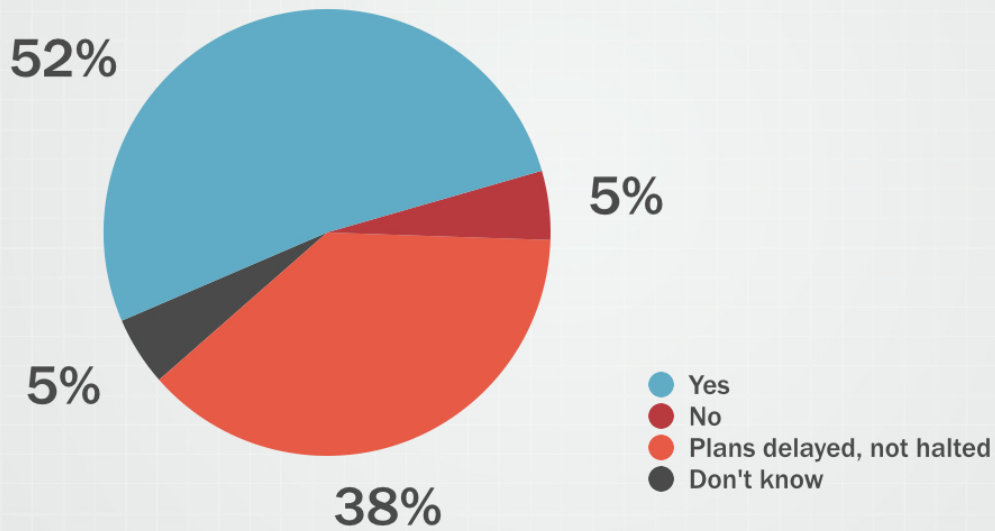


“INSIDE” INTELLIGENCE

*The Texas Weekly/Texas Tribune insider poll
for the week of 3 April 2015*

INSIDE INTELLIGENCE

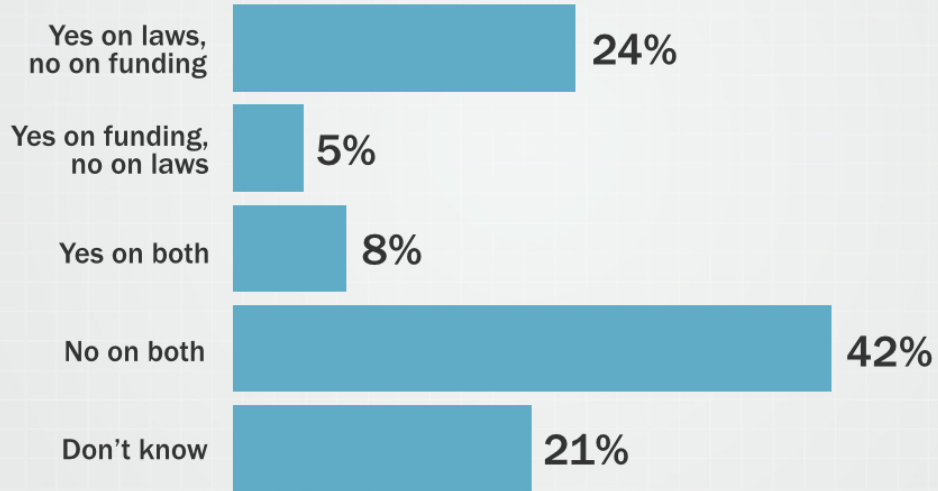
HHSC CONSOLIDATION HALTED?



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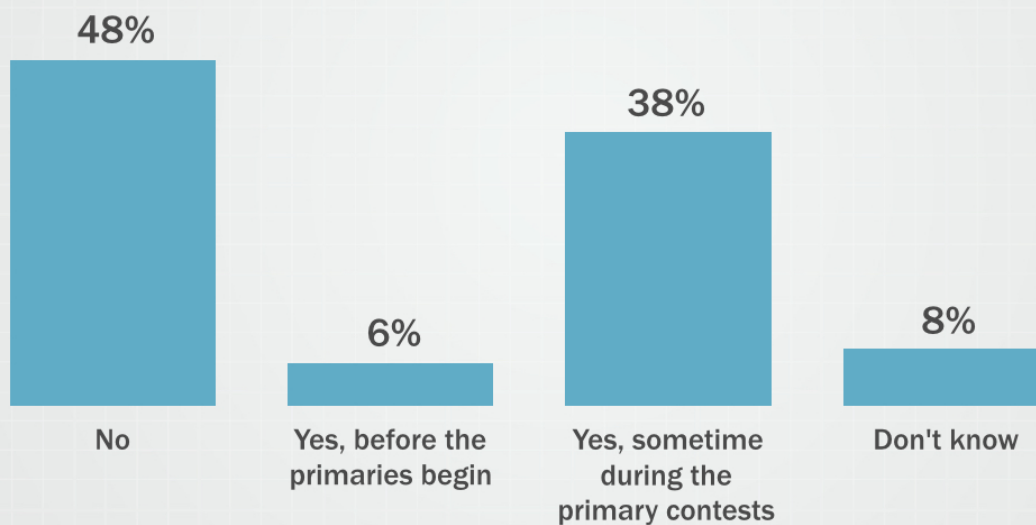
WILL ETHICS COMMISSION REFORMS HAPPEN?



