Questions for Candidates for November 2018 Election

1. What is your opinion/position on lowering the cap on Texas’ Rainy Day Fund?

Funds haven’t been appropriated from the Economic Stabilization Fund in over three years, despite quite a few shortfalls in the state budget since then, and it’s currently at its largest size ever, over $10 billion. I’ve frequently heard it said that the ESF is for “emergencies only,” but that’s not how it’s described on the Comptroller’s website. It’s specifically for covering expenses in the event of downturns in oil and gas tax revenues. Despite very low oil prices in 2015-2017, and their subsequent revenue shortfalls, the funds were not used - the “emergencies only” rationale was frequently cited - but many cuts were made in those years to valuable programs that Texans needed. I would support lowering the cap to ensure the funds are being used - there’s little benefit to holding on to them.

2. What is your opinion/position on tax rates for local governments and the rollback rate?

It seems disingenuous to me that the State of Texas has been shirking its constitutionally-mandated duty to fund public education, thus causing local property taxes to rise to make up for the shortfall, and when citizens complain, rather than owning their responsibility and funding public education, they propose laws to prevent local governments from providing adequate funding. The current rollback rate at 8% is sufficient. Lowering it to 5% would only incur additional costs for municipalities without addressing the root of the problem.

3. Do you support creating a Texas Plan for Medicaid? Why or why not?

I do. Texas’ refusal of the federal Medicaid expansion included in the Affordable Care Act is costing taxpayers $6 billion per year for indigent care in emergency rooms that would otherwise have been covered. I have yet to hear a rational argument against accepting the expansion.

4. What percentage of the M&O funding should the State provide to school districts? Please explain your opinion.

The State should provide 50% of the M&O funding - as it used to. Most Texans agree - a TEGAC poll this year showed approval at 71% for the State carrying more of the cost in order to keep a natural lid on property taxes paid by homeowners. There are means of generating this revenue without increasing taxes on anyone, just by closing loopholes in the current state tax code that are being exploited by large corporations. In the current environment, property owners are paying more in property taxes, and we’re getting less, while Texas overall is 36th among the fifty states in per-student funding for public education. We’re shorting Texas’ future.
5. What is your opinion/position on using State funding for universal pre-K?

I’m not in favor of “universal” pre-K, but I am in favor of targeting all-day pre-K in the school districts that need it the most, for the students that need it the most. Economically disadvantaged students and English language learners need all-day pre-K more than their peers. I’d favor funding these programs at school districts that have high percentages of these students. Universal is a great idea, but it’s expensive and not everyone needs it. A targeted program would save the State money while still generating the benefits of pre-K programs.

6. What do you think about economic development incentives/tools for cities to attract businesses/employees?

I’m generally in favor of them, but I’d like to see a larger proportion of the State’s Development Fund go to small businesses with a proven track record and a great business plan in the form of low interest loans. It is necessary, given the competitive nature of business development, for cities to offer some form of incentive, but I’d prefer to avoid a “race to the bottom” scenario by limiting the amounts of tax abatements. In addition, I’d like to see more analysis done by cities and the State to demonstrate the results of these abatements when performed, and I’d like to see those results published. Are abatements working? Are the resulting sales tax revenues from increased economic activity offsetting the abatements that were granted? I believe more transparency should be required.

Your answers will be published on the Chamber’s website and communicated directly to members.

Printed Name of Candidate  Signature of Candidate  Date

9-26-2018

Please return to Mary Frazier, HEB Chamber, maryfrazier@heb.org by Friday, October 5, 2018, 5:00 p.m.