only.

“Adequate Compensation” in Eminent Domain

In 1993, the State Supreme Court ruled in *State v. Schmidt* (867 S.W. 2d 768) that certain, measurable factors could be excluded from consideration in the adequate compensation given to property owners whose property is partially condemned. Chapter 21 of the Property Code should be amended so that the *Schmidt* exceptions (diminution in value of remainder due to diversion of traffic, increased circuitry of travel to property, lessened visibility to passersby, or inconvenience of construction activities) are again

required in consideration of adequate compensation. This was the intent of Senate Bill 1010 by former Senator Buster Brown (76R).

Property Taxes Paid By Condemnees

When a governmental entity condemns private property (commercial or non-commercial), the condemned party should be reimbursed all of the taxes paid to the condemning entity. Therefore, if a city condemns a property, then the city's adequate compensation calculation should include *all* of the property taxes paid by the property owner to the city. If a governmental entity that doesn't levy a property tax condemns (such as the Department of Transportation), then that entity should have to reimburse all property taxes paid by the property owner to all entities.

Slum and Blight in Texas Law

The Texas Legislature should narrowly re-define slum and blight in state law. The reasons why a property may be identified as slum or blight must be specific, such as "unsafe structures", and not general, such as "an economic or social liability". Furthermore, Texas law should establish a test where a government entity must prove that several objective measures have been met before it may classify property as slum or blight. Such a requirement would establish a necessary burden on a governmental entity to demonstrate that a property is blighted or part of a slum area before condemning it on such grounds.

Texas Community Development Act and the Texas Urban Renewal Law

The Legislature should eliminate the urban renewal and community redevelopment statutes in Texas law. These chapters of the Local Government Code were adopted during an era when government assumed a role in urban revitalization. However, since that time, public sector community development and urban renewal programs have been shown to fail to solve the problems that they were intended to fix. Equally, market-driven demand and private sector development has become a superior alternative to government-based development efforts. Beyond the fact of their ideological and functional obsolescence, Texas' community development and urban renewal laws authorize the broad application of municipal condemnation powers for economic development purposes. Simply put, they enable the use of the wrong tool for the construction of an inappropriate solution.

Landowners' Bill of Rights

The Attorney General's Office should draft a written statement of rights for landowners affected by a condemnation. The statement of rights must include, but not be limited to, the right to notice, fair negotiations, damages, hearing, and the appeal of any award issued. The statement should also outline the condemnation process, and highlight the landowner's available options.

The Texas Landowner's Bill of Rights should be in plain language to be easily understood. Any political subdivision engaging in the taking of private property for a public use must deliver the statement of right to the affected landowners no later than four weeks before the initiation of condemnation proceedings.

Public Notice, Public Hearing, and Disclosure of Vote

Any governmental entity attempting to take private property must provide public notice with regard to its intent. The notice must identify the property sought through a condemnation, the name of the entity condemning the property, and specify the intended public use.

The governmental entity must hold a public hearing on the proposed taking. The hearing must be held at least 48 hours before any legislation authorizing the taking of private property is formally considered. The outcome of the vote, identifying how each member of the voting body voted on the question of condemnation, should be made public.

Good Faith Negotiation in Eminent Domain Proceedings

The legislature should restore the requirement, which was removed by the Texas Supreme Court's *Hubenak v. San Jacinto Gas Transmission Co.* (141 S.W.3d 172, 184) decision, that political subdivisions and landowners engage in good faith negotiations before the initiation of condemnation proceedings. Rather than rely on case law which is interpreted and applied by judges to enforce this standard, the Legislature needs to statutorily define its expectation that good faith negotiations between the landowner and the government entity occur before the initiation of condemnation proceedings.

A provision should be made for the dismissal of a condemnation case if the landowner proves in court that a governmental entity failed to negotiate in good faith. In the event that the court rules with the landowner, and finds that the governmental entity failed to negotiate in good faith, then it should be required to pay the landowner's court costs and attorney's fees.

The Appraisal Process in Eminent Domain

Landowners should be afforded the opportunity to accompany a condemning entity's appraiser during their inspection of private property. This recommendation would also require that the condemning entity provide a full explanation of how and why it arrived at its appraisal value for the landowner's property.

