



FOCUS *report*

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Topics for the 89th Legislature

The 89th Texas Legislature may consider a wide range of topics during its regular session that began on January 14, 2025. Key items for discussion could include an education savings account program, property tax relief, the state's growing demand for energy and water, border security, bail reform, healthcare workforce shortages, artificial intelligence, affordable housing, and spending proposals for an expected budget surplus for the second consecutive biennium. This report highlights many, although by no means all, of the topics lawmakers could address this session.

The Sunset Advisory Commission will review 12 entities this session, including the Texas Department of Criminal Justice, Texas Ethics Commission, Department of Information Resources, Texas Lottery Commission, and certain river authorities. Each regular legislative session, the commission evaluates state agencies according to a statutory schedule and recommends to the Legislature whether to abolish or continue certain agencies and how to improve their operations.

Appropriations and spending

As the 89th Legislature convenes, Texas will have a significant revenue surplus for the second consecutive biennium. Following the receipt of unprecedented tax collections and with the Economic Stabilization Fund poised to exceed its constitutional cap, lawmakers could discuss whether the state should adhere to more conservative fiscal practices or increase spending in response to certain state needs. As the Legislature evaluates state agency spending requests and revenue estimates to craft the state budget for the 2026-27 biennium, numerous spending proposals could be considered. These include initiatives related to water infrastructure and supply, property tax relief, public education, and the electric grid, among other issues. Many of these proposals are discussed in this report, organized under specific topic categories.

Revenue estimate. The Biennial Revenue Estimate [issued](#) by the comptroller before the legislative session indicates that the state will have about \$194.6 billion for general-purpose spending for fiscal 2026-27. This balance reflects a 1.1 percent decrease from

the corresponding amount of funds available for the previous biennium. The available funds also include a nearly \$23.8 billion surplus carried forward from fiscal 2024-25, which resulted from an influx of federal stimulus dollars, inflation, and significant state tax revenues following the end of the pandemic.

Spending limits. The Texas Constitution imposes several limits that impact the discretionary spending of nonconstitutionally-dedicated funding each biennium. Under Tex. Const. [Art. VIII, sec. 22](#), the tax spending limit prohibits the rate of growth of appropriations from nonconstitutionally-dedicated tax revenues from exceeding the state economy's estimated growth rate. For the 2026-27 biennium, the Legislative Budget Board (LBB) [adopted](#) an estimated growth rate of 8.93 percent, providing up to about \$120 billion in state spending capacity. The consolidated general revenue limit, established in Texas Government Code, [sec. 316.002\(a\)\(2\)](#), became effective during the 2024-25 biennium and restricts the spending of all general-revenue related funds to a figure adjusted for inflation and population growth, or about \$146 billion for fiscal 2026-27. These amounts may be adjusted for subsequent appropriations or revised revenue estimates.

Economic Stabilization Fund. The Economic Stabilization Fund (ESF or "rainy day fund") is projected to grow to more than \$28.5 billion at the start of the 2026-27 biennium, absent additional appropriations, exceeding its constitutional limit of 10 percent of general revenue deposited during the previous biennium. Consequently, the comptroller expects that a partial deposit will be credited to the ESF during fiscal year 2026 and that no deposits will be made to the fund during fiscal years 2027 and 2028. Despite the hold on deposits, the ESF balance is likely to continue growing due to accumulation of the fund's investment income. Under current law, surplus funds from the ESF above its constitutional cap are redirected to the general revenue fund. Lawmakers could debate raising or removing the cap on the ESF to increase its long-term value.

Supplemental appropriations for 2024-25.

Supplemental funding for fiscal year 2025 could be allocated to address a shortfall in Medicaid program funding and fully fund the Foundation School Program. Additional funding could be appropriated for certain Texas Department of Criminal Justice operational and construction expenses, water infrastructure and supply,

deposits to the unemployment insurance fund, planning and designing a new state mental health facility, new state-owned aircraft for wildfire suppression, a one-time legacy payment to the Employees Retirement System, and the expansion of state laboratory capacity, among other supplemental spending proposals.

Strategic fiscal review of certain agencies. Each budget cycle, agencies that are under review by the Sunset Advisory Commission and subject to the legislative appropriations process also [undergo](#) a Strategic Fiscal Review (SFR) by the LBB. During this thorough evaluation of an agency's budget and operations, the LBB collects extensive program and finance data to make recommendations to the Legislature on alternative funding levels for each agency's activities. The review also assesses how well an agency's programs align with its mission and statutory obligations. Agencies that underwent review include:

- Texas Ethics Commission;
- Department of Information Resources;
- Texas Department of Criminal Justice; and
- Texas Lottery Commission.

Based on these reviews, the 89th Legislature could consider proposals across these four agencies to enhance technological efficiency, improve staff recruitment and retention, or address concerns about contracted third-party entities, among other items.

Taxes and revenue

During the 89th legislative session, Texas lawmakers could consider a variety of proposals on taxes and revenue, including measures to reduce or eliminate property or franchise taxes. Revisions to the state's property tax and severance tax systems also could be discussed.

