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80TH TEXAS LEGISLATURE

## Challenges, no emergencies ahead

By JOHN MORITZ  
STAR-TELEGRAM AUSTIN BUREAU

AUSTIN — For the first time in a decade, state lawmakers will return to the Capitol without the pressure of having to solve a school finance mess, close a multibillion-dollar hole in the budget or enact the agenda of a governor who wants to be president.

Instead, when the 80th Legislature convenes at noon Tuesday, leaders will likely find a treasury flush with cash, and they will be dealing with a governor who scratched out a re-election victory with 39 percent of the vote from a five-candidate field.

Some cleanup will be needed on the school finance overhaul they enacted last year, but the court order that had threatened to close down classrooms has been lifted.

"There's no big emergency that's dominating the landscape," said Deece Eckstein, who was a longtime legislative staffer and an aide to former Gov. Ann Richards. "And what that means is, the revolution has succeeded."

He was referring to the Republican revolution that started with George W. Bush's election as governor in 1994 and reached its zenith with the GOP takeover of the Texas House in 2002. Last year's elections continued Republican control over all the statewide offices and over both chambers of the Legislature, albeit by a smaller margin in the Texas House.

But the upcoming 140-day session is not without challenges for the Republicans who run state government. One of the first orders of business will be in the House, where members will decide whether to award Speaker Tom Craddick, R-Midland, a third term or transfer the gavel to Rep. Jim Pitts, R-Waxahachie, or another dark-horse challenger.

Perhaps the largest legislative issue awaiting attention is the constitutional spending cap that prevents lawmakers from going on a shopping spree with taxpayers' money when state revenue surges.

### Money matters

That issue is in play this year because Gov. Rick Perry and the Legislature solved the school finance matter last year. The fix imposed a new tax on business and boosted the one on cigarettes by \$1 per pack so that local school property tax rates could be cut by one-third over two years.

Technically, that means state spending will increase at a rate greater than the growth in the state's economy and population, which would violate the spending cap.

Legislative leaders hope to determine whether it is legal to consider the money used to offset local property tax cuts to be outside the reach of the spending cap.

F. Scott McCown, who runs the liberal-leaning Center for Public Policy Priorities, said that until that dilemma is resolved, countless other pressing matters cannot be addressed. Among them, he said, is adding funding to such social-service programs as Medicaid and the Children's Health Insurance Program.

McCown, a retired state district judge, also disputed the notion that the state is running at a surplus even though projected revenues could be as much as \$15 billion higher than they were on the eve of the 2005 legislative session. The reason, he said, is lawmakers have been underfunding the state's needs since 2003, when spending was slashed to bridge a \$9.9 billion shortfall.

"It would be like someone making \$50,000 a year getting a \$500 bonus at the same time as they have a new baby and higher insurance premiums," McCown said. "They would come off as saying, 'Hooray, we have a \$500 surplus.' That money would be gone as soon as they got it."

David Guenthner, spokesman for the conservative-leaning Texas Public Policy Foundation, cautioned lawmakers not to view the expanded revenue as "free money." That's what happened in 2001, when new spending initiatives gobbled up a projected \$6 billion surplus, he said.

"Had they not created those new programs, not only would the Legislature have had a much smaller deficit in 2003," Guenthner said, "they would have had funds in reserve to cover" the shortfall.

Sen. Jane Nelson, R-Lewisville, who heads the Senate Health and Human Services Committee, also called for a conservative approach, at least until after Comptroller Susan Combs releases the official state revenue estimate Monday.

"Given this uncertainty, I would be very careful about expanding [social programs] we may not be able to afford in the future," she said.

"However, I am very interested in maintaining our current level of spending and improving access to private insurance for uninsured Texans."

### **Funding for parks**

Lawmakers are also expected to grapple with whether to embark on a new round of prison construction or to liberalize parole policies to forestall crowding in the state's lockups. Several state leaders also said they plan to address the need for more funding for state parks, which have fallen into disrepair.

Several lawmakers have also announced plans to discourage illegal immigration by denying social services — and in some cases, public education — to undocumented immigrants.

Perry, who will also ask lawmakers for a \$100 million appropriation to combat border crime, has opposed immigration measures that would be seen as punitive or mean-spirited.

"Divisive appeals do nothing to solve problems, even if they do score some temporary political points," Perry told border-area officials last month.

Robert Black, Perry's spokesman, said any suggestion that the governor will have less clout because of his low percentage at the polls is a mistake.

"When he takes the oath of office, he will be 100 percent governor," Black said. "That means he will have 100 percent of the powers and duties of that office and will use them accordingly."

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### **IN THE KNOW A closer look**

#### **The session**

Starts Tuesday; ends May 28

Cannot last more than 140 days

Regular sessions are held every odd- numbered year by law

Governor can call unlimited number of 30-day special sessions

In 2005, 9,338 bills were filed; 4,961 passed and 19 were vetoed

#### **The chambers**

150-member Texas House of Representatives, shown at right, where Republicans have an 81-69 advantage\*

31-member Texas Senate, where Republicans have a 20-11 advantage

### **The money**

In 2005, lawmakers approved a two-year, \$140 billion budget

The governor makes \$115,345 a year

Legislators are considered part-time workers and get a yearly salary of \$7,200

Legislators are to receive a proposed \$139 per diem while in session

\* One seat remains vacant but will be filled by a Republican after a GOP runoff is held Jan. 16

SOURCES: Texas Legislative Reference Library, Legislative Budget Board

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**John Moritz**, 512-476-4294  
[jmoritz@star-telegram.com](mailto:jmoritz@star-telegram.com)

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