



EVERY TEXAN

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A Message from Legislative and Policy Director Luis Figueroa

[There has been a lot of talk about inflation](#), including questions like “what’s causing it?” and “what can be done to slow it down?” But when it comes to Texas policy, the people and vital services least able to handle increased costs for food, gas, housing, and utilities are the ones least likely to benefit from inflation-related adjustments. Take, for example, the May 23rd Senate Finance hearing charge: “Examine Texans' current tax exemptions and report on whether adjustments are merited because of inflation or any other factors.” [Businesses already get a franchise tax break adjusted for inflation](#), and now the Senate is looking for more ways to keep businesses from paying what they truly owe. This is despite data from the U.S. Commerce Department showing that [corporate profit margins are the largest they've been in 70 years](#).

More troubling is that inflation adjustments do not exist for the vital programs that directly benefit Texans who need them the most. The basic allotment — the core of our school finance system — does not automatically get adjusted for inflation, even though the costs of education (teacher salaries, health insurance coverage, transportation costs, and building maintenance, for example) are very much affected by inflation. For 2022, the basic allotment adjusted for inflation would be at least \$915 higher than the \$6,160 set in the statute in 2019, according to the June 2022 CPI.

The worst example of this double standard is the vehicle asset test for food access through SNAP. Texas chooses to enforce stringent SNAP eligibility guidelines that go beyond federal requirements. In addition to our income limit, since 2001 Texas has allowed a resource limit of \$5,000 in countable cash and a first vehicle worth up to \$15,000. Any additional vehicles can be worth up to \$4,650, and any excess vehicle value is counted towards the cash resource limit. These limits were never indexed to inflation and no longer reflect the current cost of a safe and dependable family car or truck. Used car and truck prices, a main driver of the surge, [shot up 37% last year, with the average used vehicle now costing \\$29,000](#). Legislation to update the inflationary costs of the vehicle asset test passed the House last session but stalled in the Senate.

Families struggling with inflation costs need support, and tax cuts for wealthy property owners and large corporations are not likely to reach Texans who need them the most. One thing is for sure: inflation is not a one-way street — it affects every Texan irrespective of race, place, or background, and proposals need to focus on Texans struggling to make ends meet.