



# 85TH LEGISLATIVE SESSION RECAP

*The Texas Business Leadership Council was actively engaged in promoting sound public policy during the Regular Session of the 85th Legislature which ended on May 29, 2017. While a predominance of our priorities were not directly in the media spotlight, our advocacy focused on some of the most important challenges faced by the State of Texas. The TBLC developed and supported ideas that center on real mechanisms to increase postsecondary success, better protect our most sensitive data, keep Texas competing for business growth and expansion, and ensure that our complex system of water policy continues to progress. Independently and through coalitions of like-minded organizations, the TBLC worked to promote sound public policy through a regular and extensive series of meetings with legislators and staff, public testimony, and technical assistance.*

*As has been reported widely, the 85th legislative session was difficult given the schism in the Republican Party. Many pieces of good legislation did not move through the process due to procedural maneuvering – as opposed to objection to the concepts within the bills. Many good pieces of legislation however, did make it to the finish line.*

*Our most pronounced victory came in the area of cybersecurity. Together HB 8, SB 532, and SB 1910 included all of our cybersecurity recommendations, and are designed to better protect personal and state private data. This is not only a major step for Texas but arguably the largest cybersecurity reform package our state has ever taken to address a challenge that shows no signs of yielding.*

*In education, meaningful progress was made with school choice, standards and accountability, educator quality, Pre-K, and multiple structured pathways for student success. While the Texas Supreme Court did find the state's public school funding system as constitutional in 2016, the Court urged state lawmakers to implement "transformational, top-to-bottom reforms that amount to more than Band-Aid on top of Band-Aid." Even with this admonition, comprehensive school finance reform was not a top priority for legislative leadership during the 85th Legislature.*

*The TBLC did include Economic Development infrastructure in our legislative agenda this session. Our goal was to preserve the Texas Economic Development Act (Chapter 313 of the Tax Code) – which allows school districts to offer a temporary limitation on the taxable value of new investment projects – and to also maintain a healthy balance in the Texas Enterprise Fund so that Texas can continue to compete with other states in attracting and expanding business. While less than Governor Abbott and our Texas 2050 Coalition asked for, the Enterprise Fund did receive \$86M in funding this session which will allow Texas to continue to compete with other states and regions.*

*While water policy surrounding the State Water Plan was addressed in the previous few sessions, there was no shortage of discussion to reopen and reinvent a plan to govern regional coordination of surface and ground water. Our coalition, the Texas Water Supply Partners, will be involved during the interim to assist state leadership on how best to move forward with sound water policy.*

*Included below is an outline of the legislation signed into law by Governor Abbott associated with our priorities above. Please contact TBLC president Justin Yancy if you have any questions or would like to discuss the session's outcomes in more detail.*



# CYBERSECURITY

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Cybersecurity risk is a policy-level issue to be handled at the elected and appointed official level, not just administratively at an agency or within information technology departments at agencies. In the private sector, cyber security risk has been elevated to a Board of Directors and CEO issue. The equivalent should happen within the State of Texas, from the Governors office to the legislature and at the appointed policy level within state agencies.

## TBLC RECOMMENDATIONS

- ✓ **Perform State Agency Risks Assessments**
- ✓ **Move to Eliminate Risk of Private Citizen Data on Legacy Systems**
- ✓ **Create Legislative Committees for Cyber Security**

*Associated Legislation Signed by the Governor*

[HB8 \(the Texas Cybersecurity Act\)](#): Relating to cybersecurity for state agency information resources.

## TBLC RECOMMENDATIONS

- ✓ **Move Agency Security Out of the Chain of Command of the CIO**

*Associated Legislation Signed by the Governor*

[SB1910](#): Relating to state agency information security plans, information technology employees, and online and mobile applications.

## TBLC RECOMMENDATIONS

- ✓ **Ensure Agency Executives Make Cyber Risk Sign-offs**
- ✓ **Conduct Privacy Impact Assessments for New Self-Service Functions**

*Associated Legislation Signed by the Governor*

[HB8 \(the Texas Cybersecurity Act\)](#): Relating to cybersecurity for state agency.

[SB1910](#): Relating to state agency information security plans, information technology employees, and online and mobile applications.

## TBLC RECOMMENDATIONS

- ✓ **Further Integration of Secure Cloud Storage Data Solutions**

*Associated Legislation Signed by the Governor*

[SB532](#): Relating to information collected about and purchases of information technology by governmental entities.

*In summary, with a reliance on digitally connected infrastructure and markets, the world is experiencing an unprecedented threat to individual privacy and personal information. Cyber theft and related crime affects every part of our economy, our government, and our daily lives. The State of Texas must lead the way in developing a holistic cybersecurity strategy for our state agencies that will complement the foundation measures currently in place.*

# EDUCATION EARLY LEARNING

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*Texas is positioned to have a competitive advantage in preparing its young people for success through a robust early childhood education program. By supporting healthy development and encouraging productive learning, early childhood education can help to close the educational achievement gap and provide greater kindergarten readiness. Existing research largely supports the connection between higher quality early childhood programs and long-term benefits including improved school-readiness, improved social skills, higher IQ scores, higher test scores, decreased crime and delinquency, and greater earning capacity.*

## TBLC RECOMMENDATIONS

- ✓ **Enhance Pre-K Teacher Training**

*Associated Legislation Signed by the Governor*

[HB 2039](#): Relating to creating an early childhood certification to teach students in prekindergarten through grade three.

#### TBLC RECOMMENDATIONS

##### ✓ **Monitor and Support Additional Funding for State-Funded Pre-K Programs**

*Associated Legislation Signed by the Governor*

[SBI](#): General Appropriations Bill.

