

T E X A S   S T A T E   S E N A T O R

# KELLY HANCOCK

## CAPITOL REPORT 2013

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### *The Senate of The State of Texas* SENATOR KELLY HANCOCK

#### *Dear Friends,*

On January 8, 2013, surrounded by my family, I took the oath of office to uphold and protect the Texas and U.S. Constitutions and was sworn in as senator for Texas Senate District 9. It is with much gratitude and a spirit of humility that I readily serve as your voice in Austin.

For the 83rd Legislature, Lieutenant Governor David Dewhurst appointed me to serve as a member of the Senate Committees on Transportation, Jurisprudence, Administration, Business and Commerce and as Vice-Chair of the Committee on Economic Development. These committee assignments accurately reflect the top priorities and needs of Senate District 9.

Each session the legislature works on countless issues of great importance to the many citizens of this state. As each session progresses, key issues evolve; many of which are brought to the forefront through citizen involvement. This session's key items were Medicaid reform, investment in water and transportation infrastructure and completing our constitutional obligation of writing and passing the state budget.

In this newsletter we have provided an update on significant legislation that was passed during the 83rd Regular and special sessions. When making legislative decisions, my staff and I carefully consider your suggestions and recommendations and we appreciate you taking the time to provide feedback. Additionally, I greatly appreciate the collaborative efforts by our local leaders who share my passion in ensuring the citizens of Tarrant and Dallas Counties are soundly represented.

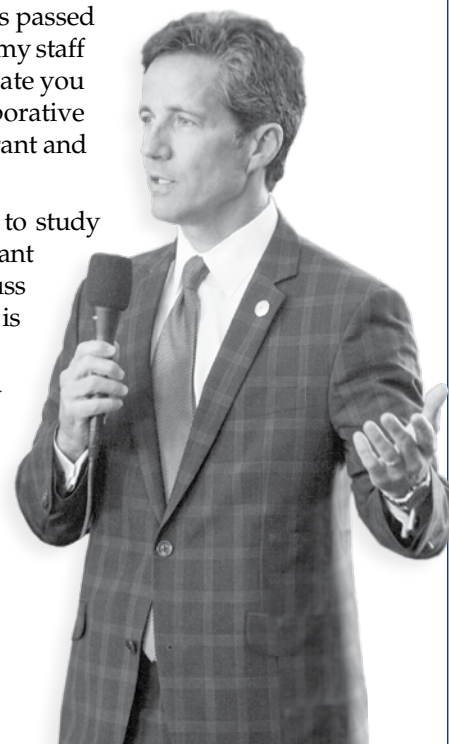
During the interim, the period of time between sessions, committees will meet to study various topics and my office will continue to monitor and examine issues important to Senate District 9. The interim provides additional time to research and discuss issues and prepare for the upcoming session. Your participation during this time is crucial and I urge you to continue sharing your recommendations with my office.

Again, thank you for allowing me the opportunity to be your voice in Austin. My staff and I are honored to serve Senate District 9, and we look forward to hearing from you throughout the interim.

Sincerely,

A handwritten signature in black ink that reads "Kelly Hancock".

Kelly Hancock



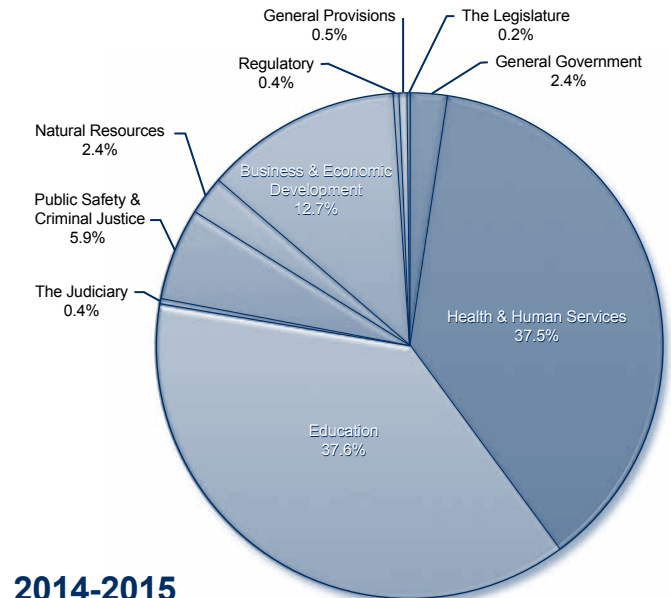
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*Senator Hancock listening to testimony during a hearing of the Economic Development Committee.*