A condemning entity should also be prohibited from making a compensation offer to a landowner that is less than the amount identified by the entity's appraisal. Additionally, landowners who contest a condemning entity's compensation offer in court, and win the court's judgment, should be compensated by the entity for their court costs and attorney's fees.

The Condemnation Process in Eminent Domain

A condemning entity should be precluded from taking possession of a landowner's property if the landowner challenges the public use claimed for the condemnation. The condemning entity would be authorized to take possession pending litigation of the landowner's property no earlier than two weeks after the entry of the special commissioner's findings. During that time if the landowner objects to the public use for the condemnation, and makes the appropriate motions before a court, then the condemning entity would be precluded from taking possession of the property until the court's ruling on the question of public use.

Re-acquisition of Land Taken under Eminent Domain

Landowners should be authorized to re-purchase their land if the governmental entity fails to put it to public use within five years of its condemnation. A landowner may petition to repurchase their condemned property if the original public use is cancelled, or fails to be reasonably implemented within five years.

Under this recommendation the individual would have the option to purchase the property at fair market value or the purchase price paid at the time of the taking; whichever is less.

Reporting of Eminent Domain Condemnations

All governmental agencies should annually report all private property takings activities. Under this recommendation, each entity that engages in a private property taking for that year must report on the following:

- The total number of private properties condemned for that year;
- The total number of private properties acquired through negotiation;
- The public use for which each property was condemned;
- The total sum disbursed for adequate compensation; and
- The total number of condemnation cases pending at the year's end.

Study of Condemnee Relocation

The state should require either the Office of the State Demographer or the Real Estate Center at Texas A&M University to publish an annual report detailing the relocation of eminent domain condemnees. In particular, and with the consent of each condemnee, the report should include the cost of the properties to which the condemnees relocates, how this cost compares to the compensation received by condemnees from the condemning entities, and the locations to which condemnees relocate.

The Private Real Property Rights Preservation Act (PRPRPA)

Although the Act was initially enrolled to protect private property against regulatory takings, the protections in the Act are strong and appropriate to be considered in eminent domain condemnations. The exemption in Government Code §2007.003(b)(8), removing eminent domain from the Act's protections, should be removed. Additionally, §2007.003(b)(1) should be removed so that the protections of the Act apply to all actions of a municipality, not only those that occur in a municipality's extraterritorial jurisdiction.

Regulatory Takings

Government Code §2007.002(5) should be amended so that any action that causes "a reduction of at least 20 percent in the market value of the affected private real property" would constitute a "taking." This would trigger increased issuance of takings impact assessments, and would potentially increase the use of the Private Real Property Rights Preservation Act.

Public Information Act

According to Section 2 of Senate Bill 7 (79S2), (enacted as Government Code §552.0037), a condemnation action by any entity, including nongovernmental entities such as common carriers or utility companies, is subject to the Public Information Act. This legislation places an excessive and undue burden on private businesses.

Government Code §552.0037 should be repealed so that the Public Information Act no longer applies to private entities, which would simply be used for purposes of harassment and frivolous lawsuits by individuals and organizations that already have sufficient redress in courts and before regulatory agencies.

Dead Agencies

The existence of "dead" agencies and statutes in Texas law should be ended. Examples include the Commission for Control of Texas Centennial Celebrations (created in 1935), the Texas Deepwater Port Authority, and the Texas National Research Laboratory Commission.

State Parks

A privatization pilot program is clearly an appropriate initial solution to the state park funding problems in Texas. Having private foundations or companies charge demand-driven fees is an effective way for state parks to generate sufficient revenue to meet the cost of their own maintenance and operation. Clearly, some cultural and natural resources will merit state oversight, but the majority of Texas' state parks would be better maintained by the private sector. Most importantly, taxpayers will no longer be required

to fund the preservation of sites which could easily be sustained by way of a small fee paid by those who visit the sites.

Water Rights

The state should pursue policies that allow private sector knowledge, expertise, and investment to help secure a reliable and sustainable supply of water to Texas homes and businesses over the coming decades. Legislators should resist attempts to curtail private property rights by regulating the water market and suppressing the ability of the private sector to deliver innovative responses to the demand for water in Texas.

Specifically, legislators should create an environment in which private water rights are adequately protected. Giving landowners the opportunity to engage in dialogue with groundwater districts will be an important first step in this process. The state should also make water rights freely transferable and should remove legal barriers to privately-funded projects becoming involved in providing surface and groundwater for public use.

