

Dan Patrick

FALL 2009

Dear Neighbor,

As the legislative session began this past January, I focused on lowering taxes, ensuring quality educational opportunities and making Harris County a safe place to live.

One of my major goals was a reduction in business taxes, which we ultimately accomplished. While the opposition fought us in reducing appraisal caps, we did pass significant appraisal reforms that will make the process more fair. I also continued our fight against ever increasing property taxes.

This session, I was selected to serve on several key committees: criminal justice, health and local government. I was also given leadership responsibility as the vice-chairman of both the Senate Education and the Senate Higher Education Committees. This gave me a great opportunity to work on issues from Kindergarten through college.

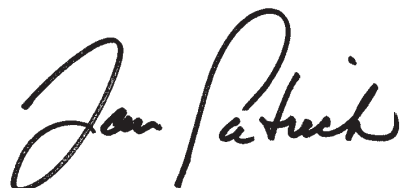
My major education policy initiatives for this session sought to increase the academic, as well as fiscal, accountability of our schools. I also pushed to make college more accessible by lowering tuition and providing targeted scholarships to future teachers and soldiers.

Local concerns that you and I share as Harris County residents were also a major part of my work in the Senate. We were very successful in passing legislation that addressed our concerns with disaster preparedness and public safety. More details concerning all of these issues are within this newsletter.

In all, I passed nearly 40 bills, including 15 of our top 20 priority legislative issues. Three of the other five, (ultrasound before abortions, expanding charter schools, and ending sanctuary city policies) all passed the Senate but died in the House. While passing good bills is important, stopping bad bills is also important. I led the fight to stop a 10 cent per gallon tax increase on gasoline as well as other punitive taxes on motorists.

With your continued support and encouragement we have made a major difference in the Senate. Together we accomplished a lot this session. But there is still much to be done. I hope you will take a moment to read this newsletter for the specifics of what we were able to accomplish this year. If I can ever be of assistance please call my district or Capitol office. I have a great staff that are here to serve you.

May God bless,



REDUCING TAXES ON TEXANS



My goal from day one was to greatly reduce the business tax to save and create jobs in Texas. In the end we cut the tax by almost \$175 million. I will work to reduce it more in 2011.

Reforming Property Taxes in the Capitol

You and I began discussing the problem of ever increasing appraisals a long time ago. This issue eventually compelled me to run for office and continue our fight within the halls of the Texas Senate. Lowering property taxes and improving the appraisal process continues to be a priority issue for me. Below are the highlights of what I did on these issues during the last session.

I co-sponsored **House Bill 3613**, which accomplishes two very important things toward reducing property taxes. This bill protects all homeowners from being appraised as if their property were used as a business by prohibiting the appraisal of homes based upon their "highest and best use." This is particularly important in cities like Houston where zoning does not dictate the use of property.

This bill also provides totally disabled veterans with a 100% exemption on their local property taxes and amends the schedule of property tax exemptions for veterans with certain disability ratings. The men and women who serve our country deserve the appreciation and gratitude of our society as well as our government. The changes made in the bill require voter approval by amendment to our constitution. Please be sure to vote on November 3, 2009.

I also passed **House Bill 1038** that requires appraisal districts to consider relevant properties that have lost their value because of declining values or foreclosure. In the past, appraisal districts were not considering these properties when appraising homes in the same neighborhood. As a result, home appraisals were not reflecting the fair market value.

I authored several bills that would have adjusted the appraisal cap on homestead property. **Senate Bill 299** would have lowered the appraisal cap for homestead residential properties from the current 10% to an

annual increase of 5%. I also filed **Senate Bill 276** that would have limited the appraisal of properties to every other year which would reduce the burden on local appraisal districts while slowing appraisal creep. Both of these bills died in committee.

Finally, I advanced a bill that included several appraisal reform measures. Primarily, **Senate Bill 700** would have enacted a revenue cap that would have limited the amount of revenue a city or county can generate from property taxes. Unfortunately, city and county government organizations have strong lobbies that killed this bill. Real, long-term property tax relief will always be out of reach until reasonable appraisal reforms, such as this, are adopted and I am not giving up.

Property taxes are the worst form of taxation and I will continue to push toward replacing it with a broad-based consumption tax.

