



STATE REPRESENTATIVE
JAMES WHITE

CORRECTIONS - CHAIR
INTERNATIONAL TRADE &
INTERGOVERNMENTAL AFFAIRS

DISTRICT 19
HARDIN, JASPER
NEWTON, POLK, TYLER

FOR IMMEDIATE RELEASE
Wednesday, January 23, 2019

Contact: Saul Mendoza
(512) 463-0490

It's Your Money: Texas Comptroller Announces Biennial Revenue Estimate
- Weekly Legislative Update 1/18/19 -

(Austin, TX) - The Texas House convened again this past Tuesday and Wednesday to continue preparing the chamber for the upcoming policy debates. In addition, our State Comptroller of Public Accounts, Glenn Hegar, unveiled the state's Biennial Revenue Estimate.

Article III, Section 49a of the Texas Constitution requires the Comptroller to prepare a state revenue estimate for the remainder of the fiscal year and upcoming biennium and present it to the Legislature at the start of the legislative session. This revenue estimate is important because subsequently in Section 49(b), the state constitution binds the Legislature to this estimate. Although it would represent fiscal irresponsibility, the Texas Constitution only allows the Legislature to spend in excess of the Comptroller's estimate in the case of an "emergency and imperative public necessity" and with a four-fifths super-majority vote of the total membership of the Texas House and Senate each House.

So therefore, when I am asked, "Why didn't the Legislature spend more hard earned taxpayer dollars," I respond, "Because we don't have a printing press in Austin." Your Texas Constitution doesn't allow deficit spending, and our Texas taxpayers expect fiscal conservatism and responsibility.

On July 2018, Comptroller Glenn Hegar released an updated revenue estimate for our current 2018-19 biennium. Because of the pro-growth efforts by Texas consumers, entrepreneurs, and workers, increased sales tax collection and rising oil and gas prices and production in 2018 and 2019 means that the Texas Legislature will become stewards of an additional \$2.8 billion to either satisfy constitutional and core government functions in the current budget cycle or the upcoming 2020-21 biennial budget, which starts on September 1, 2019.

In addition, Hegar estimated that the state's Economic Stabilization Fund (ESF) (colloquially known as the Rainy Day Fund [RDF]) would have nearly \$12 billion. General revenue involves fee and tax collections assessed and collected in Texas and not dedicated for a specific purpose: sales taxes, fuel taxes, business franchise taxes, e.g. In his 2020-21 revenue estimate, the Comptroller's office anticipates a total general-purpose spending revenue of \$119.12 billion, marking an anticipated \$8.92 billion or 8 percent increase from the previous 2018-19 biennial revenue estimate (\$110.20 billion).



STATE REPRESENTATIVE
JAMES WHITE

CORRECTIONS - CHAIR
INTERNATIONAL TRADE &
INTERGOVERNMENTAL AFFAIRS

DISTRICT 19
HARDIN, JASPER
NEWTON, POLK, TYLER

This increase in total spending revenue means that your state legislature still must exercise fiscal prudence and focus this additional taxpayer money to core constitutional functions such as public education, Hurricane Harvey relief, public safety, mental health and early childhood therapy, bridges and roads, and our parks and boat ramps.

I am committed to working with my colleagues in producing a fiscally conservative budget that meets the needs of our commitments and obligations as a state. We are blessed to live in the state with the financial wherewithal to provide the opportunities to our next generation of Texans and provide comfort and security to the most vulnerable. We can do this without accumulating excessive levels of debt and taxing our citizens out of their businesses and homes.

Along with the revenue estimate, on January 19, 2019, the Legislative Budget Board (LBB) released the 2020-21 General Appropriations Bill by the Texas House. The House proposes a state budget of \$115 billion in General Revenue for 2020-21, which is a six percent increase over 2018-19. Despite the claptrap from uninformed critics, every budget that I have voted for and signed into law by the governor has included withdrawals from the ESF/RDF. Once again, the House proposes a withdrawal of \$633 million from the RDF for public school safety, Hurricane Harvey recovery, and to keep TRS-Care premiums from rising for Texas's retired teachers.

Property Tax Relief

The proposed House budget dedicates \$9 billion in state revenue as an incentive for lawmakers to pass school finance reforms. These proposed funds must be used to provide school property tax relief by providing funding for early childhood education, special education and teacher pay with state revenues instead of on the backs of Texas property owners.

School Safety

The House budget includes an additional \$109.4 million in school safety programs, which includes programs involving the Texas Education Agency's (TEA) new Safe and Health Schools Initiative and children's mental health programs.

TRS-Care

Retiree health insurance funding for the 2020-21 biennium totals \$1.1 billion in All Funds. This funding includes \$879.4 million in General Revenue Funds to provide a statutorily required state contribution to TRS-Care of 1.25 percent of public education payroll. The proposed funding also uses an additional \$230.8 million, which is greater than statutorily required amounts in order to prevent a substantial increase in premiums in the 2020-21 biennium.



STATE REPRESENTATIVE
JAMES WHITE

CORRECTIONS - CHAIR
INTERNATIONAL TRADE &
INTERGOVERNMENTAL AFFAIRS

DISTRICT 19
HARDIN, JASPER
NEWTON, POLK, TYLER

Funding for TRS assumes 3.9 percent annual public education payroll growth across retirement and TRS-Care strategies and 5.6 percent annual higher education payroll growth.

Additionally, Governor Greg Abbott and Lt. Governor Dan Patrick were sworn into office on Tuesday. The celebration marked the first time that an inauguration was held on the North Steps of the Texas Capitol. I am ready to work with the Governor Abbott, Lt. Governor Patrick, and Speaker Dennis Bonnen in addressing the Texas budget and the issues pressing our state.

I am also thankful to Lisa Parker and Stacy Manuel who drove all the way from Woodville and Colmesneil to attend the inauguration. It was truly a delight to see them and have them come by their Texas Capitol.

Lastly, on behalf of House District 19 and the Jasper community, I would like to congratulate Ava Marie Spikes and her family on the occasion of her birth. This Child of God was born on January 1st at 9:34 p.m. weighing 3 pounds and 11 ounces, making her the 2019 New Year's Baby of Jasper.

The Capitol of Texas belongs to you and visiting the Capitol during the biennial legislative session is a great experience. To assist in arranging your visit please call Saul Mendoza, my Chief of Staff, at (512) 463-0490. Or, you can email him at saul.mendoza@house.texas.gov.

###