State Budget and Spending

Constitutional Tax and Expenditure Limitation

A more meaningful Tax and Expenditure Limitation (TEL) should be put in the Texas Constitution in order to effectively constrain the growth of the state budget. State appropriations over the last thirty years have *more than doubled* every ten years, even though population has not doubled, and personal income and GSP have continued to improve. In other words, state government is taxing more and spending more despite the fact that the citizens of Texas are better off financially and generally better educated. Article VIII, Section 22 of the Constitution (the existing state TEL) is entirely ineffectual as proven by its inability to abate this increase in spending.

The method of calculating the “estimated rate of growth of the state’s economy” under the existing TEL must be reformed. Currently, this figure is calculated by the Legislative Budget Board by “dividing the estimated Texas total personal income for the next biennium by the estimated Texas total personal income for the current biennium.” However, basing economic growth on estimated personal income growth is undesirable because it has led to a spending explosion over the past three decades.

The constitutional spending limit would be more effective if it limited the growth of the state budget to the lesser of population growth plus inflation, the increase in gross state product, or increase in personal income. In this way, the state will continue to be able to provide necessary services to the population as it grows, but any budget growth above this necessary amount will be constitutionally restricted.

The second step toward creating an effective TEL is to ensure that it applies to all state spending (excluding federal funds), rather than just dedicated funds as Article VIII, Section 22(a) currently stipulates. It is evident that for a spending limit to be meaningful and effective it needs to apply to the whole budget, rather than just selected dedicated funds.

The TEL must also contain a genuine and demonstrable process for determining budget surplus. 50% of any budget surplus must be deposited in the Property Tax Relief fund (Government Code 403.109) for disbursement to school districts according to state funding formulas. The remaining 50% of any budget surplus must be deposited in the Budget Stabilization Fund, which should only be accessed for the purpose of balancing the state budget when the Comptroller certifies that a budget deficit exists. Additionally, when the Budget Stabilization Fund exceeds 5% of all budget funds, the remaining 50% of a budget surplus must be equally divided between providing a proportional rebate to payers of the state franchise tax, and applying a temporary reduction of the state sales tax of one-tenth of a cent.

Finally, when the M&O tax rate reaches zero, the TEL must be adjusted so that 100% of any budget surplus be deposited in the Budget Stabilization Fund. Neither the surplus

revenue used to reduce taxes nor the revenue applied to the Budget Stabilization Fund may be counted as expenditures for the purpose of determining spending limits.

10% Budget Cut

The Governor's Office and the Legislative Budget Board should be lauded for their demand that state agencies cut spending in the 2008-09 biennium by 10%. When requesting their general revenue-related funds, state agencies have been informed that they will be limited to 90% of the sum of the funds expended in FY2006 and budgeted for FY2007.

The 10% budget cut requested by the Governor's Office and the LBB will force state agencies to examine how and where they spend their money, and to prioritize vital and necessary spending over expenditures that are profligate and inefficient. Ensuring that state agencies have to justify every dollar they spend in this way should be the cornerstone of the appropriations process every biennium. It is also important to note that the "cut" is only a cut to each agency's legislative appropriations request; it does not represent a *de facto* cut in state expenditures. If the expenditure is legitimate then the Legislature can, and most likely will, approve the spending.

Line Item Veto

Line item vetoes are a vital tool for taxpayer protection by helping end the tide of wasteful spending. In its 2003 report to the 78th Legislature, "*A Roadmap to Responsible Reform*", the TCCRI argued that the Governor should have the opportunity to approve or veto any or all parts of an appropriations bill, and that the Governor should have line item reduction powers, enabling a reduction in spending without having to strike the entire amount of a given appropriation. This would provide the Governor with the tools to restrain legislative spending without being forced to choose between the complete elimination or approval of a given appropriation.

To achieve these goals, the Texas Constitution, Section 14, Article IV should be amended so that if any bill contains several items of appropriation, the Governor may reduce the amount of one or more of those items.

Accessibility of State Spending Data

Creating an online searchable website, which lists state entities, the private businesses with which they have contracted, the value of each contract, and a description of the purpose of the contract, would provide taxpayers with a crucial tool for holding the state accountable for much of its spending.

Therefore, Government Code (Section 2177.052) should be amended so that a state spending database for all government contracts worth more than \$5,000 is created. The database should be fully accessible by the public and should be available online.