Property taxes. In 2023, the 88th Texas Legislature approved historic levels of property tax relief by raising the homestead exemption and reducing school districts' maintenance and operations (M&O) property tax rate, among other measures. During the 89th legislative session, lawmakers could debate proposals to provide additional property tax relief by further reducing school districts' M&O property tax rate or by eliminating local property taxes as a school funding mechanism. Proposals also could

include buying down property taxes using state surplus dollars or raising sales taxes to offset property tax relief. Lawmakers could consider expanding the sales tax base by repealing certain exemptions and exclusions as a way to replace property tax revenue, as well as other mechanisms to provide state funding to local governments for public services.

Lawmakers could consider expanding the homestead exemption or adopting other measures to provide targeted relief to renters and low- and middle-income homeowners. Additionally, exempting taxable personal property for business use could be considered.

The Legislature could consider measures aimed at improving transparency or increasing uniformity within the property tax system, including changes to voter-approval tax rate elections, local bond elections, and interest and sinking (I&S) tax rates. Proposals to further restrict local taxing entities' ability to raise local tax rates without certain voter approval also could be debated.

Tax appraisals. The Legislature could consider proposals on the tax appraisal system, such as amending existing law to explicitly require appraisals annually. It could consider legislation aimed at clarifying and providing greater transparency and oversight for certain tax rate calculation procedures. Lawmakers could debate proposals to repeal taxing entities' ability to adopt a de minimis tax rate or to hold tax rate and bond elections on a uniform election date. They also could discuss revising policies on the creation and continuation of special taxing districts.

Additionally, legislators could consider proposals to clarify the duties and responsibilities of tax appraisal district boards or to require that appraisal district board members be elected by a plurality rather than a majority to reduce runoffs.

Severance taxes. Lawmakers could consider proposals to redirect a portion of taxes collected from oil and natural gas production, also known as severance taxes, from the rainy day fund to be used for plugging abandoned wells and reducing emissions. They also could consider allocating severance tax revenue to fund infrastructure, emergency response, healthcare, education, and workforce development initiatives in communities where oil and gas production is especially active or to provide property tax abatement.

Franchise taxes. The 88th Legislature raised the franchise tax no-tax-due threshold and eliminated certain reporting requirements for businesses. Further reducing or eliminating the franchise tax could be discussed in the upcoming session, as well as franchise tax credits and exemptions for certain entities, such as certain child-care centers or veteran-owned businesses.

Economic development and business regulation

The 89th Legislature could address various economic challenges facing Texans, including the rising costs of housing, insurance, and child care. The Legislature also could seek to develop the state's multimodal transportation infrastructure and enhance regulation of autonomous vehicles.

Housing affordability. The Legislature could discuss proposals to address the high cost of housing and inadequate housing supply in Texas. These proposals could include preempting or limiting certain local government land use regulations and zoning ordinances, such as minimum lot sizes, height restrictions, and limits on the permissible number of units on a lot. Proposals could be considered to increase the required percentage of neighboring property owners who must object to proposed zoning changes to trigger a city council supermajority vote for rezoning approval.

Lawmakers also could revise certain criteria used by the Texas Department of Housing and Community Affairs to make it easier for development projects to receive low-income housing tax credits, including by allowing tax-credit-supported residential developments to be built closer together. To ensure that state tax exemptions incentivize affordable housing, the Legislature also could consider additional requirements for certain local public-private partnerships that provide multifamily housing in exchange for tax exemptions, including public facility corporations and housing facility corporations.

Insurance. The 89th Legislature could discuss proposals to address rising home insurance premiums, such as amending the state's file-and-use process for insurance rate changes to instead require prior approval or other oversight by the Texas Department of Insurance to help keep rates from rising too quickly. Lawmakers could

consider funding programs to fortify homes against the risk of natural disasters, especially in coastal areas of the state served by the Texas Windstorm Insurance Association (TWIA). Proposals to require insurers to offer discounts to homeowners who upgrade their homes also could be considered. Additionally, the Legislature could consider using the rainy day fund to insure the state against disaster risk or to fund TWIA, which is currently funded in part by levying assessments on private insurers in other parts of the state.

Child care. Lawmakers could consider ways to make child care more affordable for Texans. Proposals could include increasing state funding of child-care subsidies, reducing local regulations on child-care facilities, expanding certain tax exemptions for child-care centers, requiring or incentivizing employers to contribute to child-care costs, and improving coordination between the Texas Workforce Commission and the Texas Health and Human Services Commission to streamline child care regulations and improve data sharing.

Transportation infrastructure. The Legislature could discuss additional funding for various forms of transportation infrastructure. State funds were directly dedicated to port infrastructure projects for the first time in the 88th legislative session, and the 89th Legislature could appropriate additional funding for the Port Access Account Fund and Ship Channel Improvement Revolving Fund in the upcoming state budget. Lawmakers also could consider funding for grade separation projects at rail crossings in urbanized areas and for short line rail development by smaller rail companies.

Toll roads. Lawmakers could take up reform of private toll roads in Texas, including measures to provide uniformity and transparency in tolling and billing practices and enhance safety and maintenance requirements in toll operator contracts. Proposals to limit fees for unpaid tolls and to replace the criminalization of failure to pay a toll with a civil penalty also could be considered.

Autonomous vehicles. The Legislature could consider proposals to further regulate commercial autonomous vehicles (AVs) operating in Texas, including by requiring AV companies to alert the Department of Motor Vehicles when AVs without a human driver are on the road. Legislators also could require companies to provide guidelines for law enforcement and emergency personnel interaction with AVs.

