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TEXAS LEGISLATURE

## Proposed budget shows \$3.7 billion shortfall

By [Kate Alexander](#)

AMERICAN-STATESMAN STAFF

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Maintaining basic state services over the next two years will cost Texas almost \$84 billion, \$3.7 billion more in general revenue than the state expects to raise during that period, according to the Senate budget introduced Tuesday.

To close that gap, lawmakers will have to choose between cutting costs, raising more money or dipping into a rainy day fund that is projected to have \$9.1 billion available.

That gap could also grow considerably because the base budget, prepared by the Legislative Budget Board staff, will serve as the starting point for the Senate and House to begin hammering out the nitty-gritty of the 2010-11 budget.

Nor does the proposal cover increased demand for services in all areas, said Eva DeLuna Castro, a budget analyst with the Center for Public Policy Priorities, which advocates for low- and moderate-income families.

Lt. Gov. David Dewhurst said in a statement that the budget meets his priorities of "holding the line on state spending, continuing the record local school property tax cuts and funding essential services for the most vulnerable in our society."

But Talmadge Heflin, a former House appropriations chairman, said more spending restraint was needed.

"The Texas Legislature needs to get to work on pruning the next state budget back within the available revenue," said Heflin, director of the Center for Fiscal Policy at the Texas Public Policy Foundation, an advocate for limited government.

In an unusual move, the House of Representatives offered a version of the budget that spends \$450 million less than the Senate's bill. The difference lies in fewer dollars for teacher incentive pay, services for Texans with mental retardation and higher education.

The total budget, which includes federal funds and other money, is \$171.5 billion in the Senate version, a 1 percent increase over the spending in the current two-year budget.

This first draft of the budget includes an increase of \$2.2 billion for public education. That is a welcome addition because school districts have had to cut jobs and programs to make ends meet, said Jacqueline Lain of the Texas Association of School Boards.

Some more help could come for Texas schools by way of the federal government's planned economic stimulus package.

An early proposal includes doubling Texas' federal funding to \$8 billion, but Lain warned it is too early to bank on that money.

Among the budget increases proposed for Texas' prison system were \$22.2 million for pay raises for correctional and parole officers, and \$10.4 million in bond funds to repair the Hurricane Ike-damaged prison hospital in Galveston.

The proposed pay raises were far less than the \$453.4 million sought by prison officials, and the budget did not address the \$176 million needed for cost increases this year and the \$66 million sought for security upgrades.


But officials said that Tuesday's document leaves out extras that may be added.

Additional material from staff writer Mike Ward.

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