## BUDGET

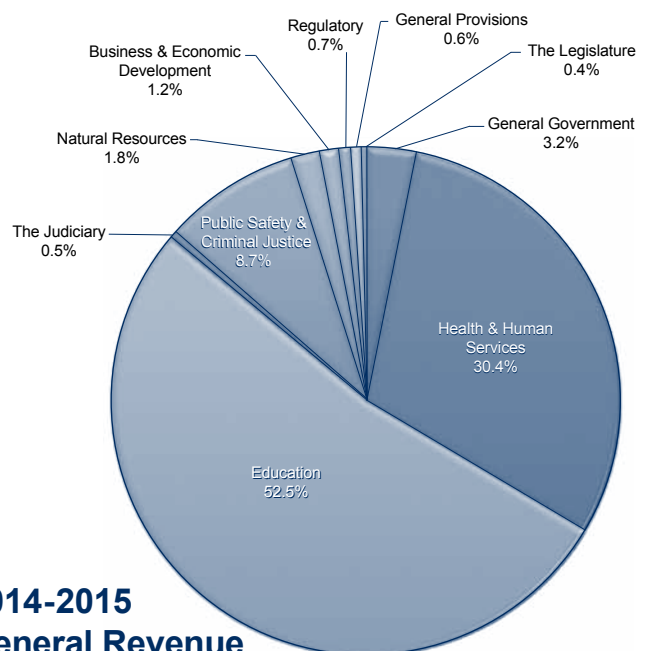
The Texas Constitution requires the legislature to pass a balanced budget every session. Texas' two-year budget cycle provides funding for state government operations and takes effect on September 1st of each odd-numbered year. Most of the budget is dedicated through constitutional or federal requirements. However, the legislature does have discretion when appropriating General Revenue. Senate Bill 1, the General Appropriations Act of the 83rd Legislature, appropriates a total of \$101.4 billion in General Revenue and General Revenue-Dedicated Funds for the 2014-2015 biennium, an 8.1 percent increase from the 2012-2013 biennium. The charts show how our state funds are allocated. Notably, funding for public education makes up 52.5 percent of the state's General Revenue budget. Senate Bill 1 fully funded student enrollment growth and provides for \$3.2 billion in entitlement increases. The Foundation School Program was appropriated \$32.2 billion in General Revenue and General Revenue-Dedicated Funds. Under Health and Human Services, \$23.3 billion was allocated for the Texas Medicaid Program; including \$694.6 million for projected caseload growth. The Department of State Health Services will receive an additional \$263.4 million in General Revenue Funds to expand behavioral health and substance abuse services, reduce community mental health wait lists and support state and community hospitals.



**2014-2015  
All Funds**

Total= \$197.0 B

Texas has four constitutional limits on spending that set parameters for the legislature's budget writing process. These constitutional limits are referred to as the "Pay-As-You-Go" or balanced budget limit; the limit on the growth of appropriations from certain state taxes; the limit on welfare spending; and the limit on tax-supported debt. The 2014-2015 budget falls within all four of the constitutional spending limits.



**2014-2015  
General Revenue  
& General Revenue-Dedicated**

Total= \$101.4 B

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## TRANSPORTATION

One of the most important issues facing our state and the Metroplex is the need to properly invest in our transportation infrastructure.

During the 83rd Regular Session and the first two special sessions, there were multiple attempts to fund transportation through filed legislation. Unfortunately, an agreement between the House and Senate could not be reached and on July 30th Governor Perry called the legislature back for the 3rd Called Special Session to address legislation relating to the funding of transportation infrastructure projects.

Lieutenant Governor David Dewhurst created a special work group of senators to meet with the Texas House to develop a solution to our state's lack of appropriate transportation funds. I was fortunate enough to be named to this committee and enjoyed working to ensure our roads and highways receive the funding they need.

