



DONNA HOWARD
STATE REPRESENTATIVE
DISTRICT 48

Mr. William Hamilton, President
Retired State Employees Association of Texas
314 E. Highland Mall Blvd #507
Austin TX 78752

Dear Bill:

Thanks for reaching out about where things stand in the Texas state budget process.

On July 25, 2024, state agencies and universities received two different letters providing official instructions on how to prepare their 2026-2027 budget proposals for the 89th Legislature – one from the Speaker, and the other from the Governor and Lieutenant Governor.

As a member of House Appropriations since 2013, I was initially concerned about this unprecedented, divided approach. However, I am hopeful that before the 89th regular session ends in June 2025, the House, Senate and Governor will come together in a unified approach that does what's best for all Texans.

I fully expect us to have many policy debates on the floor, but in the end, the budget needs to be an apolitical tool. It also needs to be based in reality, and recognize that rapid population growth, inflation, and long-unmet needs can't be ignored when we deliberate the use of taxpayer dollars.

Led by Chairman Bonnen, we did many good things in the 2024-2025 budget, especially in access to health care. I look forward to working with my colleagues to build on the policy and budget successes of the 2023 session.

At the same time, we can't forget that public schools got nowhere near what's needed to deal with inflation since Fall 2019 – the last time legislators increased the base-level funding per student for school districts and charters. Many school districts were able to compensate staff and avoid drastic cuts in the past few years thanks to temporary federal COVID aid – similar to how the 2024-2025 budget is using \$5.4 billion in federal COVID dollars for regular, ongoing costs of staffing state prisons. Once that federal aid is no longer an option, state general revenue needs to take the realities of rising costs into account.

Everybody understands inflation - everybody knows it takes more money today to pay for groceries, insurance, utilities, and other basic budget items than it did five years ago - the last time we raised per-student basic funding.

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So it's disappointing to see 2026-2027 budget instructions that don't allow public schools, state employee pay/pension/health care benefits, or Medicaid/CHIP/foster care to include the impact of inflation on their baseline budget requests.

My constituency includes state employees and state retirees who worry that we will cut their health benefits or let their pension benefits continue to lose ground to inflation. I hope we can write a 2026-2027 budget that better compensates them for the valuable public services they've provided for Texans.

Ensuring access to public education, health care, and other basic services that the state budget supports is in the best interest of all Texans. As a longtime member of House Appropriations, I look forward to working on SB 1 with all three branches of government and will keep you updated on opportunities to weigh in.

Sincerely,

A handwritten signature in cursive script that reads "Donna Howard".

State Representative, House District 48
Chairwoman, Texas Women's Health Caucus