

TEXAS CONSTRUCTION ASSOCIATION

NEWSLETTER

Summer 2017

BUILDING SOMETHING GREAT

NEW LAWS BENEFIT CONSTRUCTION INDUSTRY

Prior to the Regular Session of the 85th Texas Legislature, which convened on January 10, 2017, TCA staff and TCA members worked to prepare for the session by talking to state Senators and Representatives and their staffs to acquaint them with various construction issues, particularly seeking their support for TCA's legislative agenda. Additionally, as part of the work leading up to the session, TCA staff and TCA members held a number of meetings with stakeholder groups-both supporters and opponents-that would be affected by TCA legislation to see if common ground could be reached on legislation that would be filed before and during the session.



"The Texas lien laws need to be brought into the 21st century. We will continue to work to build support for lien law modernization in preparation for the 2019 legislative session."

Representative Joe Deshotel
(D-Beaumont)

As in 2015, the TCA legislative agenda was ambitious and dealt with issues that were important for all TCA members. When the Texas Legislature adjourned sine die on May 29, 2017, several bills had been passed that will have a positive impact on TCA members and others in the construction industry. Also, TCA was a significant player in work that was carried out with many allied groups to ensure passage of a number of bills that are of significance to the construction industry in Texas.

The Texas construction industry continues to build increased awareness of and support for issues that are vital to the success of the industry by members of the Texas Legislature and their staffs. TCA will continue to work hard for our members during the legislative interim as we prepare for a successful legislative session in 2019. During the legislative interim, it is expected that construction issues of interest to TCA members will more than likely be considered by House and Senate committees.

TCA Priority Legislation That Will Become Law

State Breach of Contract

HB 2121 by Representative John Cyrier (R-Lockhart) and Senator Bryan Hughes (R-Mineola)

Generally, statutes allowing for the breach of sovereign immunity defense restrict or prevent the recovery of attorney fees absent a contractual agreement for them. HB 2121 makes amendments to existing statutes governing immunity from lawsuit by governmental entities and allows the recovery of attorney fees in lawsuits for breach of contract claims under \$250,000. HB 2121 was signed by the Governor on June 15.

Effective 6/15/17

School Background Checks

HB 3270 by Representative Dwayne Bohac (R-Houston) and Senator Larry Taylor (R-Friendswood) establishes when state mandatory background checks will apply for school construction projects. Under the bill, workers on school construction projects will no longer be required to submit to a criminal background check if

they are working on greenfield projects, non-instructional facilities or secure job sites at existing schools.

Effective 9/1/17

Choice of Law and Venue for Certain Construction Contracts

SB 807 by Senator Brandon Creighton (R-Conroe) and Representative Paul Workman (R-Spicerwood)

The current law in Texas gives a contractor and subcontractor the ability to void a clause in a construction contract that requires disputes to be decided under the law of another state, or for the dispute to be heard in another state, if the project is located in Texas. The basic rule is that projects constructed in Texas will be decided in Texas under Texas law. The current law, though, doesn't apply to all project participants. SB 807 broadens the coverage of the law to include all project ...

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Message from the President

The regular session of the 85th Texas Legislature ended on June 29. As with most sessions, there were highs and lows for the issues TCA was promoting. I was disappointed that the legislature did not make more progress on TCA's major issues this session. Although I am pleased that the legislature finally passed some issues that have been of concern to the construction industry for many years, the legislature not passing some of our key issues reflects the difficulty in passing legislation when the opposition is well-established in the legislative and political process.

Overall, more bills were filed this session than in last session (6,631 vs. 6,276) and fewer passed (1,211 vs. 1,323). With more bills in play, the same number of days to deal with them, and a seemingly increasing willingness on the part of some legislators simply to stop the legislative process, our members will need to increase their involvement in the political and legislative processes in order for the chance of success to increase. Making strong legislative friends can pay rewards in that more attention is usually paid to a supportive constituent's legislation. Couple the friendship with personal and association support of the legislation during the session and the odds of passage rise markedly.

TCA staff is already looking at different ways to advance our issues next session. We'll need your help.

Meanwhile, the Governor has announced that his 1st Called Session of this Legislature will begin on July 18. We do not expect him to add any of the TCA issues on the call; however, there's never any assurance on what will happen when the legislature is in session. Stay Tuned!

Raymond

Welcome National Utility Contractors Association!

Joining the ranks of Texas Construction Association, our newest Member Association is NUCA-Texas, the National Utility Contractors Association. NUCA Texas is a one year old statewide chapter of the 50-year-old National Utility Contractors Association representing utility and excavation contractors.

NUCA Texas has a primary purpose of being a cohesive voice for the industry throughout Texas legislatively and with regulatory entities.

