

# The Austin Report

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April 23, 2025

E-Newsletter

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## CRUNCH TIME FOR THE BUDGET

*By Senator Royce West*

This week, we enter a critical phase of the 89<sup>th</sup> Legislature. As the proposed budget is heading to conference committee, some of you may be asking, what does that mean? Allow me to explain.

Senate Bill 1, the state budget, known formally as the General Appropriations Act, is the bill that determines how much the state will spend in the coming two-year period, also known as a biennium.

The budget is divided into multiple articles including: Judiciary, Public Safety and Criminal Justice, Natural Resources, Business & Economic Development, General Government, Legislature, Regulatory, Health and Human Services, and Education.

Each chamber produces their own version of the budget, although only one version of the budget will pass. Each chamber's filed bill, or base bill, can contain different things. This year, there were a few subtle differences between the House and Senate filed versions of the bill. Among the differences are that the House had \$100,000,000 for childcare in its base budget. The Senate did not.



Another difference is that the Senate's budget has built-in teacher pay raises, which include a \$4,000 pay raise for teachers in suburban and urban areas, and a \$6,000 raise for rural teachers.

The biggest difference between the House and Senate budgets, as filed, was how the two chambers proposed providing property tax relief to Texans.

The House package was estimated by the Texas Taxpayers and Research Association to appropriate an estimated \$6.4 billion in new funds for tax relief versus \$6.2 billion for the Senate Bill. Both have \$.068 of ongoing maintenance and operations tax rate compression. The House version includes an additional \$.0331, to pay down the amount of taxes levied, a process known as tax compression, in the budget and through House Bill 8.



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The House budget also includes HB 9, a bill that would raise the business personal property tax exemption from \$2,500 to \$250,000. The Senate bill passed a \$40,000 increase in the school district homestead exemption through SB 4 and SJR 2. This, combined with tax relief in Senate Bill 4, and the ISD rate compression in Senate Bill 1, means the average disabled or over 65 homeowner could see a reduction of as much as \$950 in their school tax bill.

The Senate budget also has \$500 million set aside for business tax relief, but how that relief will be provided has not been fully brought to the Senate floor.

Both versions of the budgets include \$1 billion for private school vouchers and \$6.5 billion for border security and the continuation of Operation Lone Star. Both bills also include \$4.5 billion in new money for public education. Both budgets also include significant financial investments for water infrastructure.

The Texas House proposed budget is \$1.3 billion larger than the Senate proposed budget. The House budget is \$337,401.5 billion while the Senate budget is \$336,064.3 billion.

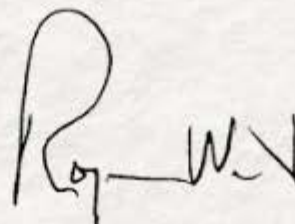
In terms of items impacting Senate District 23, the Senate budget includes a rider for \$10 million in federal funds for Southern Gateway Deck Park, and provides operating funds for the University of North Texas at Dallas and its law school.

Additionally, District 23 residents will be interested to know that state district judges will be receiving a much-needed raise under this budget, and under legislation recently passed to authorize these raises.

The budget also includes operational funding for UT Southwestern Medical Center in the district. We are still awaiting a determination on whether or not start-up operating funds for the new North Texas State Hospital at Dallas will be included in the budget.

The budget has now passed both chambers. Last week, the House passed Senate Bill 1 off the House Floor with over 100 amendments. This week, the Senate rejected the amendments to Senate Bill 1 and appointed conferees to send the bill to Conference Committee. The House has also named its conferees.

Over the next 10-15 days, the Conference Committee will meet and come to an agreement to reconcile the differences between the House and Senate versions of the bill. After agreement has been reached, both chambers will vote on the Conference Committee report, and will have to vote it up or down. Assuming the budget passes, it will move on to the governor's desk to be signed.



**Texas State Senator**

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