



Special Budget Report #3  
Update on Conference Committee  
As of May 21, 2025

Dear RSEA Members,

Counting today through midnight June 2<sup>nd</sup>, there are 13 days remaining in this Regular Session of the 89<sup>th</sup> Legislature.

The Conference Committee on Appropriations (SB1) has continued its work, mostly behind the scenes, in reconciling the House and Senate versions of the biennial appropriations bill for the 2026-27 biennium. It is also juggling the budget and revenue priorities for school finance and the legislative leaders' priorities, especially local property tax relief. Perhaps more than usual, there is much competition for funds and a desire to constrain overall spending.

House Bill 500, the Supplemental Appropriations Bill for 2025, has passed the House and has been referred to the Senate Finance Committee. It still includes the "extra" \$1 billion to help pay off the ERS retirement fund's remaining unfunded liability.

Previously unreported, House Bill 886 (Rep. Cody Vasut - Angleton) does provide for a "13th check" with a \$2,000 limit and has also passed the House with very strong House support, but it is only as a contingency for funding in HB 500. If it were to finally pass, it would use a portion of the \$1 billion appropriation (\$205 million) to fund a 13<sup>th</sup> check. HB 886 has not been referred to a Senate committee, essentially a prerogative of Lieutenant Governor Dan Patrick. (Note: Passage of HB 886 is not absolutely necessary since the Conference Committee may add an appropriation and authorizing language to SB 1 through an appropriations rider.)

The Bottom Line Message

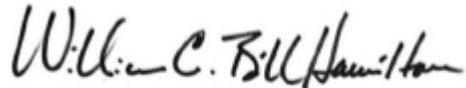
As of this writing, there is no "hard dollar" funding for a 13<sup>th</sup> check for State Retirees in any bill. Thus, it remains critical for the leadership to hear from State Retirees. With the short time

remaining, I urge RSEA members to contact both the Lt. Governor and Speaker Dustin Burroughs who are, respectively, the #1 and #2 legislative budget leaders in the Capitol -- urging them to include among their priorities a 13th check or one-time annuity enhancement for all State Retirees.

To help you in your messaging, you may refer to my letter sent to the 10 conferees on April 30, 2025, shown below. It is important for legislative leaders to know that a "true 13th check" provides only an 8.3% boost or supplement to an annual annuity when compared to the 50% loss in purchase power absorbed by State Retirees during the 22 years gone by without any annuity adjustment.

Thanks for your membership in RSEA and for any extra support you can lend us at the critical stage in the budget process.

Sincerely,

A handwritten signature in black ink that reads "William C. (Bill) Hamilton". The signature is written in a cursive, flowing style.

William C. (Bill) Hamilton, President  
Retired State Employees Association

**Retired State Employees Association**  
314 E. Highland Mall Blvd., Suite 507  
Austin, TX 78752



**An Independent Association of  
Retired State Employees**  
Chartered by the State of Texas  
in 1977

April 30, 2025

**Hand Delivered**

The Honorable Joan Huffman  
Texas State Senator

Dear Chair Huffman,

Congratulations on your appointment to the Conference Committee on Appropriations, and as Chair. Thank you so very much for your public service.

Please allow me a follow-up to all Conferees on my previous testimony before the budget committees regarding SB1, the General Appropriations Bill, urging the consideration of a 13<sup>th</sup> check or comparable one-time annuity enhancement for all State Retirees.

***In brief:***

- ***a "true" 13th check equates to 8.3% of an annual annuity.***
- ***ERS retirees lost an estimated 50% in purchasing power during the 22 years which went by (from 2002 until January 2025) without any annuity adjustment.***

***Thus, a single one-time enhancement or 13<sup>th</sup> check would be a meaningful step (8.3%) toward recovering some of that significant, historical loss in purchase power, especially considering long-time retirees.***

*As the Conferees consider SB 1, and in the event you consider HB 500, the Supplemental Appropriations Bill, I would also respectfully request your favorable consideration of a 2<sup>nd</sup> enhancement for all State Retirees, for a combined effect of 16.6% during the 3-year period 2025, 2026, 2027, as measured against that 50% loss in purchase power.*

On behalf of RSEA members and all ERS retirees, I will certainly appreciate your support.

Sincerely,

William C. (Bill) Hamilton  
President  
Retired State Employees Association

***TO CONTACT OUR OFFICE***

**Voice:** (512) 451-0087 **Relay Texas:** (800) 735-2988 **Website:** [www.rseaofTX.org](http://www.rseaofTX.org)