"We look forward to adding our voice to TCA's initiatives."

-Driskoll Tubbs NUCA North Texas President



Eric Lesch
TCA Board
Representative for NUCA-Texas
PCL - Contract Bonding Agency



Session Overview of the 85th Texas Legislature

by Alan Burrows

Going into session, it was expected that the Senate would be more conservative than the House. Lt. Governor Dan Patrick had outlined an ambitious agenda including private school vouchers and restrictions on which bathroom a transgender individual may use. The tension between the House and Senate defined this session. The upcoming Special Session, is largely a result of the gamesmanship between the two chambers.

This session, out of 150 members there were 55 Democrats in the Texas House compared to 51 in 2015; and 22 freshmen compared to 24 in 2015. In the Senate, the partisan makeup was unchanged between 2017 and 2015 with 11 Democrats and 20 Republicans. There were 8 freshmen Senators in 2015 compared to only 3 in 2017. Compared to the 2015 Legislative session, there were more bills filed (6,631 v. 6,276) but fewer bills that passed both chambers (1,211 v. 1,323).

Emergency Items

At the end of January, during his State of the State Address, Governor Greg Abbott declared four emergency items. (Under the Texas Constitution, the Legislature cannot consider a bill on the floor of either chamber during the first 60 days of session unless it is declared an emergency item by the Governor.) The four items were reforming Child Protective Services (CPS), the elimination of sanctuary cities in Texas, legislative ethics reform, and a convention of states to amend the United States Constitution. The elimination of sanctuary cities and the convention of states strongly appealed to the base of the Republican party. During his speech, Governor Abbott also called for a hiring freeze on all state agencies to last until August. Of these issues, a package of bills reforming CPS, legislation eliminating sanctuary cities, a resolution calling for a convention of states (Under the United States Constitution 34 states must pass a resolution calling for a convention of states before one is held.) were passed by the Legislature. A robust package of bills

aimed at ethics reform was filed at the beginning of session, but most failed to pass.

Budget

The biennial budget is the only bill the Legislature is required to pass each session. At the beginning of the session, Comptroller Glenn Hegar announced that the Legislature would have \$104.87 billion in general revenue and \$224.8 billion in total revenue, which includes dedicated funds and federal matching funds, for the 2018-2019 biennium. To maintain current services under the 2016-17 budget, when inflation and population are accounted for, it would have taken an additional \$4-\$6 billion dollars. Ultimately, the Legislature passed a \$216.8 billion budget, which is \$400 million larger than the previous budget. Although the overall budget is greater, Texas population has grown; so, on a per capita basis, the budget is smaller than the previous budget.

The House and the Senate passed initial budgets that were \$1.3 billion apart from each other. An even bigger difference was the method of finance used by each chamber. The Senate used an “accounting trick” to shift \$2.5 billion in certain transportation funding payments to the following biennium, while the House budget aimed to use \$2.5 billion from the Rainy Day Fund, which requires a two-thirds vote of the Legislature. Ultimately, the final budget was a compromise; \$1 billion was used from the Rainy Day Fund and the “accounting trick” was used to free up nearly \$2 billion. Among the highlights of the budget was a \$500 million increase to CPS and maintaining the previous budget’s \$800 million in border security funding.

Other Major Legislation

In addition to the emergency items and the budget, the Legislature passed numerous other bills this session. What follows is an overview of some of the higher-profile or contentious bills the legislature considered.

SB 8 places more restrictions on abortion in Texas. The bill prohibits donation of fetal tissue as a result of an elective abortion, bans partial birth abortions and requires that remains from an abortion are buried

or cremated.

HB 25 will eliminate straight ticket voting in Texas. Supporters say the elimination of straight ticket voting will encourage more careful consideration of all candidates in all races on a ballot. Opponents of the bill say it will make voting more cumbersome and if an individual wants to vote for all the candidates of a certain party they should be able to do so.

After attempts in multiple sessions, the Legislature passed a bill banning texting while driving. (The Legislature passed a ban in 2011, but the bill was vetoed by former Governor Perry.) HB 62 also preempts local ordinances against texting and driving.

One of the most emotionally charged issues this session revolved around a bill banning “sanctuary cities” in Texas. SB 4 will require local law enforcement to comply with federal immigration authorities and will allow local law enforcement to question detained individuals about their immigration status. Several cities and counties have filed lawsuits to block the legislation.

Leading up to the legislative session, a judge ruled that the state’s child welfare system violated children’s rights and there was widespread media coverage of problems with the system. Four bills were passed during the session that will bring reform to the child welfare system, including making the Department of Child Protective Services its own agency, thus taking it out of the purview of the Texas Health and Human Services Commission.

