

ANGIE CHEN BUTTON



The State of Texas
House of Representatives



May 21, 2011

Friends,

I hope you are all enjoying your weekend. The House reconvened this morning after recessing close to 1:00 a.m. last night. Yesterday, the House passed the Fiscal Matters bill that will help us balance our budget and this morning, both the House and the Senate passed redistricting maps that create new House and Senate Districts. These bills are all on their way to the Governor for his signature. I expect to spend everyday on the issues we need to resolve between now and Sine Die on May 30th. Please continue to share your thoughts on legislation in these final days of the 82nd legislature.

The Budget

I know the news has been reporting on the negotiations taking place between the House and the Senate concerning the budget. Simply put, the House proposed less spending and more cuts than the Senate. In the House budget, schools remained a priority accounting for a bigger piece of the pie than any other item and a bigger percentage than in the current biennium. Unfortunately, we do not have as much money to work with during this budgeting cycle so cuts are necessary. Although the cuts were difficult and we spent many long hours discussing ways to lessen the impact on Public Schools and Health and Human Services, we had to live within our means. The Senate proposed spending billions more than the House with no practical way to pay for it.

Earlier this session, legislators had no choice but to use a portion of the Rainy Day Fund to close the hole in the current budget. In discussions about tapping more into the Rainy Day Fund, one very important fact is often not discussed. In 2013 the state is expecting to owe an estimated \$4.5 billion in Medicaid liability. If the economy does not rapidly recover, we may need the Rainy Day Fund next biennium to pay this and it is important that we leave the remaining \$6.6 billion intact for this possibility and the possibility the state may face a disaster. Although it is a difficult decision, I believe it is the right one for the future of our state.

After many conversations amongst members and leadership, yesterday, the House and the Senate reached middle ground. Through negotiations, revenue generating legislation, and Comptroller Combs's updated revenue projections, I am confident we will soon pass a fiscally conservative balanced budget that is within our means.

HB 679 - Increasing Government Efficiency

This week, the Senate passed HB 679. HB 679 passed the House earlier this session and I am so happy to have authored this wonderful bill that will help our cities operate more efficiently. This bill brings the change order limit for cities, such as Garland and Richardson, up to the same level as counties and other government entities. A change order limit is the amount in which a city or other entity may approve additional work or expenses that may arise within the scope of a contract. HB 679 raises the limit from \$25,000 to \$50,000. The previous change order limit had been in place since 1995. HB 679 is good for businesses, good for cities, and good for the public because it allows city officials to spend more time providing vital services to the community and less time and money on needless administrative efforts. HB 679 is on the Governor's desk awaiting his signature.

HCR 147 - Promoting Regional Economic Development

Currently, local governments have several tools at their disposal to recruit businesses to their communities. While local incentive packages can be a wonderful tool to bring jobs to our state, these programs become counterproductive when used to recruit businesses from neighboring communities. This problem becomes more prevalent during tough economic times. This practice is not true economic development as it simply moves jobs around instead of creating new ones. When neighboring communities compete against each other, they undermine the regional appeal and ability to market and recruit new businesses that create new opportunities for Texans.

HCR 147 encourages communities to coordinate their efforts and to focus on comprehensive planning toward economic development over localized, reactive approaches. I was happy to have the opportunity to lay this resolution out in front of the Committee on Business and Economic Development. We are competing in a global market. While individual cities may not be able to compete head to head with entire countries, if regions begin working together, we can go toe to toe with our competitors and bring jobs for Texans to Texas.

Richardson Mayor Gary Slagel came to Austin and offered his testimony and expertise to the committee. After the Mayor's testimony, the committee unanimously voted the resolution out.



I am pictured here discussing the importance of a regional approach to economic development with Mayor Gary Slagel before the public hearing on HCR 147.

Thank you for giving me the opportunity to represent you in the Texas House. Please let me know if I can ever be of assistance.

Sincerely,

Angie Chen Button

If you would like to be added or removed from this mailing, please e-mail Angie.Button@house.state.tx.us.