Furthermore, Government Code (Section 2054.126) should be amended so that each state agency that maintains a generally accessible internet site or for which an internet site is maintained must post on the site all expenditures made by the agency. The posting should include the purpose of each expenditure.

Use of Dedicated Funds

Many dedicated funds are diverted to other areas of the budget. Notable examples include the Telecommunications Infrastructure Fund tax (\$200 million per year), \$147 million appropriated from the State Highway Fund by the 79th Legislature, an additional tax levied on electricity bills since 1999 (\$239 million in 2005), and the fifty cent monthly fee paid by phone customers to help pay for 911 services (the fund now has a balance of more than \$80 million, while many rural counties have still not upgraded their 911 technology).

Allowing dedicated funds to be spent in other areas of the budget creates tremendous opportunities for unchecked and wasteful spending that allows an agency or program to deviate from focus on its core mission. Therefore, dedicated funds should either be allocated solely to their designated purpose or discontinued. Spending should occur on the basis of need or demonstrated results, not simply because dedicated funding is available.

Returning Surplus Revenue

The fundamental reform of education funding during the 3rd Special Session of the 79th Legislature enshrined in House Bill 1 (79S3) will reduce school district property tax rates by as much as 66.67% by 2008. This process should be continued by returning future budget surpluses to taxpayers in the form of lower property tax rates. Returning revenues to taxpayers is clearly an appropriate response in times of surplus, and if revenue is not returned to taxpayers with the aim of eliminating the M&O tax, it will inevitably be put toward inflating spending, thereby greatly increasing the budget in subsequent biennia.

To achieve the goal of eliminating the M&O tax by returning surplus revenue to taxpayers, 50% of any future budget surplus should be constitutionally dedicated to the Permanent School Fund, which disburses funding to individual school districts, based on state funding formulas. When this additional surplus revenue is disbursed from the Permanent School Fund to each school district there should be a corresponding lowering of the M&O tax rate in each district.

2/3 Supermajority for Tax Increases

Government should focus solely on the things that only it can do. A government that expands to meet every perceived or concocted “need” not only loses sight of its priorities and becomes burdensome to taxpayers, but also ensures that it will not do the basics very well. It also guarantees that government will inevitably pass more tax increases to fuel that growth.

Therefore, a requirement that any tax increases must be approved by a 2/3 supermajority in the both the House and Senate should be enacted. Requiring a 2/3 supermajority would eliminate some of the temptation of increasing taxes, as well as require a larger coalition of members willing to put their names on a tax increase. By controlling tax increases, a supermajority provision will also force the legislature to be constrained, thereby slowing the rate of government spending.

Specific Sub-Strategies as Part of Agency Strategic Plans

Agencies are required to provide the specific strategies detailing methods that will be used to reach goals and objectives. Sub-strategies give additional budget information for each of these strategies for closer evaluation of appropriations needed for each strategy. Although the agencies develop sub-strategies, this information must be requested, and the mark-up for legislative appropriations does not necessarily include detailed sub-strategies.

However, without the use of sub-strategies, the strategic plans presented to the Legislature are essentially an outline of a basic program and its cost. Legislators need more specific information to make decisions in allocating money to agencies and programs. Requiring agencies to provide sub-strategy information would allow legislators to evaluate the specific methods planned to achieve goals and objectives in relation to resources.

Interim Committee to Study Agency Budgets and Strategic Plans

In addition to including sub-strategy information in the strategic plan, interim committees should have a standing directive to exhaustively evaluate the current strategic plan, the operating budget, performance measures, the base budget, sub-strategies, and all agency contracts for all agencies in their purview. For example, in areas that could be outsourced or already are, legislators could see if additional Request for Proposals (RFPs) by the agency for any of its services would be beneficial and allow increased competition, lower prices, and better service. This could be especially helpful in high-cost areas like health care, Medicaid, and CHIP.

Careful review of these areas outside of the hurried legislative session will not only provide legislators with a better understanding of the agency budgets they oversee, but should strengthen the legislature's role in oversight of these agencies. By spending time in the interim evaluating the construction of the agency budget and strategies, the legislature will be better able to assess the agency's needs and performance history in relation to its budget requests during the appropriations process.