Gambling. As the Texas Lottery Commission undergoes review by the Sunset Advisory Commission, the Legislature could consider measures to further enforce the state's prohibition on the online sale of lottery tickets by restricting the operation of online lottery courier services that enable entities from outside Texas to purchase tickets. Lawmakers also could take up proposals to legalize and authorize licenses for a limited number of resort casinos and to legalize and regulate online sports betting in the state. These proposals would require amendments to the Texas Constitution.

Criminal justice and public safety

Lawmakers in the 89th legislative session could consider various measures affecting criminal justice and public safety. Proposals could address border security, juvenile justice, bail, human trafficking, financial and retail crimes, and forensic evidence, as well as proposals stemming from Sunset Advisory Commission reviews of certain state agencies. Legislators also could consider proposals on policing, gun regulation, and child online safety, among other issues.

Border security. The Legislature could consider various proposals on border security.

Operation Lone Star. Lawmakers could discuss funding for Operation Lone Star, a state initiative launched in 2021 to respond to a rise in migrant crossings at the Texas-Mexico border and transnational criminal activity. Proposals could include funding for additional law enforcement officers at the border, updated technology, additional border barriers, training on state law for Border Patrol agents, and housing facilities for border personnel. Compensating border counties for the associated costs of participating in Operation Lone Star also could be discussed. Legislators could reallocate certain funds depending on shifts in federal policy regarding border operations in the new administration. In addition, the 89th Legislature could debate proposals to create a Texas Division of Homeland Security to oversee border operations.

Illegal entry. [SB 4](#) by Perry passed by the 88th Legislature, Fourth Called Session, prohibited illegal entry into the state and authorized the detention and removal of those who violate the bill. To address current legal challenges, lawmakers could discuss legislation to clarify

the procedure needed to transfer migrant detainees in custody from state to federal authorities.

Organized crime. Lawmakers could consider legislation to curb transnational gangs crossing the Texas-Mexico border. Proposals to increase investigative resources to reduce the caseload of border operations and address organized crime across the state also could be considered. The Legislature could discuss measures to address criminal activity related to motor fuel exports, including further regulating commercial fuel-carrying vehicles crossing the border, criminalizing certain illicit fuel transport activities, and providing additional resources for law enforcement.

Surveillance and technology. The 89th Legislature could consider proposals to enhance surveillance technology and equipment at the Texas-Mexico border and streamline cross-agency interoperability for emergency communication. Proposals could include codifying a standard procedure for secure data sharing between local, state, and federal entities on a single platform during emergencies and funding to upgrade equipment.

Policing. This session, lawmakers could consider several proposals on policing, including increasing law enforcement officers' pay to be more competitive with other state agencies and help address staffing shortages. They also could discuss increasing the starting salaries of state troopers deployed to the border and funding additional commissioned state troopers to address public safety concerns, such as road safety and human trafficking.

Additionally, lawmakers could discuss requiring the use of less-lethal devices and de-escalation tactics in police encounters to reduce the risk of death or injury to officers and suspects.

Bail reform. Lawmakers could revisit proposals to reform Texas' pretrial detention practices, including the use of risk-based assessment protocols and alternatives to cash bail. Proposals amending the use of judicial discretion when determining bail and mandating stricter bail requirements for violent offenses also may be considered. Lawmakers could evaluate the role of Charitable Bail Organizations in the bail process and consider proposals requiring them to disclose funding sources and bond payments. Standardized risk-based assessment protocols, such as rearrest notification requirements, could be discussed as a way to develop uniformity in pretrial practices across jurisdictions.

Child online safety. The 89th Legislature could consider online safety proposals to protect children under the age of 18 from exposure to adult content, online coercion, and unfiltered pop-ups. Legislators could consider measures to address social media addiction in youth. Other proposals could include limiting screen time and cell phone usage in schools and requiring additional online safeguards to prevent minors from sharing personal information.

Lawmakers also could consider proposals to help law enforcement to more effectively prosecute offenders involved in the creation and distribution of deepfake child pornography. These could address instances where the depicted child is not an identifiable person or the image is altered beyond recognition using generative artificial intelligence (AI) systems.

Juvenile justice. The 89th Legislature could consider various proposals related to juvenile placement and rehabilitation efforts within the Texas Juvenile Justice Department (TJJD).

The Texas Family Code outlines certain factors that may be considered by a court when determining placement of a child with the Department of Family and Protective Services, TJJD, or a relative or caregiver. Legislators could discuss proposals related to codifying the definition of "best interest of a child," which is used by judges to determine issues of conservatorship and access to a child. Lawmakers could discuss prohibiting judges from considering certain factors, such as socioeconomic or religious status, when making a best interest determination.

In response to concerns raised by a recent U.S. Department of Justice report that found unconstitutional conditions in TJJD facilities, legislators could consider proposals to increase funding to improve facility staffing and conditions. Lawmakers could discuss proposals related to use of force, discipline, and isolation periods in juvenile detention as well as the use of pepper spray within correctional facilities. Legislators could consider expanding county resources to keep caregivers close to youth during their rehabilitation efforts. Proposals to increase funding for mental health programming for juvenile offenders also could be discussed.

Lawmakers could discuss further proposals to divert foster youth from juvenile justice centers through certain emergency behavior interventions such as teen court

programs, rehabilitation programs, academic monitoring, community-based services, and counseling.

