



NEWS **Texas/Southwest**

House panel OKs budget of \$150.1B

Plan would increase spending on education, social programs

10:20 PM CDT on Wednesday, March 21, 2007

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AUSTIN – House budget writers approved a \$150.1 billion, two-year state spending plan Wednesday, trying to ease the pain of rising college tuition, lure physicians to accept Medicaid patients and secure the U.S.-Mexico border.

The budget's up \$5.4 billion – or about 4 percent – from the current two-year cycle.

It cleared the House Appropriations Committee by a vote of 24-2. The full House is scheduled to debate it late next week, and then the Senate will work on it.

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"We passed a good budget," said Rep. Warren Chisum, R-Pampa, who leads the committee. "We're proud of what we did."

Rep. Sylvester Turner, D-Houston, was present at the appropriations meeting but did not vote. Before the vote, Mr. Turner said he feared being "suckered" to support the bill.

"I simply cannot do it," said Mr. Turner, the House's speaker pro tem. He said he worries that House leaders will let the Senate strip out money to provide health coverage for more poor children and to help poor families pay electric bills.

Mr. Chisum, though, said he would fight for "whatever commitment the House passes." As chairman of the budget panel, Mr. Chisum is the House's second most powerful member.

Though he touted the budget's increased spending on education and social programs, he said, "the No. 1 priority is property tax reduction."

Last month, the House passed another spending bill to pay for school property tax cuts. The measure, now awaiting Senate action, would spend \$14.2 billion in the next two years to reimburse school districts for lost revenues from tax decreases the Legislature approved last spring.

Late Wednesday, the House Appropriations Committee was expected to take up a third spending bill – the supplemental appropriations measure that allocates \$453 million for unexpected expenses the state will incur by Aug. 31.

Mr. Chisum said all three spending bills would cost \$165 billion – a spending increase of some \$26 billion from levels approved two years ago. Most of that reflects the cost of the property tax cuts. Texas will also spend extra funds it received from the federal government for hurricane victims and unexpected sums from college tuition and user fees.

Mr. Chisum stressed that nearly \$9 billion of available money would be set aside mostly for property-tax relief in the next budget.

"We're very hopeful of putting some money back for next legislative session," Mr. Chisum said.

Conservative economist Byron Schlomach praised House budget writers for their restraint.

"Budget to budget, taking out federal funds, it's 7.3 percent" more spending than the Legislature approved two years ago, said Mr. Schlomach, of the Texas Public Policy Foundation. "My hope is that the Senate can do the same and that the final budget is at least as responsible."

Budget analyst Eva DeLuna Castro of the progressive Center for Public Policy Priorities said the House budget's growth falls well short of what Comptroller Susan Combs predicted will be needed to keep up with population growth and inflation: 8 percent.

"There are still a lot of services that won't get funded," Ms. DeLuna Castro said.

The House plan rejects state corrections officials' request to build two new prisons.

Mr. Chisum said, though, that his panel's budget would spend \$250 million to provide more alternative incarceration beds, provide more substance

abuse treatment to offenders and convert a Texas Youth Commission facility in San Saba to an adult institution.

He said the budget does not include additional money for improvements at the TYC, which has been buffeted by allegations of sexual and physical abuse of inmates. He said he expects lawmakers to spend more on the TYC, once a remedial plan takes shape later this session.

He also said he expects to add money to the budget by May 28 to pay for an expected order from a federal judge that the state do a better job of providing preventive medical and dental care to the 2 million children enrolled in Medicaid.

The House budget does not contain an across-the-board raise for state employees, though that also may be considered later, Mr. Chisum said.

BUDGET PROVISIONS

Some provisions in the House's budget:

- An increase in financial aid for college students of \$125 million, or 10 percent.
- An additional \$235 million for the Higher Education Coordinating Board, an increase of 11 percent.
- \$465 million to boost flagging participation by physicians and other providers in Medicaid.
- \$89 million to add 100,000 youngsters to the Children's Health Insurance Program, as long as a bill to ease rule changes made since 2003 passes.
- An additional \$102 million for border security.
- Some \$50 million in new funding for state parks.
- An additional \$500 million to improve the long-term finances of the Teacher Retirement System.

WHAT'S NEXT

The full House is scheduled to vote on the budget March 29. The Senate will pass a version after Easter, and the chambers will negotiate differences in May.