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Budget hits PUC and 'non-critical' agencies hard

Perry's plan would save some of his pet projects

By GARY SCHARRER
AUSTIN BUREAU

Feb. 8, 2011, 8:36PM

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Perry Budget Priorities

Small Business Tax Exemption: \$150 million

• **T-STEM Related Scholarships:** \$50 million

• **Statewide Inspector General:** \$35.7 million

• **Increase Number of T-STEM Academies:** \$32 million

• **Disaster Contingency Fund:** \$25 million

• **Film and Video Game Incentive Program:** \$20 million

• **Emerging Technology Fund:** \$15 million

• **Economic Development & Tourism:** \$11.3 million

• **Regional Planning and Criminal Justice Grants:** \$10.2 million

• **Expanded Virtual School Network:** \$5 million

Perry's suggested cuts include:

• Suspension of the Texas Historical Commission, saving \$4.6 million

• Suspension of the Commission on the Arts, saving \$5.1 million

• Suspension of the Board of Professional Geoscientists, saving \$1.1 million

• Suspension of the Board of Professional Land Surveying, saving \$880,000

• Consolidation of various state agencies, including the Office of Public Utility Counsel, Health Regulatory Agencies and the Texas Department of Rural Affairs, saving \$44.7 million

• Reducing the Public Utility Commission's budget by more than \$120 million, a cut larger than 90 percent

• **Source:** Gov. Rick Perry's budget proposal, "Governor's Priorities & Initiatives"

• **NOTE:** The figures in his budget priorities

AUSTIN — The state Constitution requires the [Texas governor](#) to offer a budget proposal, but it does not obligate state lawmakers to pay much attention to it. And they probably won't.

That is not to say the governor's bare-bones budget plan is not without its eye-catching features.

Perry's budget, released after his [State of the State](#) speech to legislators, would slash the Public Utility Commission's budget by more than 90 percent and drastically reduce spending for public schools and state-provided health care, while consolidating dozens of state agencies.

It also calls for a hard line against "non-critical" agencies, such as the [Texas Historical Commission](#) and the Commission on the Arts, which he suggests should be temporarily shut down.

The state is facing a record budget shortfall of at least \$15 billion and as much as \$27 billion.

"We must respond to the state's budget challenges just as Texas families respond to their own financial challenges - by tightening our belts, discerning between needs and wants - and setting priorities accordingly," Perry said.

Perry insisted on a "responsible, balanced budget that reduces spending, sets budget and policy priorities without raising taxes and preserves the state's Rainy Day Fund."

The governor said there were no sacred cows, but then made the case for some of his favorite projects: \$150 million for the [Texas Enterprise Fund](#); \$15 million to the Emerging Technology Fund and \$20 million for the "film and video game incentive program" that tries to lure technology companies to Texas.

Perry also wants new money for a disaster contingency fund, an expanded "virtual school" network and new tax breaks for businesses. All told, including the Enterprise Fund request, Perry is proposing more than \$500 million be spent on his initiatives and priorities, including business tax incentives costing \$150 million.

'Good door stopper'

Legislators through the years treat a governor's budget as "a good door stopper," said Sen. [Rodney Ellis](#), D-Houston, a former chairman of the Senate's budget-writing Finance Committee.

Instead of following the governor's lead, legislators routinely use the Legislative Budget Board's base budget as their working document in shaping the state's two-year spending plan, Ellis said.

"That doesn't mean the governor doesn't have a tremendous amount of input on what happens with that budget," he said.

Perry's budget blueprint largely tracks Senate and House budget plans already under consideration.

To save money, Perry wants to temporarily shut down "non-critical" agencies such as the Texas Historical Commission (\$4.6 million) and the Commission on the Arts (\$5.1 million).

Two smaller agencies, the Board of Professional Geoscientists and the Board of Professional Land Surveying - which oversee licensing requirements in those professions - also would disappear under a list of "suspensions/consolidations."

Perry also wants to reduce the Public Utility Commission's budget by more than \$120 million, a cut of more than 90 percent.

The PUC is charged with regulating the state's electric utilities and

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power plants and the proposed cuts come just a week after the governor came under fire for taking a trip to California while Texas suffered through a four-day Arctic blast that knocked out power plants, causing rolling blackouts across the state.

'Right priorities'

Perry's plan won praise from the [Texas Public Policy Foundation](#), an Austin-based group that supports limited government.

"The challenges Texas faces today are considerable, but we have shown before that we can emerge stronger when our leaders set the right priorities," said Foundation president [Brooke Rollins](#). "The proposals set forth today by Gov. Perry are in line with what we believe are needed to position Texas for future greatness."

Perry's budget sharply reduces spending for the Health and Human Services Commission - which provides funding to programs such as Medicaid and the [Children's Health Insurance Program](#).

State leaders have decided to cut spending to those programs by reducing reimbursement rates for hospitals and doctors. The move would reduce health care options for low-income Texans, said Eva DeLuna Castro, a budget analyst with the [Center for Public Policy Priorities](#), a liberal think tank in Austin.

She note the federal government supplied the vast majority of funding for these programs and said that Texas would lose more than \$10 billion in matching funds if lawmakers go ahead with the \$5 billion cut in state spending.

Staff Writer Nolan Hicks and the Associated Press contributed to this report.

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SaltWaterCroc 8:58 PM on February 8, 2011

Nothing like "limited" government - back to the days of unlimited pollution, child labor, patent medicines, and plenty of government perks for business and the wealthy. Classic Republican government. He has nothing in the budget for border safety, nothing to help roads, students, health care, education, etc. Just money for him and his business buddies. Come on down to Texas - we ain't got no education, but if you are looking to hire help, there is a lot of it here. And cheap! Perry - a multimillionaire on a civil servant's pay; must be a grand saver.

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gerwood 8:54 PM on February 8, 2011

that sounds like our Republican geniuses at work - cut \$5 billion in state spending and miss out on \$10 billion in Federal money!

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willrogerstx 11:01 PM on February 8, 2011

Ha Ha... Most of you voted for him.. so who is the real idiot????

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