Texas is Good for Business

Reducing the business tax was among my top priorities for this legislative session. Before I arrived in the Texas Senate, business taxes were changed in a way that had a severe negative impact on a lot of businesses. According to the National Federation of Independent Businesses, 4 out of 5 Texas businesses faced increased business taxes.

I set out at the beginning of session to dramatically lower the business taxes for 90 percent of the businesses in Texas. Unfortunately, the Texas Senate would not pass such dramatic reform. I then sought to gather enough votes to pass the biggest tax cut possible.

In the last days of the session, an agreement was struck that ultimately passed and will take effect January, 2010. **House Bill 4765** reduces business taxes by more than \$175 million, more than triples the business tax exemption and allows roughly 40,000 small businesses across Texas to plow this money back into their businesses in the form of new hires and new equipment.

I was proud to lead the charge on cutting business taxes at a time when businesses needed it most.



Governor Perry came to Houston to sign my business tax cut bill at the AB Ladder company, a small business that will benefit from the tax cut for small business.

PROTECTING THE HOMELAND

Preserving Our Border

One of my major initiatives going into the 81st Legislative Session was to address illegal immigration.

I authored **Senate Bill 357** that would have penalized employers who knowingly hire illegal aliens and operate on a cash-only basis in order to avoid taxes. These businesses are violating not only immigration law, but are also avoiding state and federal taxes. This creates an unfair playing field for businesses operating in Texas. I passed this bill out of committee but did not have the 21 votes required to bring it to a floor vote.

Reversing Sanctuary Cities: I passed **Senate Bill 2584** with a 30-1 vote in the Senate. This bill would have required local law enforcement to report illegal immigrants who have been arrested with a previous felony record to federal officials as opposed to releasing them back onto our streets. This bill would have addressed some of the policies associated with so called "sanctuary cities." I was proud to pass this important legislation with strong bi-partisan support. Sadly, the House never voted on the bill.

Protecting our Communities

In Harris County, there has been a troubling increase of "massage parlors," that operate as fronts for prostitution, narcotics, and human trafficking. I passed **House Bill 3094** this session that gives counties the authority to regulate these businesses and stop these illegal activities from occurring.

Protection When We are Vulnerable: To help further protect people from looters during disaster situations, I passed **Senate Bill 359** that increases penalties for theft, burglary, and assault if committed during an emergency evacuation order or state of disaster. This bill will help people focus on saving their families and homes rather than protecting themselves from criminal elements.

Closing Criminal Loopholes: I also passed a bill that will close an existing loophole. DNA samples are currently taken from convicted felons who are incarcerated. However, felons who are placed on community supervision are not required to provide a DNA sample. I authored **Senate Bill 727** to close this loophole. Collecting DNA samples from these felons will help protect the innocent from being falsely accused.

Punishing Those who Run: A growing concern in Harris County is the occurrence of criminals evading arrest. Criminals can often get a better deal if caught only evading arrest, rather than being caught for the crime they committed. **Senate Bill 1176** will increase the penalty for repeated evasion of arrest and protect our hard-working police officers from dangerous chases in the line of duty.

Fighting Drunk Driving: Texas currently ranks No. 1 in the nation for drunk driving fatalities. I proposed two bills to curb the devastating effects of drunk driving. One would have increased penalties for drunk drivers with a blood alcohol level that was double the legal limit. The other bill extended the license suspension period for drivers that refuse to submit to a breathalyzer test. Unfortunately, I was unable to garner enough support to pass them but I will continue to fight against this problem in future sessions.



Counting votes on my tally sheet with Senators Glenn Hegar and Joan Huffman.

HEALTH CARE REFORM

Healthcare Reforms that Work

Health care continues to be a top concern of American families as costs continue to grow. In Texas, we have made sound and steady movement toward reform. While there is more work ahead, my efforts to rein in excess Medicaid spending and increasing access to health care providers will save citizens and the state considerably in the immediate future.

Women's Right to Know: For the second session, my top healthcare initiative was to pass the ultrasound bill. This legislation would require an abortion provider to offer the patient an ultrasound before performing the abortion procedure. For the second session in a row, I have passed this important bill only to watch it sadly die in the House. I am committed to this cause and will never give up this important fight.