Higher profile bills that did not pass

SB 3, which would have expanded school choice options in Texas by creating Education Savings Accounts, passed the Senate but died in the House. ESAs would be used to fund private school tuition or other educational costs. The bill did not receive a hearing in the House, although in a test vote on school choice the House voted overwhelmingly against it.

The House passed HB 21, which would have provided an additional \$1.6 billion in funding for public education. Besides

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5 Steps to a Return-to-Work Program That Works

by Steve Math & Jeremiah Bentley ~ Texas Mutual Insurance Company

Getting an injured employee back to work as soon as he or she is physically capable—whether at full or modified duty—is a worthwhile goal that benefits both the employer and the worker. At Texas Mutual, we're specialists in return-to-work (RTW), and we help our insureds make the process as smooth and rewarding as possible.

Our RTW programs help employees who are not yet capable of resuming their regular tasks return to some level of work. It's a caring, therapeutic way to reintroduce that person to the workplace, aiding their rehabilitation, improving overall morale and lowering employers' workers' comp costs.



Reduce Your Costs and Workplace Injuries. Save Loads on Workers' Comp.

The Texas Construction Association Safety Group combines your business with other subcontractor businesses to provide workers' comp premium discounts and job-specific safety resources. As a member of the TCA Safety Group, eligible businesses may also qualify for both group and individual dividends and receive a discount for choosing the health care network option.

Here for Texas. Here to Stay.®

Texas Mutual[®]
Insurance Company



Texas' leading provider of workers' compensation insurance

Ask your agent about the Texas Construction Association Safety Group, visit www.txconstructionwc.com, call Gina O'Hara at (512) 330-9836, ext. 6324 or email gina@txconstructionwc.com.

Dividends are based on performance and are not guaranteed.

What's in it for employers?

- Increase your productivity
- Lower your claim costs
- Reduce your workers' comp costs
- Avoid paying overtime
- Avoid finding temporary help
- Avoid hiring someone new
- Boost employee morale

What's in it for injured workers?

- Recover sooner, as work is therapeutic.
- Maintain more pre-injury income, because workers' comp benefits replace only a portion of injured workers' lost wages.
- Avoid the stress and depression that often come with being isolated from peers.
- Steer clear of the disability mindset: "I'm injured, and I cannot work."

"busy work." They should be meaningful tasks that contribute to productivity.

Step 4. Communication drives the RTW process. If you stay in touch with injured workers, you can help keep them connected to the team. Ask them if there is anything you can do to facilitate their recovery. Invite them to company events, and make sure they continue receiving company newsletters and other correspondence. You should also communicate with injured workers' doctors. Make it clear that you have an RTW program and you will provide alternative productive work that complies with their restrictions.

Step 5. Make a bona fide offer of employment. If you can offer injured workers modified duties that meet their restrictions, put the offer in writing, and notify your adjuster. Bona fide offers of employment must meet the requirements in Texas Department of Insurance, Division of Workers' Compensation Rule 129.6.★

Step 1. Commit your program to writing. Create a written program that clarifies your commitment to helping injured workers get well and back on the job as soon as medically reasonable. Explain in detail everyone's responsibilities in the program, including managers, supervisors, injured workers, doctors and your workers' compensation carrier. Make sure every employee gets a copy of the RTW program.

Step 2. Assess job tasks by writing down the separate activities or tasks that make up each job. Include physical demands (lifting, typing, standing), environmental conditions (noise, heat, vibration), and the time spent on each task.

Step 3. Identify modified duties. Use your task list to match available work to injured employees' work restrictions, as dictated by their doctors. Modified duties should not be



Steve Math,
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of Underwriting,
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Constitutional Amendments On The Fall Ballot

The Texas Constitution provides that the Legislature, by a two-thirds vote of all members of each house, may propose amendments revising the constitution and that proposed amendments must then be submitted for approval to the qualified voters of the state. The regular session of the 85th Texas Legislature passed 7 resolutions that will amend the Texas Constitution. These resolutions will be on the November 7, 2017 ballot. The Texas Secretary of State's office will randomly assign each resolution listed below a ballot number prior to the General Election.

A brief description of each resolution is provided below. The full text of the resolution can be found at www.capitol.state.tx.us. At the home page, insert the bill number (HJR or SJR____) in the Search Legislation box and choose 85(R) – 2017 for the Legislature.

SJR 1

Would authorize the legislature to provide for an exemption from ad valorem taxation of all or part of the market value of the res-

idence homestead of the surviving spouse of a first responder who is killed or fatally injured in the line of duty.

SJR 6

Would authorize the legislature to require a court to provide notice to the attorney general of a challenge to the constitutionality of a state statute and would authorize the legislature to prescribe a waiting period before the court may enter a judgment holding the statute unconstitutional.