THC. The sale and use of THC products containing the psychoactive components known as Delta-8 and Delta-9 could continue to receive attention from lawmakers. They could discuss a complete ban on intoxicating hemp products in addition to increasing enforcement capacity within the Texas Department of State Health Services. Proposals could include establishing potency limits, labeling standards, and age restrictions to address safety concerns. Increasing licensing fees for retailers to fund regulatory enforcement also could be considered.

Human trafficking. To address challenges faced by trafficking survivors prosecuted for crimes committed under coercion, proposals to expand the "duress" affirmative defense in the Texas Penal Code could be considered. Lawmakers could discuss revising the defense to account for situations involving prolonged coercion rather than immediate threats. Proposals to assist trafficking survivors also could include creating opportunities for post-conviction relief and training for law enforcement and legal professionals to better recognize and assess trafficking, grooming, and coercion. An education initiative to inform minors of the risks of trafficking also could be proposed.

Organized retail crime. Lawmakers could consider proposals on organized retail crime, including defining organized retail crime within the Penal Code, enhancing penalties for related categories of theft, establishing a state-led retail crime task force, and introducing data-sharing requirements for retailers. Additional measures could include funding law enforcement training programs and creating centralized reporting tools to improve investigations.

Financial crimes. Rising trends in financial crimes, including transnational payment fraud and organized financial scams, could prompt lawmakers to explore measures to combat these activities. Proposals could include extending the statute of limitations for financial crimes, expanding the Texas Financial Crimes Intelligence Center, and enhancing technology and tracking systems to improve financial crime identification. Proposals to increase collaboration between law enforcement and financial institutions also could be considered.

Forensic evidence. Lawmakers could consider proposals to expand Texas' "junk science" statute, which allows for appeals in cases involving discredited or outdated forensic methods. Proposals could focus on lowering evidentiary requirements related to the junk science law to allow more defendants the opportunity to challenge convictions tied to unreliable forensic evidence. Additional measures could involve addressing procedural barriers, such as filing deadlines, to ensure dismissal of appeals under this law on substantive rather than procedural grounds.

Legislators could consider proposals to address delays in processing sexual assault forensic evidence, commonly referred to as rape kits. Proposals could include permitting the testing of kits without victim consent and providing additional funding to educate future forensic scientists to improve the caseload capacity of forensic laboratories. Creating additional reporting requirements to encourage transparent data sharing and timely handling of forensic evidence also could be discussed.

Gun regulation. Lawmakers could consider proposals to amend regulations on the purchase and transfer of firearms, including restricting possession of firearms in certain cases where a protective order has been issued, increasing background check requirements, or requiring the reporting of firearms sales in cases where the same entity made multiple purchases within a short period of time. Lawmakers also could debate proposals to increase penalties for licensed gun dealers for failure to conduct a criminal background check for the sale of firearms at a gun show.

Indigent defense and public defender system. Lawmakers could consider proposals to improve access to legal representation for low-income defendants. Increased funding could be considered to help reduce caseloads by allowing public defender offices to hire more attorneys and support staff, particularly in rural and high-growth areas facing shortages. Proposals also could include establishing a statewide oversight and management system for indigent defense. Additional measures could involve piloting managed assigned counsel models to centralize case assignment and more evenly distribute workloads among qualified attorneys.

Grand juries. Proposals on grand jury practices could focus on ensuring transparency and limiting repeated grand jury presentations in cases where no

new evidence is introduced. Lawmakers could discuss implementing guidelines to standardize protocols and address "grand jury shopping," a practice in which prosecutors seek a favorable outcome by presenting a case to multiple grand juries. Proposals also could include requiring the presentation of exculpatory evidence to grand juries.

Sunset review of criminal justice agencies. The Texas Department of Criminal Justice (TDCJ), along with the Board of Pardons and Paroles, the Windham School District, and the Correctional Managed Health Care Committee, are undergoing Sunset review during the 2024–25 cycle. Key issues identified include staffing shortages, facility conditions, and the availability of rehabilitation programs for inmates.

Proposals could focus on increasing funding to address workforce challenges and investing in facility improvements to enhance safety and functionality, such as installing air conditioning and renovating outdated buildings. Expanding educational and vocational training programs for incarcerated individuals also could be considered. Lawmakers could discuss measures to improve transparency and accountability within TDCJ operations, such as implementing additional oversight mechanisms and improving data reporting practices.

Next Generation 9-1-1. Next Generation 9-1-1 is a digital internet protocol-based system implemented by the 87th Legislature in 2021 to replace the existing 9-1-1 infrastructure in Texas. Though federal grant funding has been appropriated by the Legislature for the deployment of this technology, lawmakers could discuss appropriating additional funding for the continued deployment and reliable operation of Next Generation 9-1-1 service. Legislators also could consider additional funding and other proposals to reduce response time and prevent a backlog of unanswered 9-1-1 calls during state emergencies.

Judiciary and civil jurisprudence

Legislators could consider measures related to judicial pay, case-level data collection, and the introduction of licensed legal paraprofessionals into the judiciary. Other judicial reforms, such as limits on appeals made under the Texas Citizen Participation Act and the use of nondisclosure agreements in sexual assault cases, also could be debated.

