

## Six Questions on Supplemental Appropriations

### *Bill Analysis: HB 1025*

by The Honorable Talmadge Heflin & James Quintero

The Texas House is today debating [House Bill 1025](#), a second supplemental appropriations bill that proposes to spend \$875 million in the current fiscal year. This is, of course, in addition to [HB 10](#), the first supplemental spending bill that added a total of \$13.5 billion to the overall budget.

With all of this new spending being considered—a policy which by the way will not only impact spending in the current 2012-13 budget but also future budgets moving forward—we thought it might be prudent to ask a few questions about the merits of HB 1025 and hope that lawmakers will ask themselves and their colleagues these same questions as the bill comes up for debate.

### Six Questions on HB 1025

#### **1. *Is HB 1025 about meeting needs or wants?***

Spending in HB 1025 is arguably geared more towards wants than needs. Some examples:

- “\$35,500 to the Library and Archives Commission for the purpose of providing a salary rate increase for the Director-Librarian.” (Unnecessary, excessive);
- “\$7,000,000 from GR Dedicated Account - 9, Game, Fish and Water Safety, to the Parks and Wildlife Department for the purpose of the Cedar Bayou Restoration Project in Aransas County.” (Excessive, see question 6);
- “\$10,000,000 to the Department of Agriculture for the purpose of sourcing healthy food by Texas food banks.” (Discredited purpose); and
- “\$34,500,000 to the Higher Education Coordinating Board for the Texas Research Incentive Program.” (Excessive)

This is not to say that all of the money contained in HB 1025 is without merit. Certainly, funds directed at wildfire-related costs are within reason; but a majority of the expenses noted in the bill are unnecessary, excessive, or for questionable purposes.

#### **2. *Is more public education spending necessary?***

HB 1025 directs another \$500 million to public education, in addition to the funding increases included in HB 10, SJR 1 (not yet passed in the House), and both the House and Senate versions of the 2014-15 budget. Although the policy of throwing ever more dollars at public education may be tempting, it goes without saying that this is not prudent policy. Further, it would be a mistake to think that public education funding is somehow in distress.

From a recent Legislative Budget Board analysis on K-12 revenues:

**Figure 181- Data  
PreK-12 Public Education Revenue Growth**

Year	Local Revenue	State Aid	Federal \$	Total Revenue
2002	\$14,430,000,000	\$10,902,000,000	\$2,563,987,170	\$27,895,987,170
2003	\$15,777,400,000	\$10,966,682,061	\$2,865,498,973	\$29,609,581,034
2004	\$16,631,408,429	\$10,843,102,598	\$3,577,345,199	\$30,851,856,226
2005	\$17,548,865,974	\$11,078,787,850	\$3,880,282,903	\$32,507,936,727
2006	\$19,912,817,454	\$11,967,858,028	\$4,366,455,977	\$36,247,131,459
2007	\$20,230,621,372	\$14,217,800,269	\$3,989,865,493	\$38,438,287,134
2008	\$18,204,936,022	\$18,237,126,884	\$4,185,629,430	\$40,627,692,336
2009	\$19,722,871,293	\$20,050,263,647	\$8,226,420,110	\$45,999,555,050
2010	\$20,285,450,102	\$16,600,846,905	\$7,010,307,155	\$43,896,604,162
2011*	\$20,076,464,547	\$18,115,160,313	\$7,310,491,472	\$45,502,116,332
2012*	\$19,707,781,915	\$18,839,385,304	\$4,842,172,665	\$43,389,339,884
2013*	\$20,878,753,635	\$18,302,998,307	\$5,019,153,786	\$44,200,905,728
2014**	\$21,485,134,570	\$19,147,712,841	\$5,154,046,002	\$45,786,893,413
2015**	\$21,859,205,054	\$19,943,693,468	\$5,302,363,053	\$47,105,261,573

\* Updated to reflect data presented in Legislative Budget Estimates, Senate Version, 2014-15 Biennium.

\*\* Projected based on the Committee Substitute for Senate Bill I, 83rd Legislature, Regular Session, 2013

Sources: Legislative Budget Board, Texas Education Agency, U.S. Dept Commerce

Note that total public education funding is set to not only return to pre-2012-13 levels, but exceed it. As part of this, SB 1 already increases education funding by almost \$3 billion. Clearly, public education funding is not in dire need of additional monies, and so it is worth questioning whether another appropriation on the order of a half-billion dollars is truly needed.

**3. Why should the Legislature provide the Director-Librarian a salary increase of \$35,500 in a supplemental appropriations bill?**

Included in Section 19 of [CSHB 1025](#) is the following provision: “\$35,500 to the Library and Archives Commission for the purpose of providing a salary rate increase for the Director-Librarian.”

The \$35,500 increase would raise the Director-Librarian’s annual salary from \$104,500 to \$140,000 in fiscal 2013, equal to a pay raise of 34 percent.

Perhaps the Director-Librarian should get a pay raise. However, this issue should be debated in the regular appropriations process, not in a supplemental bill.

