



April 14, 2017

Legislative Update to City Council Members

Overview

In this report, the Government Relations Team seeks to provide information on when important hearings will be occurring in the House and Senate, progress on the City of Houston's Legislative Priorities, and how you can help advocate for legislation.

How Can Council Members Help Get Our Pension Bill Passed?

As of now, the Mayor's Office feels very optimistic about the pension deal. The bill is currently on a very positive track having passed out of both House and Senate committee by near unanimous margins. However, we need representatives in Austin to hear from their constituents – and yours – that we need this pension bill to pass. They need to hear that people care about their City's fiscal health, and that means supporting House Bill 43.

We anticipate the bill will be on the floors of both Chambers by the end of the month.

Council Members can assist by making sure their constituents understand what's at stake and helping those constituents get in touch with their representatives in Austin.

The Message Right Now

The key message now is that the passage of this deal is make or break for the City, and its failure will have a very real impact that will touch the lives of everyone who lives here.

First, it is helpful to understand the consensus around the bill and how many stakeholders are supportive.

- The Houston Pension Solution (House Bill 43) was supported by a 16-1 vote by City Council.
- The business community strongly supports House Bill 43. Marc Watts, Chairman of the Greater Houston Partnership's Pension Study Group, enthusiastically endorsed the proposal in the House Pensions Committee, and the GHP has made passage of HB 43 its #1 legislative priority for this session.
- For the first time, every pension board voted in favor to benefit changes, and two of the three boards remain solidly behind the legislation. HPOU and HOPE support the plan as key to maintaining a quality workforce.
- Professional analysts from across the spectrum have supported the plan, including Dr. Bill Fulton of the Kinder Institute and Dr. John Diamond of Baker Institute of Rice University.
- Financial experts active in city government including Controller Chris Brown and former Mayor Bill White have both supported the plan as key to address the city's financial future.

Here are a few key points to help your constituents understand the impact of the failure of this bill:

- There will certainly be layoffs of city employees, and the scope of the layoffs will be unlike anything

How We Can Help Your Office

For every bill on the Legislative Priorities list, the Government Relations Team can provide background from city departments and where the bill is in the legislative process. If your office would like to write a letter of support, visit with offices of members in Austin, or testify for a measure, please contact Kris Banks to help coordinate. We are happy to help with anything from scheduling to submitting testimony. In fact, our office has worked to produce a list of overlap for every District Council Member and your member of the State House and State Senate. For a full list of those representing your Council District to the State Legislature, contact Ande Mattei.



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we've seen recently. No one – not any department – will be safe. Police officers and firefighters could be laid off. Layoffs will affect the employees and their families, but will also affect residents. Layoffs mean:

- ◇ Slower 911 response
 - ◇ Fewer police on patrol
 - ◇ Roads won't be fixed
 - ◇ Libraries may reduce hours and close
 - ◇ Parks will become dilapidated
- If the pension deal doesn't pass, it is very likely that there will be a profound effect on capital improvement projects. The reasons are twofold:
 - ◇ **Layoffs:** The likely layoffs will affect CIP projects, simply because there will be fewer employees to plan and carry out plans for capital improvement projects. We can only fulfill projects
 - ◇ **Credit Rating:** We have been told by credit rating agencies, in no uncertain terms, that our credit rating will suffer if the pension deal does not pass this session. A worse credit rating means it will be more expensive to borrow. CIP projects are primarily debt-financed. This means the failure of the pension bill would make CIP projects more costly, and the City will be less able to afford projects.

When you're communicating to constituents – in civic club meetings, in e-newsletters or when you're in the district – let them know what kind of impact the failure to pass this bill will have on city services. Let neighborhood associations know that a big CIP project they seek may not happen.

What Constituents Can Do

Constituents can be directed to [this state website](#) to find out who represents them in Austin. From that site, they can call or email their Texas State Representative. The message they need to give is simple:

“Hello, my name is (their name). I am a constituent living at (their address). I am asking my legislators to vote for the pension reform plan put forward by the City of Houston, House Bill 43.”

What about defined contributions?

Certain parties have heavily promoted the idea that we move new employees to a defined contribution system. You may hear from constituents on this topic. Our response to this is:

- Moving new employees to defined contribution plans does nothing to reduce our \$8.1 billion unfunded liability. It means no concessions from the pension systems for existing employees. Absorbing the full liability will result in the City spending 51 percent of its payroll in Fiscal Year 2018 on retirement benefits.
- The plan the City has put forward is based on months of negotiation and thorough analysis of actuarial data. Any defined contribution plan put forward now would be hastily thrown together. We can't wait for another plan. We need to move forward now.