Judicial pay. As the base salary offered to Texas' district judges has remained unchanged since 2013, lawmakers could consider recommendations by the Texas Judicial Compensation Commission to increase the pay rate by 30 percent to account for rising inflation, encourage retention, and incentivize potential judicial candidates. Proposals to provide pay raises to other judicial staff, such as some deputy clerks, also could be considered.

Case management and data collection. Legislators passed several laws during the 88th session mandating the collection of additional case-level data in Texas courts. To further improve reporting accuracy and uniformity of data collection, lawmakers could consider proposals to fund the creation of Regional Data Coordinators in each of Texas' administrative judicial regions. Proposals to fund the replacement of the state's appellate case management system to improve cybersecurity and allow for new data elements to be processed also could be considered.

Legal paraprofessionals. Lawmakers could consider proposals on the use of licensed legal paraprofessionals in the judicial system to help address a significant gap in access to legal services among low-income Texans.

TCPA appeals. Under the Texas Citizen Participation Act (TCPA), a defendant can file an interlocutory appeal to dismiss a case against them on the grounds that the lawsuit pertains to the exercise of the defendant's First Amendment rights. Lawmakers could reconsider proposals placing stricter limits on the length of time in which an interlocutory appeal can stay trial proceedings. Though similar measures died in the House during the 88th session, amended proposals with additional protections for the media could be discussed.

Sexual misconduct databases and nondisclosure agreements. While several state agencies have do-not-hire lists for employees accused of sexual misconduct, many of these databases are siloed and inaccessible to outside employers. Furthermore, certain non-certified employees are often not included in these databases, and other procedural loopholes in the investigative processes allow abusers to avoid being placed on the lists. Lawmakers could discuss proposals requiring that non-certified employees in the education and juvenile justice sectors be included in their respective databases. They also could discuss measures to make do-not-hire lists more accessible across state agencies, public schools, and other organizations involved in the care of minors.

The Legislature also could consider measures to prohibit the use of nondisclosure agreements in cases involving the sexual abuse of a minor, with confidentiality clauses only allowed on request from the victim.

Health and human services

The 89th Legislature could consider proposals to address healthcare workforce shortages, increase access to healthcare and health insurance, and amend the contract procurement process for Medicaid managed care organizations. Other proposals may include adding certain services to Medicaid, increasing funding for family preservation services, and opting into the Summer Electronic Benefits Transfer (EBT) program.

Healthcare workforce. In response to workforce shortages across several healthcare professions, legislators could consider methods for increasing the number of healthcare professionals in Texas.

Primary care physicians. Legislators could discuss ways to increase the number of primary care physicians in the state. Proposals could include increasing Medicaid payments for primary care physicians and incentivizing medical schools to produce more primary care physicians. Lawmakers also could debate reducing administrative requirements, such as prior authorization, which may discourage some doctors from specializing in primary care.

Scope of practice. Scope of practice laws govern which services different healthcare professionals are legally allowed to provide to patients and set requirements for physician supervision of mid-level healthcare professionals. Lawmakers could consider proposals to amend scope of practice laws to allow advanced practice registered nurses to practice with less physician oversight and prescribe certain additional medications.

Legislators also could discuss permitting pharmacists to diagnose and treat minor ailments without a prior diagnosis and allowing pharmacists to supervise more pharmacy technicians.

Nursing education grants. The 88th Legislature passed [SB 25](#) by Kolkhorst, which established four grant programs related to nursing education and training. However, these grant programs did not receive funding. The 89th Legislature could consider appropriating funds to these programs.

Statewide Health Professions Workforce Coordinating Council. Legislators could discuss creating an interagency Statewide Health Professions Workforce Coordinating Council to coordinate the state's healthcare workforce planning efforts, collect data on workforce needs, and report on relevant programs and services.

Access to health care. Increasing access to mental health care, rural maternal care, and other health care services could be discussed during the 89th legislative session.

Mental health care for at-risk youth. Lawmakers could consider providing Medicaid reimbursement for multi-systemic therapy and functional family therapy, which are services provided in the community to at-risk youth with mild to severe behavioral problems. Other proposals could include providing more mental health services in schools and increasing reimbursement rates for providers enrolled in the Youth Empowerment Services (YES) waiver program for youth with serious behavioral health issues.

Rural maternal care. Legislators could debate basing Medicaid reimbursements for rural hospitals on the actual cost of obstetrical care rather than a set rate. Other proposals may include increasing Medicaid payments for office-based maternal and women's health care services, establishing fixed monthly per-patient sustainability payments for rural maternal care practitioners, and removing barriers for health care providers and pregnant patients to enroll in Medicaid.

Legislators could discuss investing in student loan repayment programs for rural obstetricians. They also could consider creating more opportunities for medical students and residents to train in rural areas.

Non-medical drivers of health. Proposals to address patients' non-medical needs, such as food, housing, and transportation, could include screening high-risk Medicaid populations for these needs. Lawmakers also may discuss incentivizing Medicaid managed care organizations to provide services intended to address non-medical drivers of health.

Price transparency. Legislators could debate requiring accurate health care price estimates for patients and applying current price transparency requirements to entities other than hospitals and insurers. Lawmakers also could discuss allocating funding for the All Payors Claims

Database, which was established by the 87th Legislature and contains medical, pharmacy, and dental claims, among other data.

