

## COMMENTARY

# Special session may be a good investment for Texans

By Bill Peacock, James Quintero, and Vance Ginn

*This piece originally appeared in [TribTalk](#) on July 18, 2017.*



Not everyone, it seems, is excited about the Texas Legislature assembling in Austin for the special session set to begin on July 18.

One common complaint by those who'd prefer members stay home is the high cost of a special session to taxpayers. Past estimates for the cost of a 30-day special session have topped \$1 million.

However, if the Legislature actually passes bills on the 20 charges specified in the call by Gov. Greg Abbott, Texans could see a return on their investment in the special session far surpassing their wildest expectations.

Spending caps and reform of the rollback process for property taxes would reduce the rapid growth of both state and local government spending. Previous proposals on these issues have focused on keeping spending growth below population growth plus inflation, which would be substantially less than recent growth.

For instance, local government direct spending in Texas from 2001 through 2014, the latest [Census Bureau data](#) available, increased 23 percent faster than [population](#) growth plus [inflation](#), costing taxpayers a total annual difference of an astonishing \$144 billion per the Foundation's calculations. Similarly, for the 14 years ending in 2017, [increases in state spending](#) outpaced population growth plus inflation by a cumulative difference of \$116 billion.

In other words, if Texas taxpayers had spent \$1 million or so on a special session to limit state and local spending 14 years ago, they could have saved \$260 billion over time. They could see similar returns in the future if the Legis-

lature uses this summer's special session to keep state and local spending under control.

Also on the call is school choice for special-needs students. But what if the call was expanded to include school choice for all Texas students? Texans would not only see a tremendous financial benefit, but an increase in flourishing and prosperity for Texans from all economic, cultural, and ethnic backgrounds.

The Texas Public Policy Foundation's [research](#) shows that a universal educational savings account program would generate more than 11,000 new high school graduates by 2022. These new graduates would provide as much as \$5 billion in economic benefits to all Texans; their chances of living in poverty as adults drop by half when they obtain a high school diploma. Public- and private-school teachers would also benefit, with budget reallocations in districts and schools increasing the salaries of good teachers by as much as \$28,000 in the first year.

Taxpayers would also benefit from the introduction of education choice. Our public schools are [highly inefficient](#), spending almost \$13,000 per student with dropout rates from 14 to 25 percent and with only 18 percent of graduates meeting the SAT or ACT college-readiness standards. Through education choice, Texas could actually spend less on K-12 education over time while increasing graduation rates and improving student performance.

Finally, Texans could see a significant return on their \$1 million investment in a special session as the Legislature tackles local permitting delays and

excessive regulation in order to reduce the costs of housing and doing business in our cities.

Overall, government regulation can add up to [25 percent](#) to the price of housing units, much of that due to local restrictions. On the business side, one [researcher](#) found that permitting delays on average add 3.5 months to the development process in Austin, while in Harris County media outlets have reported delays of up to six months.

Imagine the benefit to Texas' low-to-middle income earners, who are being priced out of living in our urban centers, if the Texas Legislature could erase even 10 percent of the cost of renting or buying a home. Consumers, too, would benefit through lower prices and better service if businesses could operate more efficiently because the Legislature reduced the regulatory burden placed on them by local governments.

Citizens usually dread when their elected representatives gather to pass new laws because the result is usually higher taxes, more regulations, and less freedom, but the upcoming special session provides a unique opportunity for the Texas Legislature to move in the direction of liberty and opportunity. That would be an investment well worth making.

*Bill Peacock is vice president of research and director of the Center for Economic Freedom at the Texas Public Policy Foundation. Vance Ginn is an economist at the Center for Fiscal Policy at the Texas Public Policy Foundation. James Quintero is director of the Center for Local Governance at the Texas Public Policy Foundation.* 