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A Recap of the House Budget

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After 15 hours of amendments and debate, the Texas House of Representatives passed its \$218 billion state budget proposal for 2018-2019. Much less noticed: the House – unlike the Senate – sensibly recognized and approved in [House Bill 2](#) paying for \$2.6 billion (in state and federal funds) in Medicaid bills through August 2017, along with other supplemental changes needed for the current budget cycle to ensure that low-income Texans have health care.

We were pleased to see that the House budget made it through the debate with more funding for public education, higher education and financial aid than the Senate budget provides.

The House wisely recommends using \$2.5 billion from the [Economic Stabilization Fund](#) (Rainy Day Fund), which would still leave over \$9 billion in the Fund untouched by 2019.

Before we break out the champagne, however, let's remember that both the House and Senate budgets still significantly underfund our growing state. The 2018-2019 budgets for each chamber are at least six percent lower than the 2016-2017 budget, after taking into account population growth and cost inflation.

The Senate budget goes into the conference process relying on a [questionable budget gimmick](#) that makes potential Senate funding for the state's needs even worse. But the Senate provides more money for the Medicaid program – which among other things [covers 50 percent of all baby deliveries in Texas](#) – than the House does.

Of the hundreds of amendments that members debated, there were a few standouts:

***School vouchers:** We applaud Rep. Herrero's successful amendment to prohibit funding of school vouchers. Vouchers like those in Senate Bill 3 would [drain resources from already underfunded public schools](#) to subsidize private tuition. It was reassuring to see an overwhelming bipartisan majority of House members vote against vouchers.

***In-State Tuition:** Several members worked diligently to fend off an amendment that would have removed state funding from universities that allow undocumented immigrants to pay in-state tuition rates. Our universities provide a [pathway to opportunity](#) that is critical to our continued economic prosperity.

***Medicaid:** We were pleased to see Rep. Walle and others successfully include an amendment that will help protect Medicaid against budget cuts. We were also inspired by Rep. Chris Turner's effort to expand Medicaid health care coverage to help the 17 percent of Texans who lack health insurance. While the amendment did not succeed, it's an important reminder that – as lawmakers debate how to squeeze money here and there out of the budget – we are leaving over \$6 billion per year on the table in federal Medicaid funding. Finally, we are concerned about the absence of any debate on an amendment the House left in Article XI that may cut another \$450 million out of Medicaid.

***Benefits Eligibility:** Among the troublesome amendments that passed was one by Rep. Isaac that would require HHSC to review eligibility of “a statistically significant sample” of Texans receiving food assistance and other programs quarterly with the Health and Human Services Commission. Most are already reviewed twice per year. This change could aggravate the problem of eligible Texans losing coverage due to errors and red tape, interrupting ongoing medical treatments for some, and leaving others to worry about where to find their next meal.

Overall the House budget doesn’t go far enough to invest in a strong future for our great state. Last year the heads of the various state agencies – appointed over the last decade or so by Governors Abbott and Perry – collectively said that it would take \$232 billion to deliver the services Texans need effectively. Comparing \$232 billion to the \$218 billion in this budget shows how severely the budget underfunds health care, public safety, and other services.

We look to the House-Senate conference process to use more of the Rainy Day Fund to prevent cuts to education and health care. The Fund was created for just this purpose, and lawmakers would be irresponsible not to use it.

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