Balanced Scorecard Approach to Management of Largest Ten Agencies

Fundamentally, the balanced scorecard approach is a tool that allows agencies to organize performance measures established by the Legislature into a comprehensive system

focused on achieving the mission of the agency. It also provides a framework to critically evaluate performance measures with regard to their efficacy towards attaining agency missions.

Many state and local governments around the nation have adopted or have begun to adopt a balanced scorecard approach. In Texas, the Texas Education Agency began using the balanced scorecard in 2000 in order to strengthen the ties between agency performance and legislative policies. Using the balanced scorecard approach, the agency developed two goals for its 2003-2008 strategic plan and appropriations structure, and it captures the agency's philosophy that every employee's job and every business process is tied to achieving its mission of fulfilling the promise for all Texas children, by ensuring that every child graduates from high school with a world-class education. This mission is the single most important policy goal and is the focus of the agency's system of communicating performance. The scorecard has been an effective way of driving the agency with a focus on meeting its strategic plan.

The balanced scorecard approach adopted by the Texas Education Agency should be implemented in each of the ten largest state agencies (by budget); the information from this approach should also be incorporated into the strategic planning cycle of each agency.

Outsourcing

While there have been undeniable problems with outsourcing of eligibility determination for programs like CHIP and Medicaid, as there have always been problems associated with state-operated eligibility systems that rest on the Texas Integrated Eligibility Redesign System (TIERS), the exaggerated complaints against outsourcing are intended to keep state workers employed and to keep Texans stuck in government programs that are intended to be a safety net, not a lifelong entitlement.

If outsourcing is incorrectly blamed for enrollment declines, then the state will continue to pay for health care costs that would otherwise be borne legitimately by the individual. The Legislature should also reject all attempts to keep public employees on the state payroll, since older methods of processing eligibility claims were characterized by widespread client dissatisfaction and saw taxpayer dollars consumed by unneeded bureaucratic inefficiency and red tape. Outsourcing of eligibility determination for public assistance programs should be continued. The stringent and rigorous enforcement of eligibility requirements is fundamental to the success of public assistance programs, since it minimizes the number of people who must rely on state assistance and allows individuals to support themselves.

Electricity and Telecommunications

Electricity Generation

Texas needs more electricity, and relatively quickly, and under the existing State Implementation Plan (SIP) procedures, more generation capacity can be in place to meet increased demand projected by the Electric Reliability Council of Texas (ERCOT).

Anticipating this need even prior to ERCOT's June announcement, TXU began permitting on a \$10 billion expansion project to construct and operate 11 new clean coal technology power generation facilities in order to increase generation by nine gigawatts (enough to serve 6.5 million residents). There are an additional (non-TXU) 6 coal plants that have permits pending. TXU claims that their expansion will increase reliability by ten percent and provide adequate supply through the year 2015. The new TXU plants could go online as soon as Fall of 2008, and ERCOT reports that with the 11 facilities proposed by TXU, the reserve margin remains well above the target of 12.5%, as high as 24% in 2010 and 23% in 2011.

A balance between environment and energy is necessary and feasible under the existing SIP model, as illustrated in part by the TXU plan. In terms of electricity generation, Texas' public leaders should make every effort to maintain a reliable supply of electricity in order to meet economic and public health demands.

Retail Electric Competition: The Price to Beat

The legislature introduced the "price to beat" under Senate Bill 7, which deregulated much of the retail electric market in 1999. The price to beat was intended to encourage new electric providers to enter the market by compelling existing providers to sell their electricity at a mandated level indexed to their 1999 costs.

The price to beat expired on January 1, 2007, and was one remaining vestige of regulatory control over the retail electric market in Texas. Legislators should resist any attempts to reinstate the price to beat in the future, since it obstructs the functioning of a free market for electricity in the state.

The Universal Service Fund

The Universal Service Fund (USF) supports telecommunication services to many high-cost rural and isolated areas, as well as telecommunication services to schools, libraries, some low-income households, and rural health care providers. The USF is funded through an assessment against all telecommunication service providers, including internet, cell phone, pager, and pay phone companies, which is ultimately borne by consumers. According to a 2005 report by the Public Utility Commission (PUC), annual expenditures from the fund are approximately \$600 million.