HJR 21

Would authorize the legislature to provide for an exemption from ad valorem taxation of part of the market value of the residence homestead of a partially disabled veteran or the surviving spouse of a partially disabled veteran if the residence homestead was donated to the disabled veteran by a charitable organization for less than the market value of the residence homestead and harmonize certain related provisions of the Texas Constitution.

SJR 34

Would limit the service of certain office-holders appointed by the governor and confirmed by the senate after the expiration of the person's term of office.

SJR 60

Would establish a lower amount for expenses that can be charged to a borrower and remove certain financing expense limitations for a home equity loan, establish certain authorized lenders to make a home equity loan, change certain options for the refinancing of home equity loans, change the threshold for an advance of a home equity line of credit, and allow home equity loans on agricultural homesteads.

HJR 100

Would address professional sports team charitable foundations conducting charitable raffles.

HJR 31

Would address the legislative authority to permit credit unions and other financial institutions to award prizes by lot to promote savings. ★

**Thank You to all of our members
for helping make the
2017 TCA Round Up & Walk on the Capitol
a wonderful success!**



New Laws Benefit Construction Industry *Continued...*

participants, including architects, engineers, suppliers and equipment rental companies.

Effective 9/1/17

Pathways in Technology

College High School Program (P-TECH)

SB 22 by Senator Larry Taylor (R-Friendswood) and Representative Dan Huberty (R-Houston)

A recent evaluation of the effectiveness of the state's current tech-prep education program determined that while student performance in certain areas had improved, more needed to be done to improve student postsecondary achievement and labor market outcomes. SB 22 will address this issue by establishing a Pathways in Technology Early College High School Program for students who wish to participate in a work-based education program.

Effective 9/1/17

Insurance for Businesses

Participating in CTE Programs

HB 639 by Representative Doc Anderson (R-Waco) and Senator Jose Menendez (D-San Antonio)

This legislation will authorize school districts or the governing body of an open-enrollment charter school to obtain accident, liability or automobile insurance coverage to protect a business or entity that partners with the school district or charter school to provide students career and technology education (CTE) training, as well as the district or school that participates in the CTE program.

Effective 5/26/17

Workforce and Education Legislation Supported by TCA That Passed

HB 1469 by Representative Ernest Bailes (R-Shepherd) and Senator Charles Schwertner (R-Georgetown) will allow CTE teachers without baccalaureate degrees to teach in charter schools.

Effective 6/1/17

HB 2790 by Representative James White (R-Hillister) and Senator Borris Miles (D-Houston) adds flexibility for apprenticeship programs offered in school districts.

Effective 9/1/17

HB 3706 by Representative Eddie Lucio III (D-Brownsville) and Senator Eddie Lucio, Jr. (D-Brownsville) adds options for alternative education programs for workforce development for at-risk students.

Effective 9/1/17

SB 2105 by Senator Borris Miles (D-Houston) and Representative Jarvis Johnson (D-Houston) will require more Texas Workforce Commission information to be shared with high school students, including CTE partnerships with businesses and field-based learning opportunities for students.

Effective 9/1/17

TCA Priority Issues That Did Not Pass

Lien Law Modernization

HB 3065 by Representative Joe Deshotel (D-Beaumont) would have modernized and simplified the Texas lien law system so that the construction team on a project would be better able to comply with the law and secure their lien rights. Some of the changes to the lien law in the legislation included an early notice system that is consistent with many other states, eliminating several confusing concepts unique to Texas, and providing owners, contractors, claimants, lenders, suppliers and title companies with more timely and accessible information regarding projects via an Internet portal. The law would no longer have required fund-trapping notices or retainage. The modernization would have provided a more reliable close-out procedure which would result in fewer perfected lien claims on projects.

Responsibility for

Defective Plans and Specifications

SB 1215 by Senator Bryan Hughes (R-Mineola) and Representative Hugh

"In this day of complex construction plans and specifications, the construction team should not be liable for the accuracy of those plans and specifications they did not create."

I look forward to working on this issue during the legislative interim and to filing a bill prior to the 2019 legislative session."

Representative Hugh Shine (R-Temple)

Shine (R-Temple) was finally passed by the Legislature in the last days of the session. The language in the final version of the bill differed greatly from the legislation as originally filed, passed by the Texas Senate and approved by the House Business & Industry Committee.

The intent of the bill, as filed, was to keep the construction team from being responsible for the consequences due to defective plans and specifications. While it seems reasonable for a contractor to rely on plans and specifications prepared by design professionals hired by the project owner to build a project, in Texas that's not the case. If the work turns out to be defective due to an error in the plans and specifications, the contractor bears the risk of liability for the consequences of the defective designs. Typical insurance does not cover this obligation and the possible loss may well exceed a company's net worth.

