

Around Texas/from 4

TPPF calls for education tax credits, deductions

The Texas Public Policy Foundation this week released a white paper calling on lawmakers to create a tax credit scholarship program for families funded with corporate donations. The businesses could make donations directly to scholarship-granting organizations that would in turn provide scholarships to families to increase their choice of schools for their kids in kindergarten through high school.

The scholarships could be used for private school tuition, transportation expenses to alternate public schools, or homeschool curriculum. The tax credit program would allow corporations to subtract a certain amount from their taxes for education-related purchases or donations to scholarship programs, according to the report by TPPF senior policy analyst **Brooke Dollens Terry**.

"Tax credits save the state and taxpayers money, have a broad base of support that appears to be growing, and are less vulnerable to attacks in court as they have never been declared unconstitutional at a state or federal level despite several court challenges," Terry wrote.

There are two types of education tax credits: personal-use, which reimburse parents for educational expenses on their children; and donation tax credits, which go to individuals or corporations who donate to an education scholarship fund. TPPF recommended a program for donation tax credits. [E]

Healthcare/from 8

Committee Vice Chairman **Garnet Coleman** (D-Houston) urged his colleagues to remain patient and not to take a "my way or the highway" approach.

Health and Human Services commissioner **Tom Suehs** said expanding Medicaid is the cornerstone of the federal health care reform bill. He said in the March 31 joint committee meeting the cost for Texas over 10 years will be around \$27 billion (from 2014-23). The Congressional Budget Office, however, is estimating Texas' share of the \$938-billion bill at \$1.4 billion from 2014-19.

Dianne Longley, director of research and analysis for the Texas Department of Insurance (TDI), said Texas, though preparing for a large cost, may not have to pay as much as some states proportionally. As one example, she said, TDI already allows for dependents as old as 25, whereas the health care bill allows for up to 26 years of age. "So Texas only has to bump it up a year," she said.

Wilson warned, in reference to a question from Rep. **Elliott Naishtat** (D-Austin), that consequences arise from cutting other health programs to save money. For example, if CHIP (the Children's Health Insurance Program) were to be eliminated or have funding greatly reduced, "You wouldn't have any Medicaid money," and the state of Texas would be left to fund Medicaid on its own.

In terms of what Texas can do to comply with the health care bill's provision of an Insurance Exchange, Wilson said Texas can: 1) enter an interstate cooperative via a compact; 2) draft a basic health plan for those between 133 and 200 percent of poverty; or 3) "opt-out" by

establishing a state alternative to the Insurance Exchange, but with "stringent guidelines."

"So you're in charge," Wilson told the legislators, adding that each of the options must be initiated by legislation and not committee rules.

Geeslin said the Insurance Exchange would be more than "just a Web site," and would require a "beta test" of several thousand participants to assure it works.

"That would only be part of it, this is huge," Geeslin said, adding the Exchange would be a "gatekeeping mechanism" to determine whether a Texas resident is eligible for Medicaid, a state-backed insurance plan, or has to purchase insurance on his or her own.

Addressing other concerns, Rep. **Warren Chisum** (R-Pampa) asked Suehs whether the bill expands coverage to undocumented aliens.

"That's the way the system works now, and that's not going to change—by federal law the hospital emergency room must treat them [illegal immigrants] in an emergency situation," Suehs said.

Rep. **Trey Martinez Fischer** (D-San Antonio) asked Longley repeatedly if she had any dialogue with the Texas Sunset Advisory Commission regarding alterations to TDI's roles to accommodate the federally mandated health care changes. Geeslin said the staff's "nose has been to the grindstone" in grasping the full effects of the health care bill, and that Sunset has not been a priority in the last month.

"We've never seen anything this big," Geeslin said, stating that preparation for educating 2 million non-insured Texas residents has just now begun. [E]

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