Increasing Access to Health Care: The need for retail health clinics will increase in the years to come because demand for health care continues to grow. I passed **Senate Bill 532** to make more health care providers eligible to practice at these retail clinics. This legislation will make health care more accessible and affordable for all Texans.

Cleaning up Medicaid: Texas currently has a system that identifies certain Medicaid claimants who are covered by private insurance. This system of coordinated billing saves the state over \$60 million dollars. I passed **Senate Bill 531** to expand this program to cover all Medicaid claims as soon as it becomes cost-effective. As passed, my legislation is estimated to save the state an additional \$15 million this biennium with more savings in the future.

Dan's Budget Fact:

The estimated total for Medicaid spending in 2009 is \$24.5 billion, which exceeds the total spent on Medicaid in 2000 and 2001 combined (\$23.6 billion).

In the last six years, Medicaid spending has increased from 26% to 34% of the budget.

While the total state budget increases about 3% annually, Medicaid spending grows by an average of 10%.

PRESERVING OUR FUTURE



In Education committee hearings where I served as vice chair with chairwoman Senator Florence Shapiro.

Review of Education Issues

Throughout the interim, I met regularly with district superintendents, as well as teachers, parents, and students to discuss education issues. With their input, I faced the legislative session with the following goals: to reduce the number of mandates on school districts; to revise the accountability system; to improve the school finance system; to create better educational opportunities for special education students; and to strengthen charter schools.

State Mandates: I passed **Senate Bill 300**, which reduced a number of mandates on districts, including eliminating the bus evacuation training mandate. Eliminating this mandate will save Houston ISD \$500,000 annually, and thousands of dollars for our other districts. It also revised the classroom size waiver system, and adjusted the energy mandates on districts. These changes will return local control to school districts across the state.

Accountability: I worked with Senator Florence Shapiro and Representative Rob Eissler to pass **House Bill 3**, which revised the accountability system. This bill incorporates a system focusing on students' individual growth.

Charter schools: I carried **Senate Bill 1830** to strengthen our charter schools. This bill lifted the limit on the number of charter schools to provide for responsible growth, created rewards for successful charters, and created a financial accountability system for charter schools. Although SB 1830 passed the Senate twice, it died in the House in the session's final hours because one House member vowed to kill it. This was a huge disappointment to many of us and an issue I will continue to push.

School Finance: I worked with Senator Shapiro and Representative Scott Hochberg to pass **House Bill 3646** on school finance. With limited funds, we were able to increase the amount of funding for all districts. I also pushed to address the inequity of funding in the system that hurts school districts like Cypress-Fairbanks ISD (CFISD), but we lost on that front.

The need for reforming school finance was affirmed immediately after the session when CFISD was faced with a shortfall that meant massive job cuts and higher property taxes. I worked with Governor Rick Perry to provide additional state funding for CFISD and similar districts this year. I will continue to work on school finance issues and make addressing these inequities a priority for this next session.

State Funding per Student 2008-2009

Cypress-Fairbanks ISD	\$4,505
Klein ISD	\$4,806
Galena Park ISD	\$4,808
Spring ISD	\$4,830
Humble ISD	\$4,954
Aldine ISD	\$4,967
Waller ISD	\$5,038
Houston ISD	\$5,102
Conroe ISD	\$5,103
Katy ISD	\$5,258
Spring Branch ISD	\$5,270
Galveston ISD	\$5,651
Tomball ISD	\$5,783

In the **Higher Education Committee**, I primarily worked on three issues: reducing the cost of student tuition, making tuition more transparent and creating more scholarships for deserving students.

Tuition control: I co-authored **Senate Bill 1443** with 26 other senators to control the dramatic rise in tuition at our state colleges and universities. This bill would have provided for measured growth in tuition and enabled students to choose whether to pay annual tuition increases or pay on a 4-year tuition plan. Once again, this important legislation passed the Senate but died in the House.

Tuition transparency: I passed **Senate Bill 1304** to provide for tuition transparency. Most families do not realize 20% of every student's tuition is dedicated to financial aid. I believe this is a hidden tax on students and families. Senate Bill 1304 will require tuition statements to clearly show what amount of tuition is set aside.