Facility fees. Hospitals typically charge facility fees to cover the costs of resources and facilities, including outpatient facilities like hospital-owned primary care clinics. Legislators could consider requiring doctors who work at hospital-owned outpatient facilities to have a different provider identification number than the hospital's main campus to create more transparency in billing for facility fees. Other proposals may include restricting the services for which hospitals may charge these fees.

Health insurance. Legislators could discuss methods for increasing access to health insurance through the Medicaid program and by expanding access to direct primary care.

Medicaid eligibility determinations. The 89th Legislature could consider proposals to address the state's backlog of Medicaid applications. Proposals could include increasing the use of existing data to verify applications and appropriating funds for new technology to help staff process applications more quickly.

Market-based alternatives to employer-based health insurance. Legislators could discuss removing barriers to using value-based care payment models in the private health insurance market. They also could consider allowing certain health benefit plans to contract with primary care physicians to offer direct primary care. Under this model of care, patients pay a monthly membership fee directly to their doctor rather than billing their insurance.

Medicaid expansion. Lawmakers could discuss expanding Medicaid coverage under the Affordable Care Act, which would allow individuals who earn up to 138 percent of the federal poverty level to enroll in Medicaid. They also could discuss implementing a program through a Medicaid waiver that would provide health benefit plans to more individuals and would encourage self-sufficiency through the use of health savings accounts, incentives for healthy behavior, and referrals to work search and job training programs.

Family preservation services. The federal Family First Prevention Services Act (2018) provides states with a federal funding match for evidence-based family

preservation services intended to keep at-risk children out of foster care. To receive ongoing funding, states must submit a plan to the federal government and appropriate state funds for these services. Lawmakers could discuss requiring the Health and Human Services Commission (HHSC) to submit a Family First plan and allocating state funds to sustain current pilot programs. Legislators also could consider broadening the definition of "foster care candidate," which defines which children are eligible for federally funded evidence-based services.

Medicaid contracting. HHSC procures contracts with managed care organizations, which administer health plans for Medicaid members. Lawmakers could discuss providing additional direction to HHSC for conducting contract procurements, requiring HHSC to consider health plans' existing performance during procurements, and creating a preference for community and hospital district health plans.

Adding services covered by Medicaid. Lawmakers could consider adding step-down mental health services, such as partial hospitalization and intensive outpatient programs to Medicaid. Covering additional mental health services, including crisis stabilization and crisis respite programs, also could be discussed. Legislators could discuss providing Medicaid coverage for doula services.

Abortion. The 89th Legislature could consider proposals to allow abortions under certain circumstances, including sexual assault, incest, and lethal fetal abnormalities. Lawmakers also could discuss specifying under what circumstances doctors may provide medically necessary abortions and allowing the Maternal Mortality and Morbidity Review Committee to review abortion records.

Other proposals could include reclassifying abortion medications as Schedule IV controlled substances. Legislators also could consider prohibiting websites that provide information on obtaining these medications and requiring an in-person visit with an in-state doctor before abortion medications are mailed.

Summer EBT program. The Summer EBT program provides SNAP benefits to eligible school-aged children during the summer. The 89th Legislature could consider allocating funds to administer these federally funded benefits.

Public and higher education

The Legislature could revisit proposals from the 88th legislative session to expand school choice by establishing a universal education savings account program. Amid calls to increase overall funding for public schools, lawmakers also could consider proposals related to increasing various public school funding allotments including the basic allotment, the school safety allotment, and the special education allotment. Additionally, the Legislature could discuss measures to increase teacher pay and improve teacher certification and retention rates. Proposals to reform standardized testing in the state could be considered as well.

Lawmakers could debate adjustments to the ban on Diversity, Equity, and Inclusion (DEI) offices and initiatives at Texas institutes of higher education passed last session. They also could consider proposals to refine changes made to the community college finance formula by the 88th Legislature, advance career training programs and address faculty senates.

School choice. During the 88th legislative session, the Legislature considered proposals, such as [HB 1](#) by Buckley, Fourth Called Session, to establish an Education Savings Account (ESA) program that would have allowed eligible families to use state funds for private school tuition and certain other educational expenses. The 89th Legislature could consider new ESA program proposals, which could include a universal program that would make any Texas student eligible to use public funds for private schooling or other approved uses.

Teacher preparation and certification. In recent years, certain exemptions have allowed many school districts across the state to hire uncertified teachers to help reduce the ongoing teacher shortage. In light of concerns about the efficacy and preparedness of uncertified teachers, lawmakers could consider proposals to increase the number of qualified and certified teachers in public schools. These proposals could include increasing funding for mentorship programs for new teachers or subsidizing the cost of teacher certification exams.

Teacher pay and retention. Discussions on the need for increased compensation for teachers and the ongoing teacher shortage in Texas have continued since last session. Lawmakers could consider proposals to increase teacher pay and improve teacher retention rates. Proposals could

include raising the basic allotment, expanding the teacher incentive allotment to more teachers, waiving certification costs for certain teaching positions, or providing free pre-K services for children of teachers.

School safety. Since the Robb Elementary School shooting in Uvalde, Texas in May 2022, the Legislature has passed various school safety measures, including requiring schools to install alarms, employ armed security officers, and provide mental health training for school employees. Lawmakers could consider proposals to ensure school safety requirements are fully funded by increasing the school safety allotment. Discussions also could include funding for more peace officers and mental health professionals on school campuses or allowing the use of certain technology for campus safety.