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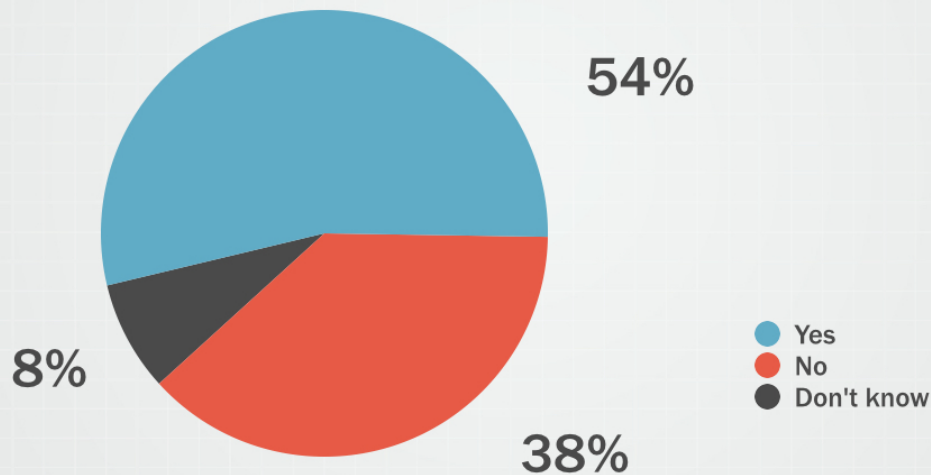
WILL ABBOTT ENDORSE IN 2016?



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WILL BUDGET TRY TO FIX SCHOOL FINANCE?



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Have contracting problems at HHSC halted legislative plans to consolidate all of those agencies?

- "It's controlled chaos at its best. There is a need to consolidate to better manage all the issues."
- "Abbott's 'strike force' report is credible and puts the brakes on consolidation."
- "They're delayed at least until the Janek situation is resolved, and perhaps permanently."
- "Because even this Lege can perceive the consequences of a foolish consistency."
- "It's dead for now."
- "Too big a mess to fix at this point in session."
- "The problems are more extensive than contracting but the contracting problems offer the opportunity to rethink the massive consolidation. HHSC agencies have diverse missions, cultures, skill requirements and different human needs that they address. Sometimes, businesses spin off an operation to improve operational focus. This should be the case in HHS

for public health, protective services and running state hospitals at a minimum. The proposed consolidation is driven by a belief in top down efficiency as the highest value. Efficiency may be important if you see the job as making the trains run on time. There are other values that need to be considered for service agencies such as the ability to attract and retain talented staff, transparency in decision-making, customer service and ongoing quality improvement. If we want to consolidate state activities, why not consolidate state universities (and give us a winning football team) who are all in the same business of producing college degree holders."

- "The wise money is on a deal that replaces executive leadership and generally leaves the current structure in place."

Will Jim Clancy's letter spur changes in state ethics laws or in funding for the Texas Ethics Commission?

- "The TEC is just fine as it is. Why does the media continue to push dead initiatives?"

- "Members and, especially, members' staff don't know current law... Ethics reform won't solve the problem of inattentiveness to the do's and don'ts."

- "Ethics reform in Texas is an oxymoron, like UT football. There may be a pony in that manure pile, but it will come about only if there is sufficient optics around the kabuki of being tough on revolving door lobby to transport it."

- "Which is more toothless, this letter or the Texas Ethics Commission?"

- "I hope so for Texas' case."
- "Need to take time to get this right."
- "Clearly, HHSC needs new leadership."
- "They seem to be trying to protect a former state senator... Anyone else notice that??"
- "When will the other shoe drop on TEA contracting under Rick Perry? Open secret of pay-to-play for a decade, it's only a matter of time."
- "Gov. Perry will get to explain as he runs for president. Jack Stick is his man."
- "Along with CPRIT."

- "To the extent the Legislature isn't already working the concerns Clancy raises, it is too late in the legislative day for significant changes to happen this session."

- "Members don't care much about it. If Straus, Abbott or Patrick got on board, then yes."

- "No one wants to open up the Election code for revision on Ethics."

- "Anyone notice the public integrity bills being debated cover criminal AND CIVIL penalties? Does that mean the local DAs may be doing that work instead of TEC?"

- "By gosh, I hope so."

Will Gov. Abbott end up endorsing a presidential candidate at some point in the primary season?

