



From the President's Desk –
CAPITOL NEWS FROM RSEA
December 2016

As we all prepare for the holidays and the upcoming legislature, here is a preview of noteworthy items. A more expansive version will be published in our Pre-Session Newsletter around January 1, 2017.

November 2016 General Elections and the Texas Legislature

- The 85th Legislature convenes on Tuesday, January 10, 2017.
- House of Representatives - Elections resulted in the total number of Republicans at 95 and Democrats at 55 in the 150-member chamber. Speaker Joe Straus is expected to be re-elected.
- Senate – Elections resulted in totals of 20 Republicans and 11 Democrats in the 31-seat chamber. With this margin, it is expected the suspension rule to bring up bills before the full Senate will continue to be 3/5^{ths}, 60 percent or 19 of the Senators, a key component of Lieutenant Governor Patrick's agenda.

After the legislative session has convened and committees are appointed by the two presiding officers – late January or early February – RSEA will report to our members.

Biennial Budget Scenario

We don't yet have the official biennial revenue estimate for the 2017-18 biennium, but all indications are this session, primarily with oil prices down, will have a tighter budget scenario than last session. The Legislative Budget Board recently adopted 8 percent as the budget growth factor per the Constitutional limitation associated with the growth in personal incomes in Texas; but we will most certainly not get to this level since the other, controlling Constitutional spending limit, the "pay-as-you-go" limit, will be considerably below the 8 percent limit. There will be strong competition for any new spending, and it is expected the crisis in staffing for child protective services

and perhaps public education will garner priority attention for any budget increases.

Meanwhile, RSEA will continue to advocate for priority funding to get and keep the state pension fund to an actuarially-sound basis.

Sunset Review of Employees Retirement System of Texas (ERS)

The Texas Sunset Commission has adopted its recommendations to the next legislature regarding ERS. The Commission's staff recommendations emphasized better contract management and investments by ERS and a more customer-friendly health insurance program. RSEA will monitor the ERS sunset legislation during the legislative session and keep our members informed.

ERS News Regarding Insurance

Here are several reminders or updates regarding ERS' insurance programs; you should have already received information directly from ERS.

- For those who signed up, Superior Vision coverage starts for retirees on January 1, 2017.
- Effective January 1, 2017, UnitedHealthcare will assume the pharmacy program of HealthSelect.
- At its December 2 meeting, the ERS Board of Trustees awarded the next six years of the state employees and retirees health insurance program to Blue Cross Blue Shield beginning September 1, 2017.

RSEA Legislative Priorities

Our priorities will continue to be:

1. Get and keep the state pension fund to a status of actuarially-sound;
2. Have an insurance benefits program whose trademarks are cost-containment, wellness, and user-friendly; and,
3. Get a retiree on the ERS Board of Trustees.

Your 11-member, all-volunteer RSEA Board of Directors continues to work diligently to get out this message before the decision-makers both at ERS and in the Texas Legislature. We are always interested in and working to build and keep a vibrant and sustainable membership force in RSEA throughout the state. If you ever have ideas on how we can do better or if you want to volunteer your services toward our priority agenda, please let us know. [512-451-0087 or email to office@rseaoftx.org]

Thank you for being a member of RSEA. We appreciate the opportunity to be of service. Happy Holidays to all!

Sincerely,

Bill Hamilton, RSEA President