All phone customers with a Texas area code pay a five percent fee to the USF. Assessments made against customers, most whom who do not benefit from the USF, is an inappropriate way to pay for the provision of telecommunication in rural areas, especially when the cost of telecommunications services and equipment continues to plummet while the speed of data transfers continues to increase. The USF is locked into an outdated model of how telecommunications services are delivered. The number of land lines is falling while wireless, satellite and cable services are growing.

While the USF has served a useful purpose, ultimately the subsidization of rural phone service through the USF should be ended. Increased costs the fund imposes upon telecom customers, all of whom are faced with higher prices, cannot be justified under the current scheme and current market conditions. Furthermore, it must be forcefully argued that the basis for the current assessment is severely dated, having been based on demographic data from the early 1990s. Many counties and cities which today qualify under USF criteria are no longer “rural” under any legal or practical definition.

At a minimum, the USF should be reformed based on a comprehensive study carried out by PUC relying on current market realities, sound demographic projections and reasoned expectations for continued innovation in the telecommunications industry. If the USF is to continue to operate, it is vital that disbursements should be highly focused in areas where subsidized service remains warranted based on strict criteria. A comprehensive demographic study would help determine these areas and will allow USF funding to be allocated more effectively, thereby reducing the tax on consumers.

Public Information Act

According to Section 2 of Senate Bill 7 (79S2), (enacted as Government Code §552.0037), a condemnation action by any entity, including nongovernmental entities such as common carriers or utility companies, is subject to the Public Information Act. This legislation places an excessive and undue burden on private businesses.

Government Code §552.0037 should be repealed so that the Public Information Act no longer applies to private entities, which would simply be used for purposes of harassment and frivolous lawsuits by individuals and organizations that already have sufficient redress in courts and before regulatory agencies.

Family Policy

Temporary Assistance for Needy Families (TANF)

Texas has achieved great success by reducing TANF enrollment in the state by almost 40% since 2002. This success is due in large part to the effectiveness of the work activity programs in which many welfare recipients are required to participate. If the decline in TANF enrollment is to continue, and if the new welfare-to-work requirements are to be met, legislators must strive to ensure that the percentage of TANF recipients who are exempted from these requirements does not continue to increase.

Exemptions to the work activity requirements of the TANF program should therefore be closely scrutinized to ensure that they are appropriate and that they do not hinder the successful operation of the program. Work activities are an essential component of the TANF program because they provide enrollees with the skills and experience that are necessary for them to support themselves and to end a reliance on state assistance.

Divorce Waiting Period

In Texas, the current divorce waiting period of 60 days means that a divorce cannot be granted until at least the 60th day after divorce papers are filed. This waiting period can be an important consideration in individuals' decision to file for divorce.

Research on divorce rates and divorce waiting periods in different states reveals that there is a clear relationship between divorce rates and waiting periods. Whether the divorce rate is calculated as a rate per 1000 population, or as an annual percentage of the number of marriages, the rate falls as divorce waiting periods rise. In states where divorce waiting periods are between 0 and 30 days, the average divorce rate is 4.63 per 1000 population, while in states where the waiting period is between 91 and 180 days, the divorce rate is only 3.1 per 1000 population. Maryland, which has a one-year waiting period, has a divorce rate of 3.2 per 1000 population.

It is recommended that the divorce waiting period in Texas be increased from 60 days to one year, with the expectation that this will lower the divorce rate in the state. Numerous studies highlight the damaging effects of divorce on children, and the additional social, economic, and developmental disadvantages that living in a single-parent home can have are well documented. Extending divorce waiting periods is just one of many ways to combat these problems by discouraging divorce and strengthening family formation.

Property Tax Marriage Incentive

Property owners who are married and reside in the same property for 10 years should qualify to have their M&O tax bill for that property reduced by 25%. The state should provide meaningful incentives for marriage and family formation. One of the best ways to do this is to provide married couples with property tax relief

Marriage Preparation Courses: License Fees

In order to encourage successful marriages and family formation, it is recommended that the state provide incentives for couples to undertake marriage preparation courses. Specifically, the marriage license fee, which currently varies by county in Texas, could be waived or reduced if a couple has participated in a marriage preparation program approved by the state.

Marriage Preparation Courses: 1% of TANF Funds

The state should allocate TANF funds to marital education programs for TANF-eligible couples. 1% of federal TANF funds should be used to fund marriage education courses covering issues such as communication, anger/dispute resolution, budgeting, parenting, and maintaining healthy lifestyles, which should be made available to TANF clients, who would receive an additional TANF allotment for participation in such programs.

