



Questions for Candidates for November 2018 Election

What is your opinion/position on lowering the cap on Texas' Rainy Day Fund?

The Economic Stabilization Fund, or Rainy Day Fund, is the state's emergency savings account, which means it should never be used to address ongoing expenses. Currently, the ESF cap is set at 10% of the previous biennium's general revenue income. In my view, the bond market and financial institutions are best-suited to determine the limits on the fund, not politicians.

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

When you run a small business like many of the Chamber's members do, myself included, you have to watch every dollar. Our government should function the same way, and that's why I'm leading the fight to tighten the state spending cap and reduce our property tax burden by adjusting the rollback rate. Simply stated, local governments should lower rates when revenues exceed population and inflation growth. They should make it a goal to function efficiently, which some do, rather than promoting bond elections that prevent tax rates from dropping as bonds are paid off and the debt eliminated. Voters deserve to have real control of their local government revenue growth at the ballot box, so rollback rates should be adjusted to the pre-hyperinflation rate of 5% or below. The current 8% rate was set back in the 1970's when inflation was between three and four times what it is today. It makes no sense to leave it there in the current economy.

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

Federal block grants should give Texas the flexibility we need to reform Medicaid and create a plan that best addresses the unique needs of our state.

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

Public education funding is the #1 priority in the current Texas budget, at 52% of all state spending, so it's hard to overstate the importance of fixing our complex and antiquated school finance system. The Legislature established the Texas Commission on Public School Finance last year to do just that. The Commission's interim report will be released soon, and I look forward to seeing what they recommend after a year of diligent work on the issue. Of course, appraisal reform and relief from skyrocketing property taxes is a critical part of this conversation. It's irresponsible to tie state spending to local school district spending or establish a set percentage without any controls over local spending growth. Texas has seen property values significantly outgrow the rate of inflation, but local tax rates haven't adjusted down, so the result is an enormous strain on property owners that must be addressed.

What is your opinion/position on using State funding for universal pre-K?

Education dollars are in high demand and should be put to use where they can best serve the local community. In the state budget, the Legislature has prioritized high-quality pre-kindergarten for the students who need it most. There is


a thriving private pre-k education market that many Texas families choose to take advantage of, so I don't believe we need a government takeover of this private marketplace.

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

The Texas economy is seeing good, consistent growth. We've added more than 350,000 new jobs in the past year alone! In fact, if Texas were its own country, we'd have the 10th largest economy in the world. In my view, the first thing any level of government should do is stay out the way of private industry and foster an environment for continued growth. Low, responsible regulation is one of the best economic incentives out there in a competitive development market like Texas. If the incentives involve tax dollars or abatements for a particular business, the possible impact to other businesses in the same market needs to be considered. Economic development incentives are important, but it's not government's job to pick winners and losers in private industry.

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

Kelly Hancock
Printed Name of Candidate


Signature of Candidate

Date

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