**4. Why should Texas taxpayers spend \$10 million on an unproven concept like “food deserts”?**

Included in Section 29 of [CSHB 1025](#) is a provision directing \$10 million “for the purpose of sourcing healthy food by Texas food banks **for distribution in food deserts** and other underserved communities.” [emphasis ours]

Take note of that last section related to “food deserts,” an imaginary concept created by liberals interested in subsidizing urban grocery stores all under the guise of health and welfare. It’s not just conservative groups like TPPF that have become dismissive of this concept—groups as far-ranging as the Centers for Disease Control and Prevention, the RAND Corporation, the Center for Public Health Nutrition at the University of Washington, *The Economist*, and even *The New York Times* have all but discredited “food deserts.” Check out the studies below or read excerpts [here](#):

- The Centers for Disease Control and Prevention, “[Neighborhood Food Outlets, Diet, and Obesity Among California Adults, 2007 and 2009](#),” March 2013.

- The RAND Corporation, “[Junk Foods in Schools and Childhood Obesity](#),” Spring 2012 and “[School and Residential Neighborhood Food Environment and Diet Among California Youth](#),” February 2012
- The Center for Public Health Nutrition at the University of Washington, “[The Supermarket Gap: How to Ensure Equitable Access to Affordable](#),” *Healthy Food*, May 2010.
- *The Economist*, “[If you build it, they may not come](#),” July 2011.
- *The New York Times*, “[Studies Question the Pairing of Food Deserts and Obesity](#),” April 2012.

All of this research helps to show that HB 1025’s appropriation of \$10 million to address this issue is not money well spent.

**5. Does the Research Incentive program need its funding doubled?**

Included in Section 27 of [CSHB 1025](#) is a provision to boost funding for the Research Incentive Program by \$34.5 million “for the purpose of distributing money to emerging research universities based on a match for certain private donations.”

Regardless of the merits of the program (program detail found [here](#)), HB 1025’s level of appropriation is nearly double what was awarded in the [2012-13 General Appropriations Act](#) (see below). With so many other pressing needs like roads and water, is this really the best use of funds?

B.1.16. Strategy: TEXAS RESEARCH INCENTIVE PROGRAM	For the Years Ending	
	August 31, 2012	August 31, 2013
	\$ 17,812,500	\$ 17,812,500

**6. Why is the state picking up the full cost of the Cedar Bayou project when a portion of the funds has already been paid for with state and local tax dollars, as well as private donations?**

Included in Section 32 of [CSHB 1025](#) is a provision directing \$7 million to the Cedar Bayou Restoration Project. Without getting into the merits of the project, HB 1025’s appropriation of this money bears scrutiny since, according to the Cedar Bayou project itself, the restoration project is only slated to cost \$7 million, and almost \$4 million of those funds have already been secured via state and local monies, as well as private donations.

From the Cedar Bayou project’s [website](#):

The total cost of the restoration project is about \$7 million, and a partnership announced in 2012 between Aransas County and CCA Texas to raise the necessary funds has already yielded impressive results. So far, Aransas County has pledged \$985,000 in Coastal Impact Assistance Program funds toward the cost of opening the pass and allocated an additional \$1.75 million that was saved by restructuring a general revenue bond. On top of that, CCA Texas has pledged \$520,000. The County and CCA Texas have also partnered to hire a professional fundraiser to secure additional funds and applications to several federal grant programs have already been made. Aransas County has also provided funding to complete final engineering and surveys for initial restoration of the pass and has also announced that it will annually allocate at least \$50,000 to a Cedar Bayou Maintenance Fund, a critical component to keeping the pass open in the future.

HB 1025 may grease the wheels for bigger government, but it does nothing to preserve the interest of current and future taxpayers who will be asked to pick up the tab now and in the future because many, if not all, of these appropriations are rolled into the current services budget. ★

## About the Authors



**The Honorable Talmadge Heflin** is the Director of the Texas Public Policy Foundation's Center for Fiscal Policy. For 11 terms, he served the people of Harris County as a state representative. Well regarded as a legislative leader on budget and tax issues by Democratic and Republican speakers alike, he for several terms was the only House member to serve on both the Ways and Means and Appropriations committees.

In the 78th Session, Talmadge served as chairman of the House Committee on Appropriations. He navigated a \$10 billion state budget shortfall through targeted spending cuts that allowed Texans to avoid a tax increase.



**James Quintero** is a senior fiscal policy analyst at the Texas Public Policy Foundation. He joined the Foundation's Center for Fiscal Policy in March 2008 and contributes to the following issues: restricting the growth of taxation; appropriations reform; increasing governmental transparency at both the state and local level; and instituting expenditure limits.

## About the Texas Public Policy Foundation

The Texas Public Policy Foundation is a 501(c)3 non-profit, non-partisan research institute. The Foundation's mission is to promote and defend liberty, personal responsibility, and free enterprise in Texas and the nation by educating and affecting policymakers and the Texas public policy debate with academically sound research and outreach.

Funded by thousands of individuals, foundations, and corporations, the Foundation does not accept government funds or contributions to influence the outcomes of its research.

The public is demanding a different direction for their government, and the Texas Public Policy Foundation is providing the ideas that enable policymakers to chart that new course.