In Texas, contractors are not licensed to prepare construction drawings, but because of two Texas Supreme Court cases, a person who is not allowed by law to prepare the documents is being required to warranty those documents. The bill would have established in law that the construction team should not be liable for construction that is defective due to erroneous documents furnished by the owner.

After a public hearing in the Senate State Affairs Committee, SB 1215 was approved by the committee by a vote of 8-1. On the Senate floor, the bill was finally passed by a vote of 29-2. Once in the House, the bill was heard in the House Business and Industry Committee and was approved by that committee and sent to the House Calendars Committee. The legislation was then sent to the full House for consideration and on Tuesday, May 23, the bill was considered by the House of Representatives.

A very strong team of opponents to the legislation had been mobilized to fight the passage of the bill. Despite questions about the accuracy of their arguments against SB 1215, the group was able to sway a large number of Representatives to their side. Prior to the bill coming up for debate, the House sponsor and other House members supporting the bill were not confident there would be a sufficient number of votes to

"The construction team should not be held responsible for damages that come about as a result of defective plans and specifications provided by the owner. I'll continue to work to make sure basic principles of fairness apply to contractors in the same way they apply to everyone else."

Senator Bryan Hughes (R-Mineola)



pass the bill. In lieu of the language in the bill after it was approved by the House Business & Industry Committee, the bill was amended to require a joint House/Senate committee to hold an interim study on the various important issues related to construction. The amended version of SB 1215 was then passed by the full House. The Senate concurred in the amended version of the bill on May 27. SB 1215 was sent to the Governor on May 28 and the Governor vetoed the bill on June 15.

Priority Retainage

HB 2668 by Representative John Wray (R-Waxahachie) would have recognized retainage for what it is: a loan to the construction owner by the construction team. It should be protected in a similar fashion as the lender protects its construction loan. This legislation would have accomplished this by providing a priority to a lien for retainage that is equal to the priority of a lender's deed of trust for the construction loan. Under the legislation, if the lender foreclosed on a construction project, the properly perfected liens for retainage would not be wiped out, but rather would be on the same footing as the lender's deed of trust for the construction loan. The lender would continue to have protection under its deed of trust for the 90% of the construction cost it has provided. The lien for retained funds would not attach to the owner's property if, before withholding retained funds from the original contractor, the owner furnished and filed a bond.

Right to Repair

HB 2343 by Representative Workman would have required that, before a suit is filed or arbitration is initiated, a person making a claim for damages caused by

an alleged construction defect must 1) provide a notice to the contractor; 2) obtain an inspection of the alleged defect by a professional engineer and allow the contractor to attend the inspection; 3) obtain a written report from the engineer concerning the alleged defect; and 4) allow 150 days after the date of the report for the contractor to correct any construction defect identified in the report. The court or arbitrator would have been required to dismiss a claim if the above items were not followed by the claimant.

Statute of Repose

HB 1053 by Representative Morgan Meyer (R-Dallas) would have reduced the Statute of Repose in Texas from 10 to 5 years.

Attorney Fees

HB 744 by Representative Jessica Farrar (D-Houston) and **HB 2457** by Representative Meyer would have amended Chapter 38 of the Civil Practice & Remedies Code to add "other organization" to Sec. 38.001(a) so attorney fees could be recovered from an individual, corporation or other organization, including partnerships and LLCs, for claims for services, labor or materials.

Selected Other Construction-Related Legislation That Did Not Pass

SB 23 by Senator Charles Schwertner (R-Georgetown) and Representative John Kuempel (R-Seguin) would have required state contractors to participate in the federal electronic verification of employment authorization program, or E-Verify.

HB 1304 by Representative Oscar Longoria (D-Mission) and **SB 592** by Senator Eddie Lucio, Jr. (D-Brownsville) would have established a rebuttable presumption of employment relating to the classification of workers under the Texas Unemployment Compensation Act. The bills called for a penalty of \$200 per employee to be assessed against employers who misclassify their employees.

HB 1477 by Representative Armando Walle (D-Houston) would have required workers' compensation insurance coverage for building and construction contractors.

HB 2689 by Representative Jim Murphy

(R-Houston) would have amended the Government Code to allow a third party to conduct prevailing wage surveys for determining prevailing wage rates for public works contracts and would have required them to be conducted within a three-year period preceding the date the public entity called for bids on a public works project.

HB 3020 by Representative Cyrier would have amended the Education Code to require school districts to give timely written notice to parties when the district brings an action for recovery of damages for the defective design, construction, renovation or improvement to an educational facility.

HB 3434 by Representative Linda Koop (R-Dallas) would have amended the Education Code to adopt uniform general conditions that would have been incorporated in all building construction projects undertaken by school districts.