Special education funding. Concerns have been raised that the funding for special education in Texas is insufficient to meet the needs of the more than 775,000 students who receive those services. The current funding model bases funding on how much time a student spends in special education settings. Lawmakers could debate increasing the overall funding for special education services or amending the special education funding formula to be based on the level of services provided to each student. Proposals on School Health and Related Services (SHARS) program funding also could be considered among other proposals to provide targeted funding for certain special education services.

Standardized tests. Lawmakers could discuss replacing or revising the State of Texas Assessments of Academic Readiness (STAAR) standardized testing program for Texas public school students in grades 3-12. [HB 3906](#) by Huberty (86th Legislature, 2019) required the Texas Education Agency to develop and pilot an assessment model to potentially replace STAAR. Based on this directive, the Texas Through-Year Assessment Pilot (TTAP) program is currently being used by a handful of school districts as an alternative testing model. Legislators could consider proposals to replace the STAAR test with TTAP or to amend the STAAR test to better meet the needs of Texas schools, educators, and students.

DEI ban. [SB 17](#) by Creighton, passed during the 88th Legislature, banned Diversity, Equity, and Inclusion (DEI) offices and initiatives at Texas public institutions of higher education. While Texas institutions have made policy changes to comply with this requirement, concerns

have been raised that some institutions are not yet fully compliant and that certain degree and certificate programs maintain DEI policies. Proposals could be considered to strengthen provisions of the DEI ban to encourage greater compliance or to expand the ban to other areas, such as prohibiting DEI-related topics from being taught in certain courses.

Community colleges and technical education.

Lawmakers could consider making further adjustments to [HB 8](#) by VanDeaver, which revised the funding formula for Texas community colleges last session to provide funds based on student outcomes. These measures could include counting a student's transfer to a private four-year university as an eligible outcome for funding and exempting eligible students from paying tuition and fees for dual-credit courses offered by certain higher education institutions.

Proposals to increase funding for career and technical training programs to address workforce needs across the state also could be considered by the Legislature.

Faculty senates. Concerns have been raised in recent years that faculty senates at Texas universities have become politicized. Lawmakers could debate measures to define or place guidelines on the appropriate role of faculty senates in university governance. These could include requiring all faculty senate votes and curriculum changes to be public and for faculty senate meetings to be open to the public for in-person attendance or via live stream.

Energy, environment, and natural resources

A growing demand for energy and water amid rapid population growth in Texas could prompt legislators to consider strategies to expand capacity, efficiency, and conservation of these resources. In addition, the Legislature could consider proposals to improve water system cybersecurity, protect Texas liquefied natural gas exports, and enhance disaster preparedness in light of the February 2024 wildfire outbreak in the Panhandle.

Grid reliability. Four years after much of the state lost power due to Winter Storm Uri and in anticipation of future energy demand growth, legislators could consider proposals this session aimed at improving the reliability of Texas' electric grid. Proposals could include strategies for increasing generation capacity, extending transmission and

distribution systems, and reducing energy demand through efficiency and demand-response measures.

Transmission and distribution. Lawmakers could consider proposals to accelerate the expansion of electricity transmission and distribution systems in Texas. Proposals could include strategic planning for the placement of new transmission lines near electric generation facilities and developing and improving systems to estimate the amount of transmission needed based on future demand forecasts. Lawmakers also could consider legislation to study the use of higher-voltage transmission lines.

Energy innovation. To increase energy generation capacity in Texas, legislators could consider proposals to incentivize and expand emerging power resources such as advanced nuclear reactors, advanced batteries, hydrogen fuel, and geothermal technologies. Proposals could include establishing state authorities and working groups to study new energy technologies and creating workforce development programs for these industries. The Legislature also could consider investing in programs to educate Texans on the benefits of innovative energy technology and creating specialized funds to incentivize development.

Data centers and cryptocurrency mining. The 89th Legislature could discuss strategies to further regulate and address the impact to the grid of high-energy-demand industries, such as data centers and cryptocurrency mining. Proposals could include limiting the ability of these companies to receive financial benefit from ERCOT's demand response program. Policies on grid interconnection requirements for these large flexible loads also could be considered, including requiring companies to provide their own generation resources when establishing facilities in the state. Other proposals could include prohibiting property tax breaks or establishing noise and nuisance regulations for crypto-mining facilities.

Water system reliability. Based on data from the Texas Water Development Board, demand for water in Texas will continue to outpace supply over the next few decades. Lawmakers could consider proposals to address the water needs of the state's growing population through the development of new water supplies, water reuse, and infrastructure improvement.

New water supplies. Lawmakers could consider proposals to research and incentivize the creation of new water supplies through the desalination of seawater and

produced water, which is water extracted from the earth during the oil and gas production process. The Legislature could consider funding research on desalination technologies, providing further appropriations to the Texas Water Fund, created by the 88th Legislature, for new water supplies, or streamlining permitting processes to expedite the construction and operation of desalination facilities.

Water reuse. Legislators could discuss balancing water supply and demand through water reuse strategies. Proposals for gathering data on water reuse, implementing water reuse demonstration projects, and increasing staff for reuse programs at the Texas Commission on Environmental Quality and the Texas Water Development Board could be considered.