Update on Legislative Priorities

For an update on the City's legislative priorities, please reference the chart on the following page.

City of Houston

4/14/2017

85th Legislative Agenda

Bill #	Author	Subject	Progress	Committee
HB 43	Rep. Flynn	Pensions: Relating to the public retirement systems of certain municipalities.	Committee report filed with Committee Coordinator on 4/13/17	Pensions
SB 2190	Sen. Huffman	Pensions: Relating to the public retirement systems of certain municipalities.	Placed on Senate Intent Calendar on 4/10/17	State Affairs
HB 1368	Rep. Israel	Speed Limit: Relating to the prima facie speed limit in an urban district.	Referred on 2/27/17	Transportation
HB 998	Rep. Alvarado	Campaign Report: Relating to the confidentiality of certain information stored as part of the preparation of campaign finance reports required to be filed with the clerk of certain counties or municipalities.	Scheduled for public hearing on 4/20/17	General Investigation & Ethics
HB 256	Rep. Hernandez/Sen. Whitmire	TABC: Relating to the authority of a city attorney to seek an injunction to abate a common nuisance under the Alcoholic Beverage Code.	Received from the House 4/3/17	Sent to Senate
HB 2476	Rep. Davis/Sen. Hinojosa	Contingency Fee: Relating to approval by the comptroller of public accounts of certain contingent fee legal services contracts entered into by public agencies.	Left pending in Committee on 4/12/17	Natural Resources & Economic Development
HB 1749	Rep. Thompson	Expunction: Relating to the expunction of arrest records and files relating to an offense punishable by fine only; authorizing a fee.	Referred on 3/6/17	Criminal Jurisprudence
HB 3773	Rep. Allen	48 Hours: Relating to certain persons arrested under a warrant.	Referred on 3/31/17	Criminal Jurisprudence
HB 812	Rep. Wu	Panhandling: Relating to standing in a roadway; amending provisions subject to a criminal penalty.	Left Pending in Committee on 3/23/17	Transportation
HB 913	Rep. Alvarado	Pipe Bombs: Relating to the prosecution of the criminal offense of the possession, manufacture, transport, repair, or sale of certain prohibited explosive weapons.	Committee Report sent to Calendars on 4/10/17	Criminal Jurisprudence
HB 2046	Rep. Walle	Tippling Fee: Relating to the amount of the solid waste disposal fee and the allocation of revenue from that fee.	Referred on 3/31/17	Environmental Regulation
SB 570	Sen. Rodriguez/Rep. Walle	Scrap Tires: Relating to the regulation of the retention, storage, transportation, and disposal of used or scrap tires; providing a civil penalty; creating a criminal offense.	Received from the Senate on 4/5/17	Sent to House

HB 3744	Rep. Walle	Scrap Tires: Companion to SB 570 (Identical)	Referred on 4/3/17	Environmental Regulation
HB 2477	Rep. Davis	Towing: Relating to the authority of certain municipal employees to request the removal and storage of certain illegally parked or operated vehicles.	Committee Report sent to L&C Calendars 4/11/17	Urban Affairs
HB 714	Rep. Wu	Yard Parking: Relating to the authority of certain municipalities to create a presumption in a prosecution for certain offenses involving the parking of a motor vehicle.	Committee Report sent to L&C Calendars 4/10/17	Urban Affairs
HB 3033	Rep. Blanco	Veterans: Relating to hiring and licensing certain veterans as peace officers.	Left Pending in Committee on	Defense & Veteran Affairs
HJR 116	Rep. Theiry	Gentrification: Proposing a constitutional amendment authorizing the governing body of a political subdivision to limit the total amount of ad valorem taxes that may be imposed by the political subdivision on the residence homestead of certain lower-income individuals.	Referred on 3/20/17	Ways & Means
HB 3919	Rep. Theiry	Gentrification: Relating to the eligibility of certain municipalities to establish homestead preservation districts and reinvestment zones.	Scheduled for public hearing on 4/18/17	Urban Affairs
HB 3920	Rep. Theiry	Gentrification: Relating to a limitation on the total amount of ad valorem taxes that may be imposed by a taxing unit on the residence homestead of a lower-income individual that is located in a homestead preservation district.	Referred on 4/3/17	Ways & Means