



EVERY TEXAN

Formerly Center for Public Policy Priorities

Comments Submitted to House Appropriations on House Bill 145

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As an organization working to improve all Texans' access to health care, education, and financial security, Every Texan is testifying on House Bill 145, rather than in support of it.

Sections 3 (broadband), 6 (TRS-Care & ActiveCare), 7 (food banks), 8 (Child Mental Health Care Consortium), 12 (Dallas state psychiatric hospital), 17 (monoclonal antibody treatments), 11 (university construction), 14 (Sexual Assault Fund), and 15 (Crime Victims Compensation) would address health care, nutrition, education, and social services needs, many of which have increased during the COVID-19 pandemic, while Sections 9 (Emergency Mgmt. Operations Center), 10 (Cybersecurity), and 16 (court fee shortfalls) appear to be worthy, one-time uses for general government purposes.

However, HB 145 as filed misses the opportunity to be more supportive and transformative because of the significantly large amounts of federal aid that would be used –to replenish the Unemployment Insurance trust fund (\$7.2 billion is 45% of Texas Rescue Plan Act recovery funds) and –to supplant General Revenue budgeted for state worker pay/benefits at the Department of Criminal Justice (\$2.7 billion - 40% of TDCJ General Revenue for 2022-23) and the Dept. of Public Safety (\$582 million, 26% of DPS's General Revenue budget).

Using billions less in federal Rescue Plan state recovery funds for UI – especially when the Economic Stabilization Fund is projected to contain \$12 billion by the end of fiscal 2023, and is an alternate method of finance, as is the regular-session plan of using bond financing – would allow many more unmet needs, such as housing, HHS eligibility determination and application systems, premium pay for community attendants and other front-line workers, child care, small business recovery assistance, water/wastewater/flood prevention infrastructure, and home weatherization and energy-efficiency to be addressed. By no means is that an exhaustive list of alternative and worthy proposals; for more, see HB 140 and public testimony and comments on HB 145.

As for the method of finance change for TDCJ and DPS: Every Texan is concerned that it may contribute to a “fiscal cliff” or otherwise create future budget-related challenges, such as needing to exceed the Article VIII spending growth cap. At the very least, legislators – especially members of the Legislative Budget Board who vote on the adoption of the economic growth rate for 2024-2025 – should keep in mind that this \$3.3 billion represents almost 3% of overall General Revenue appropriations approved to date.

Finally, to improve transparency and accountability, HB 145 should include language requiring state agencies receiving American Rescue Plan aid to report regularly to the Legislature on the status of their federal funding, including any related performance measures. Article II agencies already provide online monthly budget updates; this is a good practice to apply to all federal recovery American Rescue Plan dollars, too.