HB 3913 by Representative Shine would have amended the Government Code relating to public works projects to require a governmental entity to hold no more than 5% retainage on a project with a total value of \$1 million or more, and if the governmental entity obtains beneficial use of the project, the retainage withheld could not exceed 2% of the contract price. On projects where the total value of the contract is less than \$1 million and the public entity has beneficial use of the project, the retainage would not exceed one-half of the total retainage under the contract. ★

"The construction team should be able to inspect and repair any alleged defects in construction on a project before being sued or brought into an arbitration. It's the right thing to do and it makes good business sense for everyone."



Representative Paul Workman
(R-Spicewood)

Texas Lawmakers Focus on Education & Workforce Alignment

by Mike Meroney
Texas Workforce Coalition

The Texas Legislature has concluded its 85th regular session, and the business community continues to reap the benefits of lawmakers who fundamentally understand that our education system must be better aligned to meet the needs of our diverse and highly skilled workforce.

Since passage of the landmark House Bill 5 in 2013, Texas legislators have listened carefully to business leaders across dozens of industries, enacting statewide policies that allow for better cooperation and collaboration between educators and businesses. Our ISDs (independent school districts) and IHEs (institutions of higher education) have more tools and opportunities to serve students, no matter their chosen pathway – whether it's community/junior college, university, an apprenticeship, a certification training program, or directly into the workforce.

The Texas Workforce Coalition – the broad-based business coalition focused on education and workforce issues – supports more applied and experiential learning through career and technical education (CTE), dual credit courses and project-based learning (PBL). That kind of relevance to both the workforce and education will yield: 1) a lower high school dropout rate, 2) more students interested in education at all levels, 3) a significant closing of the skills gap, and 4) ultimately, a lower unemployment rate... all of which will improve the state's economy.

During the 2017 session, lawmakers enacted several new laws that will provide a wide range of opportunities to students, and that will benefit future employers for years to come:

P-TECH Grade 9-14 Model

SB 22, by Sen. Larry Taylor (R-Friendswood) will enable the P-TECH (Pathways to Technology) education model for grades 9-14, where partnerships form between public education (ISDs), higher education (IHEs), and business and industry. Students earn a high school diploma along with either an industry certification, or an associate's degree upon completion of the program.

Employers are intimately involved from the beginning to help provide curriculum and course advice and direction, equipment, internships and ultimately, employment opportunities for graduates who have experience and understanding with the

company, corporate culture, and industry. This optional or permissive P-TECH model will go into effect on September 1, 2017.

Dual Credit

The Texas Legislature passed three bills in 2017 dealing with dual credit, each of which received enough support that they will go into effect immediately:

SB 802 by Sen. Kel Seliger (R-Amarillo) directs the legislature to conduct a comprehensive study on dual credit for best practices, transferability of credits between public high schools and IHEs, as well as among IHEs – community colleges and universities. SB 1091 (also by Sen. Seliger) limits the courses that can be offered for dual credit to "core" college courses, and CTE classes.

And HB 1638 by Rep. Ryan Guillen (D-Rio Grande City) establishes statewide goals for dual credit to will be developed by the Texas Education Agency (TEA) and the Texas Higher Education Coordinating Board (THECB), with input from stakeholders, including businesses.

Miscellaneous Bills

Community and junior college funding continues to be a hot topic at the Texas Capitol, and HB 2994 by Rep. Trent Ashby (R-Lufkin) will allow community colleges to keep – not be forced to return to the state – their formula funding dollars when students under 18 take continuing education CTE courses for workforce training at their institutions. This statutory change reverses a previous THECB ruling that was troublesome for many Texas junior colleges.

While the school finance bill – HB 21 by Rep. Dan Huberty (R-Houston) – ultimately died at the end of session, the version that passed the Texas House of Representatives included a provision to allow CTE weighted-courses to be taught in 8th grade. CTE courses are currently only allowed to be taught in 9-12th grades, but there is growing recognition by policymakers that students enrolled in CTE courses are much more likely to graduate from high school than their non-CTE classmates, and teaching CTE courses earlier could help reduce the state's drop-out rate.

Texas has an new, updated public school accountability system that rewards increased emphasis on workforce readiness skills & certifications in three remaining accountability domains: Student Achievement, School Progress, & School Climate. The bill (HB 22 by Rep. Huberty) goes into effect immediately, bringing needed

clarity to the A-F school ratings system.

Under HB 108 by Rep. Carol Alvarado (D-Houston), communities will be able to apply for the Texas Workforce Commission's Skills Development Fund to be used on rapid workforce training, which will aid in local efforts to recruit business and industry to the state.