Water infrastructure. The Legislature could consider strategies to improve Texas' aging water infrastructure. Proposals could include funding for additional flood infrastructure, removal of regulatory barriers to infrastructure improvement projects, and additional state loan programs for infrastructure repair and replacement.

Water system cybersecurity. Lawmakers could consider measures to enhance the security of Texas' water systems against cyber attacks. The Legislature could discuss requiring water systems to meet certain minimum cybersecurity standards. Other proposals could include providing further cybersecurity advising and training by the Department of Information Resources to cities, counties, water districts, and cooperatives and requiring cybersecurity assessments for certain entities. The Legislature also could consider removing an exemption from existing cybersecurity training requirements for employees who use a computer less than 25 percent of the time.

Wildfire preparedness. Following the wildfire outbreak in the Texas Panhandle in February 2024, the Legislature could consider policy proposals on wildfire preparedness. Proposals could include increasing state oversight for utilities and oil and gas operators, increasing funding and resources for volunteer fire departments, and establishing a state-owned firefighting air fleet. Lawmakers also could consider studying and funding measures to improve communication between local and state agencies during disasters as well as improved fire mitigation strategies.

Liquefied natural gas (LNG) exports. Following the federal pause on liquefied natural gas (LNG) exports in January 2024, the Legislature could consider ways to protect the LNG industry at the state level. Lawmakers could consider proposals to establish an LNG interstate compact, allow temporary LNG facility construction grants, provide tax benefits to the LNG industry, and improve LNG facility permitting efficiency.

General government

Lawmakers this session could consider various measures affecting government at the state and local levels. Proposals could address elections administration, local government spending limits, publicly funded lobbying, cybersecurity, artificial intelligence, and other issues.

Elections. Lawmakers could consider several proposals on elections, including strategies to curb noncitizen voting, interference by certain technologies, and illegal electioneering. They also could consider proposals to protect ballot secrecy and amend the Countywide Polling Place Program.

Election security. Legislators could consider potential ballot security policies, including establishing penalties for revealing certain ballot information, redrawing precincts to avoid small precincts, and encouraging data aggregation among smaller precincts, as individual ballots are more easily identifiable in precincts where fewer people voted. Additionally, lawmakers could establish processes to enhance cybersecurity in elections and restrict access to certain sensitive voting data. The Legislature also could consider requiring election officials to respond within an established time period to requests for explanations of election irregularities.

Noncitizen voting. Lawmakers could consider proposals requiring Texans to provide proof of citizenship and photo ID to vote. Additionally, legislators may opt to amend laws to further facilitate the removal of noncitizen voters from Texas voter rolls and prevent noncitizens from registering to vote.

Illegally influencing elections. The Legislature could consider proposals to prohibit using certain political advertising manipulated by artificial intelligence. Additionally, they could amend the Election Code to

specify unlawful uses of public resources by school districts and open-enrollment charter schools for electioneering and certain other political activities aimed at influencing elections.

Countywide Polling Place Program. In 2007, the 80th Legislature passed [HB 3105](#) by Anchía, which established the Countywide Polling Place Program, allowing counties to permit voters to vote at any polling location in their county on Election Day, rather than being limited to their assigned precinct location. The 89th Legislature could consider proposals to limit or eliminate the program.

Election education. The Legislature could consider policies to expand programs for voter education and training opportunities for election officials and volunteers.

Property rights. The 89th Legislature could debate various measures related to strengthening and protecting property rights, including by creating new criminal penalties. The Legislature could take up proposals to criminalize squatting and to reform the eviction process for such cases. Creating new criminal penalties for real property theft and extending the statute of limitations on filing deed fraud charges also could be considered. As legislation from the 88th session allowing property owners to withdraw from a city's extraterritorial jurisdiction (ETJ) undergoes litigation, lawmakers could debate further reform or abolition of ETJs.

Publicly funded lobbying. Legislators could consider proposals to restrict local governments' use of public money for lobbying activities. Proposals could be considered to prohibit political subdivisions from using public funds to hire registered lobbyists or paying nonprofit organizations that hire or contract with registered lobbyists.

Local government spending limits. Lawmakers could discuss proposals to reduce the need for local tax increases by limiting city or county government spending growth by the rate of population and inflation increases, similar to constitutional state spending limits.

Cybersecurity. Lawmakers could discuss proposals to update cybersecurity for state agencies to protect the intellectual property of government entities and businesses operating in Texas from being used by foreign agents. Proposals could include additional data storage safeguards to prevent intellectual property theft through malicious

software. Lawmakers also may consider proposals to develop a cybersecurity framework for the state based on industry best practices and federal standards.

Artificial intelligence. The 89th Legislature could consider developing a regulatory framework for AI-driven systems and a code of ethics for developers to promote industry growth while preventing critical harm, such as AI-generated child pornography or deepfake videos. Lawmakers could address an array of AI-related concerns, such as AI developer, distributor, and deployer duties, disclosure of data used in search algorithms, prohibited uses of AI, consumer privacy protections, and grants for AI research in educational institutions and workforce upskilling. The formation of an AI council to provide oversight for the ethical and legal use of AI in Texas also could be considered.

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John H. Reagan Building
Room 420
P.O. Box 2910
Austin, Texas 78768-2910
(512) 463-0752

www.hro.house.texas.gov

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