This reflects the fact that TANF clients often have challenges that other populations do not have, and it is possible that many of these clients have not had these appropriate behaviors modeled for them. The figures correlating poverty and marital status illustrate how the cycle of poverty may continue if a person has not had experience in a family with an example of strong marriage.

This money should be allocated between existing programs in both the Attorney General's office and the Health and Human Services Commission. Furthermore, a portion of the 1% TANF funds should be available to private, community based entities through a competitive bidding process.

Additionally, each of the TANF marriage education programs should, like all state programs, be measured for effectiveness.

No-Fault Divorce

Texas' no-fault divorce statute must be reformed. No-fault divorce provisions place an individual's right to divorce above a commitment to remain married. Importantly, no-fault shifts the power to the party who wants to end the marriage, and leaves their spouse no recourse to prevent its dissolution. In short, the marriage commitment can be freely and easily revoked by either spouse at any time, without the consent of their husband or wife.

Aside from the obvious point that no-fault provisions undervalue the notions of marriage and family formation, it is also evident that since no-fault makes divorce too easy it is particularly damaging to children, whose family environment can be torn apart in as little as 61 days.

Family Code (Section 6.001) should be amended so that a no-fault divorce (termed divorce granted for reason of "insupportability") can only be granted if the parties to the

marriage are not the parents of a child under 18 years of age born or adopted during the marriage. In order to protect the rights of a spouse who remains committed to the marriage, even when there are no minor children, no-fault divorces should not be granted unless both parties request the divorce, or if the value of all “marital property” exceeds \$100,000.

Additionally, Family Code (Section 6.001) should be amended so that it is incumbent upon a petitioner for a divorce for reason of insupportability to provide evidence that the marital relationship has ended and that no reasonable possibility of reconciliation exists.

Covenant Marriage

A covenant marriage is one in which couples undertake pre-marital education and agree to more limited grounds for divorce than are normally available. Due to these and other factors, covenant marriages provide greater security since both parties have agreed to a greater level of commitment.

It is recommended that the Texas Family Code be amended so that the application for a marriage license provides couples with the opportunity to declare their intent to enter into a covenant marriage. Specifically, House Bill 180 (80R) by Representative Zedler, which makes this provision, should be supported. H.B. 180 also includes a provision that couples may designate an existing marriage as a covenant marriage, which should also be supported.

Additionally, H.B. 180 establishes a premarital education requirement that must be fulfilled before a couple can enter into a covenant marriage, and outlines the circumstances under which a covenant marriage may be dissolved. Importantly, a covenant marriage may not be dissolved unless the couple has undertaken approved marriage counseling, and the couple has demonstrated that one spouse has committed adultery, been convicted of a felony, been imprisoned in a state or federal penitentiary for at least 1 year, left the other spouse with the intention of abandonment and remained away for at least two years, or committed family violence that resulted in a protective order being filed. A covenant marriage may also be dissolved only if the couple has lived apart for a period of at least three years.

Marriage Waiting Period

Texas Family Code (Section 2.204) holds that a marriage ceremony must not take place during the 72-hour waiting period following the issuance of a marriage license. The waiting period is important since it allows couples a final opportunity to consider their decision to wed. If this decision is reaffirmed after a significant waiting period, it is likely that both parties are sure of that decision and that the stability of their marriage will be improved as a result. In particular, fraudulent, hasty, or runaway marriages are made more difficult by the waiting period between the license being issued and the ceremony being held.

To give couples greater opportunity to consider their decision to wed, it is recommended that the marriage waiting period should be increased from 72 hours to at least 120 hours (5 days). This would match the waiting period for gun ownership. Under the federal “Brady Law” there is a 5-day waiting period before an individual can purchase a handgun; the waiting period is used by law enforcement officials to determine whether the purchaser has a criminal history that precludes him from gun ownership, but also gives the purchaser adequate time to reconsider his decision to buy a gun. By upholding a marriage waiting period that is shorter than the gun ownership waiting period, Texas is implicitly suggesting that an individual’s decision to buy a gun requires more deliberation than a decision to get married. This is disingenuous since marriage and family formation should be treated at least as significantly as gun ownership.