Lawmakers have amended the mission of the Texas Education Agency (TEA) through HB 136 by Rep. Cecil Bell (R-Magnolia) to include both career and technical education (CTE) and workforce training.

With passage of HB 655 by Rep. Travis Clardy (R-Nacogdoches), junior college students must now file a degree plan by the end of their second semester, or following completion of 30 credit hours. This new requirement will help keep community college students on track to either complete their associate's degrees, or transfer to a college bachelor's degree program.

And HB 3349 by Rep. Barbara Gervin-Hawkins (D-San Antonio) creates an abbreviated educator certification program, including a teaching certificate for trades and industrial training. This will open an option for retiring industry employees who would like to teach their craft to students in high school, bypassing the more-expensive, time-consuming certification process.

Looking Ahead

While significant progress has been achieved, employers must continue to be active and advocate for policies that allow all student to reach success, no matter the path they choose.

First, college and career readiness standards should be updated to better reflect the fact that NOT ALL students will attend college/university upon high school graduation. These readiness standards often de-emphasize career preparation in favor of the traditional "college" route.

Second, TEA is currently working on an initiative to identify and validate industry-recognized credentials and certifications offered in high schools. The goal is to compile an "approved list" of certifications to share with school districts that will count toward their accountability ratings.

Third, the business community should closely monitor Texas OnCourse, the Texas Legislature's 2015 effort to better advise 7th- and 8th-grade students about careers before they enter high school and must pick between endorsement, or emphasis areas, either: a) STEM – science, technology, engineering & mathematics; b) business & industry; c) public service and health; d) arts and humanities; or e) the multi-disciplinary endorsement – often

85th Legislative Session Overview *Continued...*

increasing funding, the bill would have also increased equity among Texas' school districts and reduced the amount of local property taxes from property wealthy school districts that would be subject to recapture. The Texas Senate passed a bill that was substantially different than what passed the House. Since the two chambers were unable to come to an agreement on a compromise, the bill failed to pass.

SB 2, which would have lowered the amount cities and counties could have raised property taxes without being subject to an automatic rollback election from 8 percent to 4 percent, failed to pass. Critics of the bill contended that, since school districts, which are accountable for the majority of property taxes in Texas, were not included in the bill, it would not have provided meaningful tax relief. They also said that the bill would guarantee that local governments would raise taxes just under 4 percent each year to avoid triggering a rollback election. Certain provisions of the bill were amended onto SB 669 but the Senate did not feel those provisions were strong enough and failed to concur; ultimately that bill also failed to pass. Governor Abbott has added property tax relief to the items to be considered during the upcoming Special Session.

One of the most contentious bills this session was SB 6, which would have required an individual to use the bathroom of their biological gender in government, university and public school facilities. Citing the negative impact North Carolina suffered when that state passed a "bathroom bill," the Texas business community strongly opposed the bill. Lt. Governor Patrick disagreed with this assertion, and said, unlike North

Carolina's law, the bill would only apply to government, university and public school bathrooms and locker rooms. SB 6 failed to pass the House, but the House amended SB 2078 to require that each public school student use a single sex bathroom or changing facility if they do not wish to use the bathroom corresponding to their biological sex. The Senate did not concur with the changes to SB 2078 and the bill failed to pass. As with property tax reform, Governor Abbott has added the issue to the call for the upcoming Special Session.

Special Session

One key bill the Legislature failed to pass was legislation extending the existence of several state agencies. Sunset reviews allow the Legislature to evaluate the functions, effectiveness and need of each state agency. Most agencies undergo Sunset review around every 12 years. If an agency's Sunset bill fails to pass, that agency is abolished. For those agencies that the Legislature does not wish to abolish but whose Sunset bill does not pass, there is a safety net Sunset bill filed, which simply continues that agency with no other changes. This session, the Sunset safety net bill did not pass. In order to prevent several state agencies from being abolished, Governor Abbott called a Special Session "to complete that unfinished business." He went on to say if he's "going to ask taxpayers to foot the bill for a Special Session, I intend to make it count." He then listed 20 issues in his call for the Special Session to convene on July 18. During a Special Session, which only the Governor can call and can last no more than 30 days, the Legislature may only consider issues the Governor includes in the call.

The following is the list of items that the Governor included in his call for a Special Session of the Texas Legislature:

- Teacher pay increase of \$1,000
- Administrative flexibility in teacher hiring and retention practices
- School finance reform commission
- School choice for special needs students
- Property tax reform
- Caps on state and local spending
- Preventing cities from regulating what property owners do with trees on private land
- Preventing local governments from changing rules midway through construction projects
- Speeding up local government permitting process
- Municipal annexation reform
- Texting while driving preemption
- Privacy
- Prohibition of taxpayer dollars to collect union dues
- Prohibition of taxpayer funding for abortion providers
- Pro-life insurance reform
- Strengthening abortion reporting requirements when health complications arise
- Strengthening patient protections relating to do-not-resuscitate orders
- Cracking down on mail-in ballot fraud
- Extending maternal mortality task force

The Special Session will begin on July 18. At this point, Governor Abbot has not said if he will call the Legislature back for another special session if they fail to address all of the above issues. ★

Education & Workforce Alignment *Continued...*

college preparation.

