



The Flynn Report

June 20, 2009

Greetings Friends, Constituents and Supporters:

The 81st Regular Session of the Texas Legislature is over and the Governor's period for vetoes has passed. It is said by some that this was the session of "The Good, the Bad and the Ugly." Some inside the brass rail described it as the "The happy, the unhappy and the I don't know" session. Regardless of anyone's thoughts there were some great victories and some great disappointments.

Approximately 12,226 bills and resolutions were filed during this regular session. This is almost 2,000 more than filed in the previous session of 2007 which was a previous record year itself for filing.

While there is never a perfect budget and there will always be issues that everyone does not totally agree with I really believe there were some very positive items. The budget was able to fund \$10 billion in hurricane damages without touching the "Rainy Day Fund" yet still spending almost 2% less of Texas Taxpayer dollars than last session. Considering population growth the total budget growth is actually under annualized inflation. Without question the big victory of the session was the fiscally sound budget that was passed while maintaining the \$9 billion Rainy Day fund for future needs.

The budget that passed is low spending and represents all funds budgeted as a 7.4 percent increase over the 2008-09 biennial budget. This is an increase of just 3.7 percent per year and in line with the Legislative Budget Board's 3.5 percent recommendation.

The Rainy Day fund was left intact which was a major priority of the Texas Conservative Coalition (TCC). The TCC made it known very early in the process that attempts to use the rainy day funds would be met with much opposition. We believed that maintaining the fund was important to help ensure that the state is prepared for budget shortfalls or emergency appropriations in the future. Given the current economic downturn, the state may well have to address a budget shortfall in 2011. We believe that it was fiscally responsible to keep a balance in the Rainy Day Fund so that any shortfall that may occur in 2011 can be met without raising taxes.

The Stimulus funds were kept in a separate article of the budget. This approach limits the use of stimulus money to only one-time purchases and construction projects. This way the Stimulus money cannot be used to fund on-going or recurring services. We believed this ensures that the stimulus funding appropriated for 2010-11 will not be a part of the base budget next biennium. Stimulus funds were used for education purchases in an appropriate manner (one time purchases with no recurring costs), this reduced Education spending by \$588 million in Article 3.

\$87.1 million was earmarked for border security operations including 66 additional personnel at the Department of Public Safety. Virtual school network funding increased by \$18 million. There was an increase of \$0.7 billion in transportation spending from various adjustments in revenue sources supporting transportation projects and \$0.8 billion in funding for disaster assistance and homeland security. This requires the Legislative Budget Board to undertake a study to evaluate the effect creating a constitutional

and statutory spending limit based on the sum of the rate of population growth and the rate of monetary inflation.

Governor Rick Perry did sign the budget and trimmed an additional \$97.2 million in general revenue spending by line-item vetoes and he vetoed riders that were contingent on bills that did not pass increasing the surplus.

Governor Perry signed several high profile bills from the session. One very important one was increasing the deduction on the state franchise tax to \$1 million, freeing almost 40,000 taxpayers from that tax at a cost to the state of about \$172 million. By increasing the tax on smokeless tobacco, these monies will be used to pay for that business tax cut and to repay student loans of doctors who agree to practice for a period of time in underserved communities in Texas. Another success is a major bill setting up a system so that the state's second-tier universities can compete to become Tier 1 schools on par with the University of Texas, Texas A&M and Rice. That same bill has tuition revenue bonds to rebuild university properties lost to Hurricane Ike. He also signed the bill that reforms the Texas Windstorm Insurance Association.

The Governor vetoed 35 bills and resolutions that drew a lot of attention during the session. Some of those high profile bills included the expensive HB 130, relating to full-day pre-kindergarten programs provided by public school districts in conjunction with community providers leading the way. He vetoed the bill that would have given a judge the discretion of not forcing someone to register as a sex offender if the only offense was underage consensual sex. Another vetoed high profile bill related to the confidentiality of certain information pertaining to the State Commission on Judicial Conduct. Also vetoed, HB 1440, relates to orders and judgments rendered by associate judges in child support and child protection cases and to the investigation of child abuse and neglect and SB 488, the operation of a motor vehicle in the vicinity of a vulnerable road user providing penalties to name a few.

The slow down and loss of so many important bills was very disappointing. The Voter ID Bill is probably the biggest disappointment of the session, particularly in view of the method the Democrats used to kill any chance of a vote on the House floor. The Local and Consent Calendar was turned into a blocker bill and, more importantly, a chronic hostage. If the House Republicans had given any concession to free up the Local and Consent Calendar it would have created a precedent that would limit all future Legislatures. Because of the large majority of bills each session passes through the Local and Consent Calendar, it is imperative that it be kept as free as possible from partisan politics, hence, the inception of the Ten Minute Debate Rule in 1975. Never before has members had to endure the abuse of rampant chubbing (or filibustering). It was truly a historic test and if the members had not stood firm, the Local and Consent Calendar would be abused every session to hold the entire legislative process hostage. Any concession would have effectively created a Super Calendar Committee composed of whatever group of members that would be brazen enough on any particular issue or time to seize control of the Local and Consent process and breaking years of precedent.

As predicted Governor Perry has indicated he will be calling a special session with speculation that it be late June or in early July. It will be necessary to deal with the sunset date on the Texas Department of Transportation sunset bills that did not pass or make it to the safety net during the regular session disallowing the agency to sell bonds and deal with other issues necessary to keep them operating until the sunset review can be reconsidered.

It remains my pleasure and honor to represent all the people of House District 2. My staff and I continue to welcome your input and your questions. Feel free to contact me: P. O. Box 2910, Austin, TX 78768. Email District2.Flynn@house.state.tx.us. Toll free number 1-800-734-9515.

May God bless you and our great State of Texas,

Dan Flynn
State Representative, District 2