On August 5th, Senate Joint Resolution 1 (SJR 1) and House Bill 1 (HB 1) successfully passed both legislative chambers. The bills propose a constitutional amendment that would use a portion of oil and gas tax revenues that are currently transferred to the Economic Stabilization Fund to be divided in half with one portion going to the State Highway Fund and the other to the Economic Stabilization Fund. Money that is deposited into the State Highway Fund would only be used for construction, maintenance and acquisition of rights-of-way for non-tolled roads.

HB 1 requires the Speaker and the Lieutenant Governor to each appoint five members to a select

committee to set a spending limit and adopt a threshold balance for the Economic Stabilization Fund for the upcoming biennium. Before the 45th day of the legislative session, a majority of each chamber must approve or amend the balance set by the select committee. In the chance the legislature fails to adopt a threshold, there will be no transfer to the State Highway Fund and the money will remain in the Economic Stabilization Fund.

HB 1 also requires The Texas Department of Transportation (TxDOT) to identify \$100 million worth of savings and efficiencies. TxDOT cannot reach these savings by reducing funding for transportation projects. The savings will be used to reduce the principle and interest on Proposition 14 bonds and will also result in \$47 million in additional savings in interest. Texans will have the opportunity to vote on this constitutional amendment in November 2014.



*Senator Hancock and Senator Duncan discuss a bill being debated on the Senate floor.*

## HELPFUL TOLL FREE NUMBERS

Abuse Hotline (children, elderly, disabled) . . .	800-252-5400	Insurance Information and Assistance . . . . .	800-252-3439
Children's Health Insurance (CHIP) . . . . .	800-647-6558	Legal Referral . . . . .	800-252-9690
Child Support Enforcement. . . . .	800-252-8014	Medicaid Hotline . . . . .	800-252-8263
Consumer Protection (Attorney General) . . . .	800-621-0508	Student Financial Aid . . . . .	877-782-7322
Consumer Credit Helpline . . . . .	800-538-1579	Taxpayer Information . . . . .	800-252-5555
Governor's Citizen Assistance Hotline . . . . .	800-843-5789	Voter Registration/Elections . . . . .	800-252-8683



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## WATER

Passing legislation addressing our state's water infrastructure needs was a priority for this legislature. The drought of 2011 was the worst one-year drought and the hottest and driest period on record. Statewide reservoir storage levels reached their lowest levels since 1978, falling below 60% capacity on average. The Texas Water Development Board (TWDB) estimates that Texas needs an additional 8.3 million acre-feet of water in 2060 to meet the demands of our increasing population which is expected to grow by 20 million by 2060.

With the passage of House Bill 4 (HB 4), the state will now have a structure in place to provide meaningful financing to local water providers. The State Water Implementation Fund for Texas (SWIFT) is an infrastructure bank that contains a revolving loan fund for financing water supply projects prioritized by local regions and the Water Development Board. SWIFT is a special fund in the state treasury outside of the general revenue fund to be used by the TWDB, without further legislative appropriation, for the purpose of implementing the water plan. The fund will be replenished as loans for the water projects are repaid.

### Additionally, HB 4:

- ★ restructures the TWDB to a 3 member, full-time board with two-term limits;
- ★ sets out the oversight and management of the fund including, reporting and transparency requirements;
- ★ directs the local regions and the TWDB to prioritize projects;
- ★ enhances the state's bonding capability from existing constitutionally created programs and revenue bond programs; and
- ★ recognizes the importance of water conservation.

Senate Joint Resolution 1 (SJR 1) is the enabling legislation which will allow for a draw of \$2 billion from the Economic Stabilization Fund through an amendment to the Texas Constitution. SJR 1 requires voter approval in November. If the amendment is not approved by voters, the provisions of HB 4 will not take effect.



*The legislative class of 2013. Senators: (left to right) Charles Schwertner, Larry Taylor, Donna Campbell, Sylvia Garcia, Kelly Hancock and Ken Paxton.*

## MEDICAID

During the regular session, the Legislature addressed pressing concerns of fraud and abuse in the Texas Medicaid system by passing Senate Bill 8 (SB 8). Established in 1967 and administered by the Health and Human Services Commission, Texas Medicaid provides health insurance for an estimated one in seven Texans and serves as the leading health insurance provider for low-income children, their parents, the elderly and persons with disabilities.

In an effort to restore the integrity of the program, legislation was passed that would thoroughly review the Medicaid data analysis process, by creating a data analysis unit. This unit is designed to identify ways to improve contract management and detect trends and irregularities related to how services are used and how providers are paid. Each quarter, the data analysis unit will submit a comprehensive update on their work to the governor and key legislative offices.