Fourth, industries must engage on the topic of dual credit, defined as: "a college course taught to a high school student, who receives both high school and college credit." While lawmakers will conduct a study on dual credit during the interim, critics often point out that "not all dual credit is created equal" or "not rigorous enough". At the same time, many students and their parents complain that too many dual credit courses do not transfer to their chosen college, or don't "count" toward their degree plan. Depending on the region of the state or junior college district, articulation

agreements between community colleges and universities (or among community colleges) can be woefully inadequate and could require updating.

And finally, while policy changes have been an important part of the equation, perhaps the bigger challenge continues to be perception: the notion that student success can be earned through several different pathways – universities, community colleges, technical schools, apprenticeship training programs, certification training, early college high schools – and that students' interests and talents are diverse, and our education system

can't be "one size fits all."

We face a widening skills gap, aging workforce, high unemployment and millions of unfilled jobs – ironically, these jobs are well paying and in high demand. Business must reach out to local schools to form partnerships and speak directly to students, parents, teachers, counselors, and administrators. Business can help spread the word about opportunities available within their industries and companies. We can help reinvigorate the trades, inspire more people to master a useful skill, and encourage more people to pursue job opportunities that actually exist. ★

Political Action Committee Events



CENTRAL TX SUBCONTRACTORS CLAY SHOOT

Friday, October 6, 2017

Capitol City Trap & Skeet Club

8707 Lindell Lane, Austin, TX 78724

Individuals and teams, including teams of less than four members, are encouraged to register now. You may register a team without providing all team member names in advance.

Contact: _____

Company: _____ **Email:** _____

Shooter 1 _____ 12 ga 20 ga

Shooter 2 _____ 12 ga 20 ga

Shooter 3 _____ 12 ga 20 ga

Shooter 4 _____ 12 ga 20 ga

Fee per Shooter: \$125 # shooters _____ X \$125 per shooter = \$_____

Fee per Flurry: \$20 # flurries _____ X \$20 per shooter = \$_____

Fee per Mulligan: \$20 # mulligans _____ X \$20 per shooter = \$_____

Check-in: 9:00 am, Registration, breakfast tacos, practice rounds of skeet and 5-stand. Flurry available for \$20 per shooter. Ammo not provided for practice but will be for flurry.

Shooting Event: 10:30 am

Lunch & Awards: 1:00 pm

Includes: One round(50 targets) of scored sporting clays, breakfast taco, lunch, and two boxes of ammo.

Total for Shoot: _____

Method of Payment:

Credit Card Check (Payable to TCA PAC)

No Corporate payment, please.

Name on [PERSONAL](#) Credit Card

Card # _____

Ex Date _____ CID Code _____

Card Billing Address w/Zip Code

Registration and payment deadline: Wednesday, September 27th



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Clay Shoot
Fundraiser for TCA PAC



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Event Registration Form

Greater Houston Gun Club 6700 McHard Road, Houston, TX 77053

Individuals and teams, including teams of less than four members, are encouraged to register now.

You may register a team without providing all team member names in advance.

PLEASE PRINT ALL Requested Info: Registrar/Shooter Name, *Email, Company, Telephone w/Area Code**

* To receive a receipt, it is necessary to include your email address, please. Thank You!

Registered by: _____

Shooter 1 _____

Shooter 2 _____

Shooter 3 _____

Shooter 4 _____

Fee per Shooter: \$225 # shooters _____ X \$225 per shooter = \$ _____

Personal Credit Card (below) OR Personal Check Enclosed Payable to TCA PAC

No Corporate payments, please.

Name on **PERSONAL** Credit Card:

Card Type _____ Card # _____

Expiration _____ CID# _____

Card Billing Address w/Zip Code:



Return completed form by August 18th to:
 Texas Construction Association 1011 San Jacinto Blvd., Ste 330 Austin, TX 78701-2494
 Or Fax to 512-473-3777 Questions?: 512-473-3773 or pfinnegan@texcon.org



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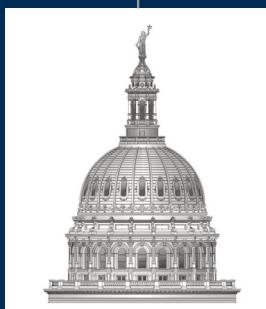
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