- "Gov Abbott's endorsement of Cruz will be a political chest move to lock-in the base. An endorsement means he will fend off Lt Guv Patrick for a couple of primaries."
- "Abbott won't endorse and will be interesting to hear Cruz imply that Abbott is a Party 'elite.'"
- "What does he gain from a primary endorsement? Besides, Dems don't care, the average Texan doesn't care and only a small fraction of a fractured GOP party will be happy, plus the camp of one candidate. I don't think he has to be concerned with taking a lead for the party on this one. I think in this case he leads by letting the kids duke it out on their own. That's going to get bloody enough without picking a favorite."
- "He's long been allied with Cruz, but the value of his endorsement would not be worth its cost to Abbott."
- "Can't afford to sit it out, and no doubt will be expected to differentiate himself re: Cruz-Perry expectations."
- "How quickly he endorses depends on whether he wants a Cabinet or SCOTUS appointment. If he's not interested in moving to D.C. and would rather stay in Texas, then he'll take his time to endorse."
- "Bold prediction: Governor Abbott will endorse whoever wins the South Carolina primary."
- "If Perry makes a showing, he'll get the nod."
- "Unless he decides to run."
- "Only after the nominee is presumptive."
- "Why would he endorse Cruz? Cruz gonna hate."
- "Yes, but only when the Texas presidential herd is thinned."
- "He will endorse at the end of the season."
- "Will wait to see if only Perry or Cruz is still standing before March 1 Texas primary."

Will the final state budget include the House proposal to spend \$3 billion on public education in the hopes of addressing school finance litigation?

- "The cynics must assume some kind of ex parte communications between Court, Lege, and Guv (as a court alumni, he will know how to finesse those signals). Laying out \$3 billion in advance of the Court ruling would be the equivalent of a smoke signal."
- "Not sure if the Senate's on board with that plan. Besides, isn't the Republicans' mantra that merely throwing money at a problem doesn't fix it?"
- "One can hope, but the method of making decisions about state spending has been to deny, defer and delay addressing issues until they become truly unavoidable: pensions, state building maintenance, highway construction, state parks or shift the shaft and let someone else pay, usually local governments: Medicaid, public education..."
- "How foolish that would be! Let's pay billions before a court even decides it's necessary and after the Legislature has lowered the bar so far the plaintiffs' case is no longer valid. That conservatives (or any stewards of state responsibility) would even consider this nonsense boggles the mind."
- "Senate won't agree. Beginning of the end for tea party radicalism."
- "Let the Supreme Court rule first."
- "I think yes, but it could clearly go either way. Right now, the House budget puts \$2.2 billion into the Basic Allotment. I think that is more likely in the eight weeks we have left this session."
- "But it will be for naught. The courts will rule and we will be back here next Spring for a special session."

Our thanks to this week's participants: Gene Acuna, Brandon Aghamalian, Clyde Alexander, Jay Arnold, Charles Bailey, Dave Beckwith, Andrew Biar, Allen Blakemore, Tom Blanton, Chris Britton, David Cabrales, Raif Calvert, Kerry Cammack, Elna Christopher, Harold Cook, Kevin Cooper, Beth Cubriel, Randy Cubriel, Curtis Culwell, Denise Davis, June Deadrick, Tom Duffy, David Dunn, John Esparza, Jon Fisher, Tom Forbes, Dominic Giarratani, Bruce Gibson, Eric Glenn, Kinnan Golemon, Daniel Gonzalez, John Greytok, Clint Hackney, Wayne Hamilton, Bill Hammond, Ken Hodges, Kathy Hutto, Jason Johnson, Mark Jones, Robert Kepple, Richard Khouri, Tom Kleinworth, Sandy Kress, Nick Lampson, Pete Laney, Luke Legate, Leslie Lemon, Ruben Longoria, Vilma Luna, Matt Mackowiak, Mike McKinney, Steve Minick, Bee Moorhead, Mike Moses, Steve Murdock, Keats Norfleet, Pat Nugent, Sylvia Nugent, Todd Olsen, Nef Partida, Gardner Pate, Robert Peeler,

Wayne Pierce, Richard Pineda, Allen Place, Gary Polland, Jay Pritchard, Jay Propes, Ted Melina Raab, Patrick Reinhart, David Reynolds, Carl Richie, Kim Ross, Grant Ruckel, Jason Sabo, Andy Sansom, Jim Sartwelle, Barbara Schlieff, Stan Schlueter, Robert Scott, Steve Scurlock, Ben Seabee, Christopher Shields, Ed Small, Martha Smiley, Larry Soward, Leonard Spearman, Dennis Speight, Bryan Sperry, Bob Strauser, Colin Strother, Charles Stuart, Tom Suehs, Sherry Sylvester, Jay Thompson, Trey Trainor, Vicki Truitt, Corbin Van Arsdale, David White, Seth Winick, Angelo Zottarelli.