Strategic scholarships: I also cosponsored **House Bill 3452**, the Texas Armed Services Scholarship program. This financial aid program benefits qualified college students who successfully participate in the Reserve Officer Training Corps (ROTC) and fulfill their obligations to the armed services.

Dan's Budget Fact:

Education rightly receives more funding than any other state function at more than \$75 billion or 41 percent of total spending.

Higher Education receives about \$23 billion of those dollars. These funds were increased about 7 percent in order to maintain UTMB Galveston, increase scholarship programs and pay down debt.

DISTRICT 7 SURVEY

Thank you for reading this overview of my actions during the 81st Legislative Session. We have accomplished much but there is still so much left undone. In order to prepare for the next session, I'd like to hear your opinion on the public policy issues of our time.

Please go to this website and take the full survey that I have placed there. Your candid responses will allow me to continue to serve as your voice in the Texas Senate.

www.patrick.senate.state.tx.us/survey.

An example of some of the questions in the survey include:

- | | | |
|--|---|---|
| 1. Do you support a statewide one-cent increase in sales tax that will be constitutionally dedicated to lowering property taxes? | Y | N |
| 2. Do you agree that all correctional facilities should be required to report undocumented inmates to the Immigration and Customs Enforcement Agency? | Y | N |
| 3. Do you support increasing the gas tax by one cent and indexing it to inflation, as an alternative to an all toll road policy, in order to meet future transportation needs? | Y | N |



Making my case to Lt Gov Dewhurst and his staff on legislation I felt important to pass. We passed it.

Protecting our Most Fundamental Needs

In the aftermath of Hurricane Ike, the availability of drinking water was an immediate concern that grew as power outages continued.

In times of emergencies we can get by without air conditioning and electricity until repaired. However, we cannot get by without water for even only a short period of time. In order to improve the continued operation of water facilities during and after any catastrophic event in the future, I passed **Senate Bill 361**. This bill will spare coastal families and businesses from lacking our most fundamental necessity: water.

Senate Bill 361 requires all community water systems within Harris County to develop plans that ensure water operations during extended power outages. The plans must be submitted to the Texas Commission on Environmental Quality and implemented by July 1, 2010. Although this plan will likely involve the use of generators in a lot of cases, water systems have numerous options in how they maintain operations.

Hurricane Ike was a wake-up call that revealed the lack of hurricane preparedness in the water provider community. Because Harris County is likely to face the impact of hurricanes every year we must improve how we respond to these challenges. The aftermath of a hurricane is incredibly tough but **Senate Bill 361** will help ensure the delivery of our most fundamental need.

Sign up for Dan's Electronic Newsletter "The Capitol Update" by going to this webpage:

<http://www.patrick.senate.state.tx.us/>

Texas...It's A Whole Other Economy

- ★ The Texas economy is larger than that of Russia, India or Mexico.
- ★ Texas created more jobs than the other 49 states combined last year.
- ★ Texas is the only state that is working its way out of a recession by cutting taxes and that is why Texas leads the nation with a thriving business community.
- ★ While other states are broke, Texas will have nearly 9 billion in reserve by 2011.

The Aftermath of Ike

Hurricane Ike damaged about 6,400 electrical poles, 4500 transformers and 333,000 feet of wire.

About 20% of the water systems that serve the 7 million people surrounding Harris County were out of service for periods of time.

Nine days after the hurricane, nearly 250,000 people still lacked running water.



Senator Dan Patrick

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**Education, Higher Education, Health and Human Services,
Intergovernmental Relations, International Relations and Trade**

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I joined the Texas Conservative Coalition Research Institute in forming a fellowship program and this is a picture of me and Senator Bob Deuell with the inaugural class.

VOTER INTEGRITY

A measure requiring Texas voters to provide valid photographic or other evidence of their identity at election polls narrowly failed passage this session. The bill originated in the Senate where, after a 23 hour hearing, 19 senators and the Lt. Governor supported the measure and sent the bill to the House.

Members of the House staged a five-day filibuster to block the bill's passage. In the process, hundreds of important bills died, including voter id and my ultrasound bill. Ultimately, these actions disrupted the business of Texas and required a special legislative session to be called. Voter identification will continue to be priority legislation for me.