SB 8 addresses the pressing issue of unsolicited Medicaid marketing techniques used to influence choice in a specific provider by outlining proper solicitation interactions with potential clients and prohibiting door-to-door solicitation.

To reduce the authorization of unnecessary or inappropriate use of services, SB 8 requires a review of the prior authorization form process within the Medicaid

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fee-for-service delivery model. The bill will implement and regulate the medical transportation program service and introduce a managed transportation delivery model for patients. The measure strengthens the Health and Human Service Commission's authority to suspend, revoke or deny licenses to medical service providers

as well as exclusion from the Medicaid program for providers deemed fraudulent.

SB 8 is an aggressive step forward in improving the quality of the Medicaid program, by reducing costs and unnecessary spending and lessening opportunities for fraud, waste and abuse within the system.

## SENATE DISTRICT 9



### DISTRICT OFFICE

We celebrated the Grand Opening of the new Senate District 9 District Office earlier this summer. The office, conveniently located off of Precinct Line and near North Tarrant Parkway, provides a central location that will better allow me to serve constituents living in Tarrant and Dallas counties. The district staff stands ready to serve you.

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#### *District Staff:*

Susan Young, District Director  
Ann Marie Craig, Constituent Services Liaison

### CAPITOL OFFICE

Although much of my time during the interim is spent in the district, please feel free to stop by our Capitol Office in Austin. If you would like to contact our office regarding legislative issues or proposals, the staff in Austin is more than happy to assist you.

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#### *Capitol Staff:*

Mia Garza McCord, Chief of Staff  
Tricia Stinson, Legislative Director  
Adam Leggett, Senior Policy Analyst  
Camille Drenner, Communications Director



*Tarrant County day at the Capitol.*



*The Arlington Chamber joined Senator Hancock in Austin to discuss legislative priorities.*





The Senate of The State of Texas  
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## SPECIAL SESSION CALL ITEMS

- To date, the 83rd Legislature has been called to return to Austin for three special sessions. Special sessions are limited to 30 days and items eligible for consideration are placed on the call at the discretion of the governor. The following issues were placed on the call, approved by the legislature and signed into law by the governor:
- ★ Adoption of the interim redistricting plans ordered by the federal district court as permanent plans for districts used to elect members of the Texas House of Representatives, Texas Senate and United States House of Representatives. (Accomplished by SB 2, 3 and 4 of the 1st Called Special.)
  - ★ Improvements to the regulation of abortion procedures, providers and facilities. (Accomplished by HB 2 of the 2nd Called Special.)
  - ★ Establish a mandatory sentence of life with parole for a capital felony committed by a 17-year-old offender. (Accomplished by SB 2 of the 2nd Called Special.)
  - ★ Fund transportation infrastructure projects. (Accomplished by HB 1 of the 3rd Called Special.)
  - ★ Propose a constitutional amendment to provide for the transfer of funds from the Economic Stabilization Fund to the State Highway Fund and to dedicate those funds for transportation projects. (Accomplished by SJR 1 of the 3rd Called Special.)
- I invite you to visit the Texas Legislature Online at [www.capitol.state.tx.us](http://www.capitol.state.tx.us), for more information on these and all the bills passed by the 83rd Legislature.

First elected to the Texas Senate in 2012, Kelly Hancock represents Senate District 9, which includes portions of Tarrant and Dallas Counties. He served three terms in the Texas House of Representatives where he advocated for core conservative values of limited government, lower taxes and strong family values.

Throughout his time in the legislature, Kelly has worked to pass voter identification legislation, pro-life legislation, eminent domain legislation, immigration reform legislation and state sovereignty legislation. His commitment to public service began shortly after the birth of his first child, Chloe, and spent the next 13 years serving on the Birdville ISD School Board.

A graduate of Baylor University with a bachelor's degree in Business Administration, Senator Hancock possesses an extensive business background through his work at Advanced Chemical Logistics, his family-founded company. Kelly and his wife, Robin, have been married 26 years and have three children: Chloe, Skylar and Harrison.



*Senator Hancock joined by his family for opening day of the 83rd Legislature. Standing (left to right): Skylar, Chloe, Harrison, and wife, Robin.*

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