

From the office of
Texas State Representative - Dan Flynn

THE FLYNN REPORT
Legislative Newsletter
May 2, 2003

Greetings Constituents, Supporters and Friends:

As we move towards the end of the 78th Session of the Texas Legislature you will begin to hear more and more reports that will change dramatically daily. What seems to happen is many want to be on the forefront of being first to either report events or to take credit for issues. I would say at this point the best thing to do is take a watch and see attitudes of all that is reported out of Austin.

From my side of the desk and from the House side we believe we passed a strong Tort Reform Bill giving our doctors and providers much needed reform. We passed a good education bill that addresses the concerns and needs of our communities and would allow the legislature to come back and spend the necessary time to work out an acceptable long-term program that would be good for all Texas school children and teachers. We addressed the health care issues and insurance reform. Now we must wait and see what comes out of the Senate. I, like many of you, continue to hear reports that concern all of us. As I have said many times before the media is not the best source for information at this time because of the above-mentioned reasons.

I believe the House budget reflects our current difficult economic times. Appropriations members prioritized our spending and cut the budget fat, but maintained essential services, especially in the critical areas of education and health and human services. I agree with Governor Perry when he said, "We must resist the vicious cycle of undisciplined spending that leads to higher taxes that then leads to more undisciplined spending," he went on to say, "We must not attempt short-term solutions that come at the expense of long-term prosperity," and, "We cannot create jobs and additional revenue by passing the tax hikes that kill jobs and dry up sources of revenue."

Tom Craddick, Speaker of the House, created a House Select Committee on Public School Finance. The committee will have jurisdiction over all matters pertaining to expenditures with regard to the state's obligations. The committee's jurisdiction includes such matters as: the efficiency of the school finance system in supporting student success; the availability and distribution of revenues for public education; adjustments for uncontrollable variations costs of education; aspects of health insurance for public school employees pertaining to compensation; and other related matters. The committee has 23 members appointed by the Speaker and will have the same authority that is conferred on standing committees under the rules of the house.

I believe we will preserve Foundation School Program funding to school districts at current levels and provide for enrollment growth. We will also preserve funding for children with disabilities, gifted students and for advanced placement programs. I believe we will maintain the solvency of the Teacher Retirement System health insurance programs, and preserve Texas Grants and tuition equalization grants to ensure that college can be a reality for every qualified Texas student, and reduce the inflated operations budget of the Texas Education Agency by 50 percent. In higher education, no community or technical college will be cut more than 12.5 percent, and the state will no longer tax universities' research grants, which will help their recruiting and fund-raising efforts.

The Senate program presented last week calls for a reduction in property tax and ending the Robin Hood plan. It has sweeping changes to sales tax revenue including taxes on some services that historically have not been included. This appears to be a program designed more for political gain rather than one that meets the current and future needs of our children. As the committees meet I am sure we will see a plan that will emerge that will have some of the good of both programs and perhaps some of the bad of both. I would encourage you to take a wait and see attitude before jumping to conclusions.

There is no easy fix and much work continues to be done. You can be assured that both Houses are working towards a solution that will meet the needs with an effort to provide all the children of the Texas the best education possible while still working with our teachers to meet their needs.

In regards to health care the Legislature has been on a spending frenzy for more than a decade. In tough economic times, with people out of work and worried, it is not a time to raise taxes; our effort is to scrub the fat and grease out of the budget.

Within hours of passing the bi-particizm budget, some held a news conference and called this budget "cruel." One even had the audacity to note that Texas already ranked 48th or 49th in several health and human services spending categories, and suggested we'd really be hurting now. To that I say Texas didn't come to be ranked 48th or 49th because of current leadership budgets. The same party has ruled the House for 130 years until this Jan. 14. Maybe it's time for a new philosophy. Voters seem to think so.

There appears to be some misrepresentation of the number of children that would be taken off the state funded insurance rolls (Medicaid and CHIP) because of HB 1. The effort continues to maintain the program for the needy. We have placed a priority on treating the neediest segments of the poor, aging, disabled and mentally retarded populations, but are not all things to all people. With limited resources, priorities must be set, and serving the neediest first is the top priority. Texas will receive more federal money than in 2002-03 while using the same amount of Texas dollars. As a result, the Health and Human Services Commission budget is increasing by more than \$2 billion. The federal match for Medicaid is approximately \$1.50 for every state dollar contributed. Additional measures were taken to maintain a safety net for impacted minority

populations through maintenance of Federally Qualified Health Centers and other primary-care clinics whose patient population is more than 80 percent minority. There remains substantial funding for immunizations, dialysis treatment, HIV treatment, breast cancer screening and treatment, MHMR community centers and their drug coverage, as well inclusion of the Texas Department of Health Office of Minority Health.

We have met the federal obligation to the Medicaid population and provided for future growth. The Children's Health Insurance Program is retained, although families earning more than \$38,000 adjusted income may have to seek health insurance from employers or the private market. There are only minor adjustments to the nursing home populations and we maintain prescription drug coverage for the elderly, disabled and mentally ill or mentally retarded.

We have provided funds to reimburse counties that do not have a means of funding from a local health care district to help cover the cost of indigent health care. Many counties with high percentages of indigent care will be able to access these funds. In addition, the Tertiary Care Fund has been appropriated to reimburse hospitals for uncompensated care.

The General Investigation Committee of the House began looking into the CHIPs program to insure that this program is being run as efficiently as possible with the large amount of dollars going into this program it is important that Texans are getting what they are paying for.

There continues to be a high priority for our Criminal Justice system. Not one correctional officer will be lost and the suggested 12.5 percent, cut to the Texas Department of Criminal Justice was withdrawn, allowing core programs such as the Texas Youth Commission and Juvenile Probation Commission will continue. Public safety and the criminal justice system will continue to be a high priority.

I believe Committee Chairman Talmadge Heflin, and his Appropriations Committee did a superb job building a new state budget from the ground up. They worked early in the morning, late at night, on weekends, often while the rest of the Legislature was back at home. We were welcomed in January with a looming \$9.9 billion deficit. When times are tough, the tough don't just start taxing. Our budget team buckled down, analyzed every penny, and is proposing major efficiencies and change in the way we do the business of government in Texas.

Through better stewardship of taxpayer dollars this budget secures more federal dollars for fewer state dollars. The proposed level of funding includes a slight increase over FY 2002-2003 funding levels because of increases projected for federal funds and other non-general revenue funding sources.

Federal funds are expected to increase by \$2.2 billion and other funds are projected to increase by \$1.7 billion over FY '02-'03 funding levels. In the past decade, the Texas budget has almost doubled, from \$60.2 billion in 1993 to a proposed \$117.7 billion this biennium.

The work of the Appropriations Committee ensures that funding will continue to the areas that will keep Texas a beacon state. Economic development, historical interests, state parks, the arts, etc., are items that will keep Texas strong and inviting even after this current economic downturn ends. It would be shortsighted and detrimental to eliminate or substantially reduce these programs beyond what the Appropriations Committee has recommended. They will help pull Texas out of the current slowdown.

My staff and I welcome your input and your questions. You can reach us in our office located in the Capitol extension: **E1.324**. Mailing address: **P. O. Box 2910, Austin, TX, 78768** and our phone number is **512/463-0880**. Email **dan.flynn@house.state.tx.us**.