



From the Desk of
Representative
Dan Flynn



The Flynn Report

April 9, 2005

Greetings constituents, supporters and friends:

This week the Texas House of Representatives passed CSSB1 the FY 2006-2007 budget. The bill keeps in focus the priorities of schools, health and public safety. The House also passed House Bill 10 (HB 10) that will authorize immediate funding for critical health and education programs.

The effort was to live within the states means and to keep with the tone set by the new majority in the 78th Legislative Session. We wanted the 79th Legislature to continue to tighten our belts in some areas and yet significantly increase the funds for needs in the priorities.

Thanks to the decisions made in the last session and a growing Texas economy the state's budget picture is much brighter than just two years ago. This budget does eliminate some state agencies and reduces or eliminates unnecessary duplicate or wasteful spending.

A general overview of CSSB1 (the General Appropriations Act) provides a funding level of \$137.5 billion in all funds for the FY06-07 and \$65.9 billion in general revenue funding. This budget increases general revenue funding to public schools, health and human services and public safety and criminal justice. It appropriates 94 cents of every general revenue dollar to these top priorities. It also draws additional federal funds over and above the last biennium. It will provide the \$3 billion to fund the provisions of HB2, \$1.1 billion to fund projected enrollment growth, maintain current law obligations, ensure equity and account for a one-month deferral of funding for the current biennium. There is another \$200 million for the Existing Debt Allotment and the Instructional Facilities Allotment.

CSSB1 appropriates increase in transportation funding by \$1.2 billion in federal funds and \$1.7 billion in other funds (due primarily to additional finance tools available to the Department of Transportation) for planning

and design acquisition of right of way, construction maintenance and operation of the state highway system.

This week the House also passed HB 10, (the funding bill) the emergency supplemental appropriations bill which includes additional revenues to immediately meet emergency and critical needs, which includes; \$460 million in general revenue, allowing the state to appropriate \$1.2 billion in additional state and federal dollars for Medicaid; \$65 million in general revenue, which will allow a draw down of federal dollars and the spending of \$234 million for CHIP caseloads; approximately \$300 million for child and adult protective services; \$1.8 billion for education needs, including ESL textbooks, TRS, Pre-K and kindergarten, and the Student Success Initiative; approximately \$1.7 billion of performance - based general revenue savings are included as a result of recommendations to improve state government efficiency and operations.

There is approximately \$770 million in public education funding which may be used for this budget year - FY 05, including \$560 million to cover increased Foundation School Program payments to school districts, \$175 million for textbook expenses, and \$31 million for the Teacher's Retirement System.

Health and Human Services also remains a top state priority. The House's FY06-07 budget increases health and human services funding by \$4.4 billion, a 10.1 percent increase compared to the last biennium. Nearly all of the general revenue increases will fund caseload growth, cost increases, and community care waiver slots associated with the Medicaid program. CHIP funding allows for projected client caseloads, cost growth, and adjusts assumptions on cost sharing. It also restores dental, vision, and hospice benefits. HB 10 also included \$65 million in general revenue, allowing us to draw down federal dollars and spend a total of \$234 million for CHIP caseloads. HB 10 also included approximately \$300 million for child and adult protective services.

I believe this budget meets the needs of the state while continuing to be aware of the voices of the taxpayers for lawmakers to understand their desire to maintain a fiscal responsible budget. As the states appropriations and state and local taxations continue to grow it is going to be very important for the 79th Legislature to take advantage of the opportunity to curtail the growth of spending and taxation. Excessive property taxation continues to meet with excessive increases in state spending. Just a reminder this is another step in the process and their remains a long road to adoption of this budget.

The Texas Conservative Coalitions recently identified several bills that are moving through the process that could if passed start the limitations of the growth of state government. These bills address the challenge of fiscal

reforms and are pending before the legislature they would curtail taxation and spending. There is mixed support for these reform bills as most counties, cities and schools are very opposed to them believing it would limit their opportunity to serve the needs that are demanded by the citizens.

It is believed by many that additional reform could begin if bills like the following could receive support:

If HB 784 were to pass it would lower the existing appraisal cap from 10% to 5% and would force local governments to limit the amount that a local government can increase property tax bills without raising the rate.

There is also HB 1006 that would lower the rollback rate from 8% to a 3% increase. Local governments would have to post notice of small increases in the tax rate and it would allow taxpayers more recourse.

HB 1327 would strictly limit appropriations to corresponding increases in population and inflation. This bill is based on the premise that government does not have an endless claim to taxpayer's income. However, there are many loopholes in the Constitutional amendment passed in the late 1970's when the Texas Tax Relief Act of 1978 was passed. It was intended to restrain growth in state government by tying appropriations to economic growth.

HB 2860 would utilize a management and workforce scorecard to measure the operations and performance of state agencies. This is similar to the scorecard currently being implemented by the federal government that ranks all federal agencies and initiatives. The bill could focus each state agency on their stated goals and better allow the Legislative Budget Board to determine if they are meeting their goals. It would better track the efficiency of spending by state agencies.

When this session began I pointed out that it would be a challenging one to hold the votes to continue the policies initiated in the last session. It has proven to be so. It is always easy to criticize but it takes leadership to step out and make the difficult decisions that over the years will prove to be meaningful. I believe our effort is working. With the minority group and the liberal media criticizing our effort we must be doing something right.

From time to time I have suggested that when you have questions concerning comments you hear or read you may want to read the bills in question for a better understanding. It is also good to remember that 90% of the majority party voted for these major bills presented the last two weeks with only a very few voting with the minority. While there may be a majority of Republicans in the House, there is not a majority of conservative members. Getting a majority for the record breaking property

tax relief and keeping the bills revenue neutral and passing this appropriations bill was something unimaginable just three years ago. We would have all applauded. There continues to be criticism for it not being good enough. I trust everyone remembers we are trying to correct the policies of 130 years, and hopefully we will have more than just three years to do it.

This week the House will possibly consider several bills relating to a state ban on creating human embryos through cloning and supporting a ban on tax funding for research involving the destruction of human embryos.

I support Adult (non-embryonic) stem cells research and reject taxpayer dollars being spent on research that ends human life. I am opposed to a science that robs a life of basic dignity, such as human cloning. Cloning reduces a living unborn child to a lab experiment and deprives that life of humanity. Hopefully this legislature will succeed in passing a ban on human cloning.

A tragedy occurred in House District 2 that will have lasting effects on all of us. Early Thursday morning. The coach and athletic director of Canton High School was shot during a conference with a parent. Law enforcement officers report that the suspect has been apprehended and is in custody.

Clearly our thoughts and prayers are with Coach Kinne and all the families involved in this tragedy. It remains us we are living in a violate world and it is important for all of us to stay involved to protect our families and our freedoms. Local churches and pastors held a prayer service for the victims that was attended by hundreds on the Van Zandt County Court House lawn.

For your interest, John Phillips one of the founders of Life Choices the organization that was created in the memory of Rachael Scott, a victim of the Columbine High School attack in Colorado is in the process of locating in Canton. Their message of hope to students across the country is about senseless violence in our schools. Yours prayers are requested as we move through this time.

We continue to welcome your input and your questions. Contact our office located in the Capitol extension: E1.324. Mailing address: P. O. Box 2910, Austin, TX, and 78768 phone number 512-463-0880. Email: dan.flynn@house.state.tx.us.

God bless you and God bless Texas,
Dan Flynn
State Representative, District - 2

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