## EDUCATION K-12

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*Texas has enjoyed income levels that, while below the national average, have outperformed our educational attainment levels. This is due in large part to Texas' abundant natural resources. Having the economic health of our state so closely reliant on the price of world commodities is inherently risky. While fully supporting the growth of our energy sector, we believe it makes sense to invest in sound public policy that will foster an increase in student achievement thereby creating a strong foundation – an educated and skilled workforce that can meet the ever changing demands of a 21st century economy.*

#### TBLC RECOMMENDATIONS

##### ✓ **Expand Educational Choice for Families**

*Associated Legislation Signed by the Governor*

[HB1469](#): Relating to qualifications for certain teachers employed by certain open-enrollment charter schools.

[SB1480](#): Relating to the guarantee of school district and charter district bonds by the permanent school fund.

[SB1882](#): Relating to a school district contract to partner with an open-enrollment charter school to operate a district campus.

#### TBLC RECOMMENDATIONS

##### ✓ **Advocate Higher Standards for Academic Accountability**

*Associated Legislation Signed by the Governor*

[HB1500](#): Relating to the public school accountability system.

[HB2263](#): Relating to continued monitoring of certain public school campuses that have been assigned a campus intervention team and the approval and modification of a campus turnaround plan submitted by a school district.

[HB3075](#): Relating to excluding certain students from the computation of dropout and completion rates for purposes of public school accountability.

[HB3593](#): Relating to instruction in career and technology education provided by public schools, including instruction in technology applications, cybersecurity, and computer coding, and to the consideration of completed practicums and internships in school accountability ratings.

#### TBLC RECOMMENDATIONS

##### ✓ **Structured Pathways**

*Associated Legislation Signed by the Governor*

[HB136](#): Relating to inclusion of career and technology education in the mission of public education.

[HB639](#): Relating to authorizing the purchase of certain insurance coverage by public schools for the benefit of businesses and students participating in career and technology programs and providing for immunity from liability of certain public school students participating in career and technology programs.

[HB2729](#): Relating to an inventory of credentials and certificates that may be earned by a public high school student through a career and technology education program.

[HB3349](#): Relating to creating an abbreviated certification program and probationary and standard certificates for trade and industrial workforce training.

[HB3706](#): Relating to certain alternative education programs designed to address workforce development needs for at-risk students.

[SB22](#): Relating to the establishment of a Pathways in Technology Early College High School (P-TECH) program and to the repeal of the tech-prep program.

[SB2084](#): Relating to calculation of average daily attendance for public school students in blended learning programs.

[SB2105](#): Relating to the requirement that the Texas Workforce Commission provide certain employment information for secondary school students.

# EDUCATION POSTSECONDARY SUCCESS

*The challenges we face in Texas are not limited to early learning or K-12 education. We must meet the demands of Texas' workforce by increasing students' postsecondary success. By focusing our attention on ways to ensure that our students are either workforce or college ready, we can meet the growing demands of the Texas economy.*

## TBLC RECOMMENDATIONS

### ✓ **Restructure Financial Aid**

*Associated Legislation Signed by the Governor*

[SB887](#): Relating to a requirement that certain participating institutions under the student loan program administered by the Texas Higher Education Coordinating Board provide loan debt information to certain students.

## TBLC RECOMMENDATIONS

### ✓ **Structured Pathways**

*Associated Legislation Signed by the Governor*

[HB655](#): Relating to the filing of a degree plan by students at public junior colleges.

[HB2431](#): Relating to the participation of public state colleges in the Jobs and Education for Texans (JET) Grant Program.

[SB1091](#): Relating to limitations on courses that may be offered for dual credit by school districts and public institutions of higher education.

[SB1782](#): Relating to the elimination of certain formula funding and dropped course restrictions for returning adult students at public institutions of higher education and to the tuition rate that may be charged to those students for certain excessive undergraduate hours.

[SB2082](#): Relating to the work-study student mentorship program administered by the Texas Higher Education Coordinating Board.

[SB2118](#): Relating to authorization by the Texas Higher Education Coordinating Board for certain public junior colleges to offer baccalaureate degree programs.

*To summarize, in order for our state to remain economically prosperous and competitive, we must do a better job of educating our students and developing a prepared workforce. By transforming our state's education system to meet the challenges and opportunities that come with providing every child with access to a great education, we're ensuring the future of our success, both as a state and as a nation.*

## First Called Special Session of the 85th Legislature

*On June 6, 2017, Governor Abbott called the first special session of the 85th Legislature to begin on July 18, 2017. Of the issues on the Governor's call, two are matters the TBLC included in our legislative priorities. School choice for special needs students was addressed in the regular session and supported by the TBLC. The concept laid out in HB1335 is the framework for the Governor's call on this matter and will be the starting point in July.*

*The second call, "administrative flexibility in teacher hiring and retention practice," aligns with our recommendation to increase school district autonomy. While no other information has been given by the Governor's Office, the TBLC hopes that this call will allow the state to move away from the top down, compliance and input driven system in our state public school system today toward one that is output and performance based. In addition, the TBLC has long advocated for removing state interference from operational and management assessments including arbitrary class sizes restrictions and human resources decisions by specifically revising TEC Chapter 21. We will continue to advocate for the issues above during the coming special session.*

## Conclusion

*The TBLC had a very successful legislative session thanks to you, our members, providing effective and common sense recommendations to the Texas Legislature. Even with the challenges we faced with a divisive session, substantial progress was made with enhancing our cybersecurity measures, creating pathways for student success, and defending tools of economic growth.*

*The TBLC is the voice of Texas business leaders and our work is just beginning on issues such as NAFTA 2.0 and federal tax reform. Moving forward, stronger than ever, the TBLC will continue our mission to build a more globally competitive Texas.*