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State's belt tightening goes up another notch

Leaders want agencies to find more ways to trim

By PEGGY FIKAC
AUSTIN BUREAU
May 28, 2010, 9:26PM

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AUSTIN — Less than two weeks after ordering \$1.2 billion in spending cuts this year, state leaders on Friday told government agencies to go back and find an additional 10 percent in spending that can be trimmed in the upcoming two-year budget cycle.

“As we move into the upcoming budget cycle, state leadership will continue to identify ways to trim spending, just as families and businesses across the state have done, in order to balance our budget,” Gov. Rick Perry said in the announcement he released with Lt. Gov. David Dewhurst and House Speaker Joe Straus. Their direction affects budget requests agencies file in August.

The three GOP leaders earlier had asked agencies to identify 5 percent in general-revenue savings from the current budget, with exceptions, because of a budget gap that could be as large as \$18 billion through the next two-year fiscal cycle.

The entire 5 percent would have been worth an estimated \$1.7 billion, but leaders ended up approving \$1.2 billion in cuts after granting additional exemptions for such things as prison programs.

Friday's order includes exceptions for such things as the Foundation School Program and benefits and eligibility for Medicaid entitlement programs and the Children's Health Insurance Program.

Perry spokeswoman Allison Castle did not have an estimate of how much the 10 percent in savings would be worth. Senior budget analyst Eva DeLuna Castro of the Center for Public Policy Priorities, which advocates for programs for lower-income Texans, said the 10 percent could represent at least \$3.3 billion.

'Intelligent decision'

In the first round, leaders approved cuts in areas such as Medicaid reimbursement rates for health-care providers, which doctors and advocates for lower-income Texans say would discourage providers from taking new Medicaid patients.

Former House Appropriations Committee chairman Talmadge Heflin, now with the limited-government group Texas Public Policy Foundation, said it makes sense for leaders to ask agencies to identify potential savings.

“It doesn't necessarily mean they're going to call on them to make the cuts once they see what the effects may be,” Heflin said. “This will allow them to make an intelligent decision after they can see what services might be affected.”

State Rep. Garnet Coleman, a Houston Democrat who has championed services for the disadvantaged, said identifying savings is not a problem but “cutting into the bone” to implement reductions would be “irresponsible.”

Federal relief?

Noting that the current budget includes billions in federal stimulus money, Coleman said the state should press the federal government for more relief to save critical programs.

“Texas should be pushing the Congress and the Senate to include federal fiscal relief for education, for Medicaid and CHIP (Children's Health Insurance Program) — federal fiscal relief for those things that are important, like transportation — instead of having the governor every day say to the Congress and the president that they're socialists and he wants to secede,” Coleman said.

Perry in slamming Washington has suggested Texas has the right to secede, although he has not advocated the move.

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just think how much money the state would save if they stopped supporting illegals with WIC, Food stamps. free hospitalization and yes they do qualify , because their anchor kids get social security numbers

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