



From the Desk of
Representative
Dan Flynn



The Flynn Report

August 12, 2005

Greetings constituents, supporters and friends:

You are hearing, not unknown or unfamiliar negative news reports and comments concerning the actions of the Texas Legislature. Since many only have the benefit of the news media I would like to provide you with additional details I observe from inside the brass rail.

Governor Rick Perry called a **second special session** of the Texas Legislature that begin July 21st to again address the **funding of our public schools and provide meaningful property tax relief**. As you might know the previous regular legislative session and the first called special session ended without a final solution to these challenges.

Like many of my colleagues I have become frustrated that we have not been able to reach a solution. Early in this second session it appeared we would have a final resolution and passage of House Bill 2 (HB 2), the school finance reform measure. I was prepared to vote in favor of the measure, however, the liberal members of the House were able to tack onto it an amendment that would have required a new tax with a considerable tax increase. Consequently, the bill was voted down when many joined the bill's author and voted against the bill because the amendment was added.

Without the passage of the education reforms offered in HB 2 it would have been unwise to vote for House Bill 3 (HB 3), the property tax reform measure, since it failed to deliver the property tax relief that we had worked for. When the author

spoke against his own bill it was overwhelmingly defeated. It then became evident that HB 3 would not have solved the major problems currently facing the flawed tax system, and it did not sufficiently address the efforts to broaden the tax base to create a fairer method of taxation.

After HB 2 and HB 3 were defeated in the Texas House, the Senate passed Senate Bill 8 (SB 8), their version of a bill to address public school finance. It does have some of the reforms previously included in HB 2 and it was voted out of the Senate and passed to the House Select Committee on Public Education where public hearings were held and it has now been passed out of committee. However, SB 8 did not provide the necessary funding for the bill. This requires a need for a funding bill that must originate in the House for the education reform bill to be considered as well as any hope for property tax relief.

Fortunately the funding plan, which passed last session, included property tax relief without creating a new tax, specifically the payroll tax. This new plan reflects a sales tax rate that would be increased to offset the costs associated with cutting property taxes. It will reduce taxes for most middle-class homeowners while providing sufficient funding for public education. In order for education reform and property tax relief to take place during this special session both bills will need to be passed in the House early this coming week to be able to move the process to the House and Senate Conference Committee before the end of the special session on August 19th. Passage of these bills as presented would benefit the Texas school children, our teachers and our hard working taxpayers.

I trust everyone understands we are all frustrated by the lack of results achieved at this time on the issue of public school finance reform and property tax relief. I recognize your frustration and know how important it is to our schoolchildren, parents, teachers, and taxpayers. The difficulties encountered speak to the complexity of this issue. It appears we get closer with each effort in getting this tough job done because we know more about the components that will eventually comprise an acceptable plan. You may recall that the last time the Texas Legislature addressed public school finance, during the early 1990's, it took five special sessions and a court order to get it done.

House Speaker Tom Craddick issued a statement this week saying that the House should not pass a bill just to present the appearance that some action has been taken. The Speaker said, "We are not going to continue to put more money into a system without the reforms to fix it". He went on to say, " Any school reform bill that passes the Texas House will contain real reforms."

I agree with Speaker Craddick and Governor Perry who have said that school finance is the responsibility of the Legislature and not the courts. I will continue to work with my colleagues to resolve these issues to the benefit of our school children and taxpayers. At this time it appears without real education reform, no

bill has a chance to pass in the House. The fact is that a very large percentage of our graduating students who attend Community or Four year colleges; require a year of remediation in Math and English before they can do college work. This is costing higher education hundreds of millions of dollars. The results of TAKS scores this year were a disappointment. The education lobby is demanding an enormous amount of money with no strings attached. HB 2 provided the money but requires accountability and transparency.

When the Governor extended his call for public school finance reform, he included textbook and instructional technology funding, judicial pay raises, telecommunications legislation, property tax reform and eminent domain. Some criticism has been leveled at the legislature for taking up other issues when the school bill had not been passed. Hopefully, it is understood that it was wise to use the time, while legislators waited for the Senate bill, to work on and pass these important and much needed legislation that the Governor added to the call.

During this special session, **House Bill 62 (HB 62)** was considered and passed by the House. HB 62 contained some key elements of the failed HB 3, which included the funding of **textbooks and instructional technology** for the classroom. It is in the Senate Education Committee and if it is not granted a hearing and the Senate does not pass it the members of the Legislative Budget Board can still fund textbooks by using their budget execution authority, the only issue being that funding by this method could take longer than passage by the Legislature.

Senate Bill 5 and House Bill 13, the telecommunications bill, has finally passed. This is another of the bills that had previously passed the House but failed to become law due to the House and Senate Conference Committee's failure to reach an agreement. There have previously been some concerns with different aspects of this legislation, but many of the issues have been resolved. This bill guarantees cities receive a 5% franchise fee of video and cable service revenues from within their city limits. It also allows cities to retain public access capacity and localized content, as well as total management of rights-of-way. This bill mirrors federal law in prohibiting discrimination and preserves free and discounted services for municipalities, schools, and other public entities until at least 2008 with discounts that will continue until 2012. Concerns have also been raised about deregulating the pricing structures. There will be pricing limits put into effect as the process begins and they will gradually taper off once the system gets off the ground. We believe this will allow the free market to work and we are confident that prices will remain low as competition begins.

The House passed House Bill 11, the Judicial Pay Raise Bill and it has now passed the Senate and is on its way to the Governor's desk to be signed. This legislation provides the first pay increase that judges have seen in seven years. Erroneous rumors are that the judicial pay raise will affect teacher salaries or

increase legislator's pay. These rumors are false. These raises will be funded through an additional filing fee in the civil courts of \$37 per case and \$4 for criminal cases. **Remember, the legislature DOES NOT set teacher salaries - that is up to local school districts.** There is also confusion arising from the misconception that PENSION is the same as SALARY. The legislative pension in place since 1975 was impacted due to the judicial pay raise. Members salaries before the bill passed was \$600 per month and is still \$600 per month. The Pension is linked to the monthly salary of a judge in order that a fair retirement is paid. The retirement fund receives 2.3% of what a district judge makes and even though this retirement is there, most of legislators will never see it - **currently only 478 out of 5,385 current and former legislators receive this.** A member can only receive a pension after retiring from the legislature having served a minimum of 8 years at the age of 60 or 12 years at the age of 50. Currently, the average member serves only 4.5 years. Therefore by far the majority of the people that voted on this bill will never see any benefit whatsoever.

On several occasions I have ask for your confidence and prayers. I do not know of anytime in my service I would be more appreciative of this consideration. I believe Texas is in a pivotal place in time when whatever is decided will be of longstanding consequences to our citizens.

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 78768. Phone 512-463-0880 or dan.flynn@house.state.tx.us. Anyone not receiving our report please forward it to them and allow us to include them in our list.

God bless you and God bless Texas,

**Dan Flynn
State Representative, District – 2**

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