Child Custody

Child custody regulations should be reformed so that the burden of proof for making a post-divorce change that will affect a parent’s relationship with their child or children rests with the parent who wishes to make the change. If one parent is opposed to such a change (such as relocating with the child, or moving the child to a different school) the parent seeking the change must demonstrate that it is a response to the behavior of the other parent being detrimental to the child. If this cannot be proven, the status quo must be maintained unless both parents jointly make the decision to change it.

Specifically, Family Code (Section 153.002) should be amended so that the factors used to determine the “best interests of a child” are based on those described above. In the absence of proof from one party that the behavior of the other parent will be detrimental to the child, both parents must have equal access to, custody of, and responsibility for the child.

Law Enforcement and the Judiciary

Judicial Selection

The propriety of Texas' current system of selecting judges, an elected judiciary, is often questioned and its merits debated. Bills to alter this fundamental constitutional structure have been filed in the last two regular sessions. Reform advocates often argue for a selection and retention system to take the place of the existing system of direct election. Under this proposed selection and retention system, state judges would be appointed, much like federal judges. The appointed judges in Texas, however, would be assigned terms and be subjected to a vote of the people; the electorate could retain the judge for another term or vote the judge out, only to have another one appointed.

The overarching problem with the retention system of judicial selection is that, unlike our election system, judges are removed from the people. This is in direct conflict with the state constitution, sound conservative principle, and largely ignores the experience of similar systems at the federal and state level. Furthermore, although retention elections have the minor salutary appearance of voter participation, an election of one can hardly be called an election.

Therefore, Texas' system of judicial elections should be retained. There is no doubt that the voting public would remove a court that did not represent the political will of the people, just as it may vote to switch the party in power, but it is important that the people have the unfettered ability to exercise the right to vote for the judges that interpret laws and make important judicial decisions that impact Texas.

Use of Deadly Force

In order to affirm the right to private property, deter criminals, and protect individuals whose property or well-being are threatened by criminal activity, the use of deadly force against a person should be permitted by law, providing that the property owner, or threatened individual believes deadly force to be immediately necessary to protect himself from murder, kidnap, sexual assault, or robbery. Specifically, the conditions outlined in House Bill 284 (80R) by Representative Driver are recommended.

Restorative Justice

Restorative justice focuses on the relationships between the victim or victims of a crime, the offender, and the wider community. Restorative justice programs have several goals, notably, that the victims of crime should be fully compensated by the offender (restitution and reconciliation are common themes), and that the chances of an offender committing subsequent crimes should be reduced by ensuring that offenders are forced to understand the consequences of the crime they have committed. These two goals are key to making sure that offenders are able to successfully reintegrate into the community with a minimal likelihood that they will re-offend.

Legislators should support attempts to expand the use of restorative justice programs in Texas. Restorative programs such as Bridges to Life and the Victim-Offender Mediation Program stand out as strong examples of the way in which restorative justice attempts to halt repeat offenders by engaging with them. Aside from the obvious social benefits of these programs, there are also economic benefits to the state. When restorative programs successfully reintegrate offenders into society and lower recidivism rates, the state is saved the cost of incarceration that would have been incurred had the individual re-offended.

General State Policy

Divestment of Public Funds for Companies Engaged in Business with the Sudanese Government

The Sudanese government is currently engaged in a genocidal war that is costing the lives of many thousands of its own citizens. The United States Congress has found that “the genocide unfolding in the Darfur region of Sudan is characterized by acts of terrorism and atrocities directed against civilians, including mass murder, rape, and sexual violence committed by the Janjaweed and associated militias with the complicity and support of the National Congress Party-led faction of the Government of Sudan.” This admonition by Congress should prompt lawmakers in Texas to ensure that the state does not invest any public funds in a private company that engages in business with the Sudanese government. Any such investment represents a tacit endorsement of companies that are engaged with the Sudanese government, which is, given the actions of that government, an unsuitable use of public funds.

A resolution recently filed in the Virginia General Assembly (House Bill 1828) calls for a “divestment of public funds” in companies that do business with the Sudanese Government. A bill similar to that filed in the Virginia General Assembly is recommended in Texas.

The contents of this document do not represent an endorsement from any individual member of the Board of Directors of the Texas Conservative Coalition Research Institute. There may be some policy recommendations or statement of philosophy that individual members may be unable to support. We recognize and respect their position and greatly appreciate the work of everyone involved with the Institute.

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