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# Expert views state legislative agenda

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Despite this year's recent election, Jeff Judson, president and CEO of the Texas Public Policy Foundation, said he does not see a strong agenda emerging from the state's newly elected leaders.

Two months from now, the 181 members of the Texas House and Senate will convene in Austin for the 78<sup>th</sup> Legislative Session on Jan. 14.

Rather than meet annually to work on the state's budget, the Texas Legislature

meets every other year to hammer out the state's finances and its pressing needs.

Last week, Judson took members of the Laredo Rotary Club on a tour of the issues that dot the Texas political landscape.

His private research firm and think tank, based out of San Antonio, advocates limited government, private property rights and individual responsibility.

As such, the Texas Public Policy Foundation believes that big government does not help poor people or  
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decrease poverty.

It also believes in minimal regulation of industries, such as insurance, and minimal taxes for businesses and individuals.

During his Wednesday talk, Judson expressed his disappointment with the lack of substance, depth and imagination presented by this year's slate of political candidates.

"There did not seem to be much of an agenda. The issues were minimal. There was no talk of major reform," he argued.

Because of this, Judson said it is hard to tell what would be the legislative priorities this year.

Despite the state's projected \$5-10 billion budget shortfall, Texas will have to do more with what it has, rather than look to cutting services or increasing taxes, he said.

Though Texas ranks at the bottom in many social and educational programs, Judson said taxes to fund government programs are not the answer.

"Taxes fall on poor people the hardest, reducing their wages and making it harder for them to go about their daily life. So, these people are less able to invest in their future or open their own businesses," he said.

As for the projected school finance and property tax crisis, he believes that these issues will not be a priority for the Legislature this session.

Other specific topics discussed included the state's tax burden, the new TAKS test, revisions to the state's

estate/inheritance tax, pension reform and border infrastructure.

Texas has a low tax burden, which is good for business. Ironically, though, it has a strong pro-regulation culture, Judson said.

The Lone Star State ranks 47<sup>th</sup> in the entire country in terms of tax burden, and it is only one of nine states that does not have a personal income tax.

"As a result, three million people moved into Texas from other states during the 1990s, making it one of the greatest migrations of human history," Judson said.

He added that growth in personal income in Texas also grew by 455 percent, though he did not say how this was distributed statewide.

sonal income tax and the existing loophole for the franchise tax (for business) has led to a higher property tax rate and a higher sales tax to make up the difference.

Texas ranks 24<sup>th</sup> in the country in terms of property tax burden. Property taxes fund school districts, local cities, counties, community colleges and other taxing entities.

Judson argues that Texas should never enact a personal income tax and further said that when companies are taxed, consumers are the ones who bear the brunt.

As for transportation, the Texas Public Policy Foundation completed a study, which features Laredo, called "The Road Ahead: Innovations for Better

"We feel that there should be more government spending for transportation in Laredo," Judson said, citing statistics of increased cross-border truck traffic since NAFTA.

Although Texas spends more state money on border infrastructure, California receives the most federal money for this and New Mexico receives the most money on a per truck basis, Judson said.

When discussing the recent doubling and tripling of homeowners insurance, workman's comp and health insurance in Texas, Judson said an overly regulated insurance industry was at fault.

He pointed to Illinois, which has minimal regulation on

has affordable premiums and a competitive insurance market.

As for the state's new TAKS test, which will determine whether or not a student will pass or fail their grade level, Judson said there have been "very negative effects from teaching to the (TAAS) test."

Because of the state's accountability system, school districts and their superintendents and principals are driven to make sure that their students make high marks on the state test.

However, Judson said, much of the testing material is narrow and far below grade level, and teachers no longer have any flexibility to teach freely.

As such, his research firm argues for a different test that

covers broader topics to better gauge a student's knowledge and thinking skills. The test should also not determine whether a student passes or fails, he said.

Judson then pointed out that Texas is the biggest purchaser of textbooks and is thus able to set the market for different editions.

Recently, his firm reviewed the new social studies editions and found 500 errors and omissions, which they sent to the publisher for changes.

The constant and numerous studies done by the Texas Public Policy Foundation can be found on their Website at [www.tppf.org](http://www.tppf.org).

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