



DAN FLYNN

★ DISTRICT 2 ★

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**HOUSE PASSES HB 1, BUDGET FOR 2012-2013 BIENNIUM**

**Austin, TX** - With the passage of House Bill (HB) 1, the Texas House of Representatives has taken action on budget reductions for the current biennium, as ordered by Governor Perry, Lieutenant Governor Dewhurst and Speaker Straus in the spring of 2010. The reductions ordered in 2010 were largely cuts to administrative costs of the agencies and additional services were also scaled back due to the cuts. This was to ensure that when the budget was laid out, as much funding as possible could be directed towards priorities such as education.

The Texas House of Representatives Appropriations Committee proposed a budget that reduces spending by 3.7 percent from general revenue and 9.7 percent in total from the budget that was adopted by the legislature in May 2009 for the current biennium. With the proposed reductions in spending, the legislature has still increased funding for K-12 public education by almost 50 percent from the 2004-2005 levels. "I offered an amendment to place a two-year moratorium on testing and to move more funds to the schools with the lowest target revenue in an effort to support teachers and other employees who work daily with the children of Texas. However, the amendment was pulled down on a point of order. HB 2491 contains this same language and is currently waiting for a hearing in committee and I will be working for its passage. By shifting current funding levels in favor of more revenue for classroom support, I believed this would have a positive effect for the teachers while supporting the many constituents who have called in and encouraged even deeper cuts," stated Rep. Flynn.

House Bill (HB) 1 does not address school funding formulas and solely deals with appropriating the revenue of the state. The school formula bills will come later in the process and Rep. Flynn pledges to continue to fight for teachers in the classroom. Most importantly, he will fight to make sure the school funding formula that is approved benefits our rural school districts and takes into account the fact that they have been doing more with less for many years. The formula is where Rep. Flynn needs the most help. He has asked for help from all to understand the process and if willing, to call and write into the House and Senate Education Committees seeking to change the formula and move away from target revenue.

As HB 1 moves forward through the process, the Texas Senate is doing the same with their general budget bill, Senate Bill (SB) 1. Once both chambers pass their respective budget bills, each will choose delegates that will meet in a conference committee to discuss the difference between the two bills. The Senate Bill appropriates more funds to education than the House Bill, due to the nature, rules, procedures and makeup of the Senate compared to the House. "The outcome will most likely be that the House and Senate will meet in the middle, meaning that the final bill passed

will reflect additional funding for education and Health Care when compared to the original HB 1 and I strongly suspect those funds will target the protection of teachers and seniors," commented Rep. Flynn.

The House Appropriations Committee budget priorities, as reflected in HB 1, as a percentage of proposed total spending continues to show education as the number one priority with other agencies; as follows:

1. Education, consisting of almost 50% of the budget;
2. Health and Human Services, consisting of approximately 30% of the budget;
3. Transportation and Highways, consisting of approximately 10% of the budget; and
4. Public Safety and Prisons, consisting of approximately 5% of the budget.

Many have called in to ensure that Rep. Flynn continues to support deep cuts to all agencies. He has worked hard to shift funding to education. The total budget from general revenue for the session must be constitutionally balanced at no more than \$77.6 billion, according to the Comptroller's Biennial Revenue Estimate issued in January, 2011. In addition, spending from general revenue is constitutionally limited at \$78 billion for this budget cycle. As you may know, it is mandatory that Texas operates on a balanced budget, unlike our federal government.

While the budget adopted by the House Appropriations Committee is balanced and remains within our means, there are still budget cuts that can be made and funding priorities that need to be examined further. It is important we maintain a healthy balance in the Economic Stabilization Fund to ensure Texas is well positioned to meet future fiscal challenges resulting from Obamacare which will significantly increase Medicaid enrollment in Texas. The Texas Health and Human Services Commission estimates that Texas will need to spend an additional \$4 billion on Medicaid per year beginning in the 2014-2015 budget to comply with federal law as a result of the passage of the Patient Protection and Affordable Care Act by Congress. This funding requirement could leave Texas looking at a deep financial crisis before we even leave this session.

Rep. Flynn further said, "The Texas budget process is far from complete. There are numerous pieces of legislation which can further reduce bureaucratic costs, remove duplicative state agency functions, provide our school districts and local governments additional budget flexibilities, and reduce the level and role of government even further. These pieces of legislation, coupled with a budget that prioritizes necessary government functions while eliminating unnecessary government functions will continue to keep Texas on the forefront of the national economy."

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