

Save your money®

2.99% Rate 3.05% APR

On 5 year fixed-rate mortgages for loans up to \$750,000.

Get Started

Login or register

Latest from My Topics

ARTICLE

COMMENTS (1)

Editor's Choice

[G8 pledges initial \\$20 billion to foster Arab Spring](#)

[EBay and PayPal sue Google over trade secrets](#)

[Air France jet crashed nose-up after 4 minute ordeal](#)

[Fitch cuts Japan credit rating outlook to negative](#)

[Clinton calls on Pakistan to do more against militants](#)

[Greeks hold crunch austerity talks amid aid threat](#)

[Speculation grows over Sarah Palin's 2012 plans](#)

[MuniLand: Doors of the legislature must remain open](#)

[Video: The "Butcher of Bosnia"](#)

[Slideshow: Aftermath in Missouri](#)

Follow Reuters

Facebook Twitter RSS YouTube

Texas House-Senate panel approves budget that cuts spending

Recommend

Be the first of your friends to recommend this.

By Corrie MacLaggan
AUSTIN, Texas | Thu May 26, 2011 5:47pm EDT

(Reuters) - Texas House and Senate budget writers approved on Thursday a two-year, \$172 billion budget that reduces spending by 8 percent.

The approval by the conference committee sends the plan to the full House and Senate, which could vote on the measure this weekend. Texas' biennial legislative session ends Monday.

The budget proposal for 2012-2013 spends \$15 billion less in state and federal dollars compared to the 2010-2011 budget. Texas has a two-year budget cycle.

The plan slashes \$4 billion from Texas schools, which have already begun laying off teachers in anticipation of the cuts. The cuts are not as deep as those outlined in the House's budget proposal. The budget agreement also cuts health and human services.

Senate Finance Committee Chairman Steve Ogden, a Republican, said the budget was an extraordinary accomplishment given the situation the state found itself in when the legislature convened.

Texas, the second most populous state behind California, has been doing better financially than other states, but still began the legislative session in January with a budget shortfall of up to \$27 billion.

"This was the most difficult task I've ever been involved in," Ogden said before the conference committee voted 9-1 to approve the budget.

The spending plan doesn't add new taxes or dip into the state's rainy-day fund. Republican Governor Rick Perry opposes doing either.

"Texas is leading the way in showing that government can be made smaller -- and that's an example for all of America," said Talmadge Heflin, director of the Center for Fiscal Policy at the Texas Public Policy Foundation.

But critics of the budget have called for using the \$9.7 billion rainy day fund.

"If the legislature adopts this budget, the legislature will have failed to meet the needs of Texas," said Scott McCown, executive director of the Center for Public Policy Priorities, which advocates for low- and middle-income Texans.

State Representative Garnet Coleman, a Houston Democrat, wrote to Comptroller Susan Combs questioning whether the budget is balanced as required by the Texas Constitution. He wrote that the budget relies on "smoke and mirrors accounting" by, for example, pushing some \$4.8 billion in Medicaid expenses into the next budget cycle.

The budget plan relies on the legislature making changes to the state's school finance requirements. If lawmakers can't come to an agreement on that before the session ends, they may have to return for a special session.

2

Share

Share this

Digg

Email

Print

Related News

[Impasse over taxes, health in debt talks](#)
Thu, May 26 2011

[Republicans stick to plan to privatize Medicare](#)
Wed, May 25 2011

[Democrats press advantage on benefit cuts](#)
Wed, May 25 2011

[\\$1 trillion on the table in debt talks](#)
Tue, May 24 2011

[EU options for averting Greek default narrow](#)
Tue, May 24 2011

Analysis & Opinion

[Muni sweeps: Hack for change](#)

[When the Pentagon is captured by its vendors](#)

Related Topics

[U.S. »](#)

READ

1 [Air France jet crashed nose-up after 4 minute ordeal](#)
9:25am EDT

2 [Consumer spending tepid as inflation accelerates](#)
11:09am EDT

3 [Japan moves to protect children as new nuclear leak revealed](#)
10:46am EDT

4 [EBay and PayPal sue Google over trade secrets](#)
26 May 2011

(Editing by [Jerry Norton](#))

5 [Hedge fund star calls for Microsoft's Ballmer to go](#)
25 May 2011

DISCUSSED

129 [As hours tick by, "Judgment Day" looks a dud](#)

105 [Broadcaster silent as Judgment Day hours tick by](#)

94 [Obama departs for Europe trip, explores Irish roots](#)

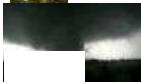
WATCHED



[Scientists revive ancient spider in stunning 3D detail](#)
Tue, May 24 2011

[Hundreds missing after tornado](#)
2:40am EDT

[Deadly Missouri tornado captured on video](#)
Mon, May 23 2011



U.S.

Recommend

Be the first of your friends to recommend this.

Tweet this

Link this

Share this

Digg this

Email

Reprints

After reading this article, people also read:

[Minnesota governor vetoes voter identification bill](#)

May 26, 2011

[Impasse over taxes, health in debt talks](#)

May 26, 2011

[Senate panel backs Treasury's bailout chief](#)

May 26, 2011

[Vermont moving toward single-payer health care](#)

May 26, 2011

[UPDATE 1-U.S. lawmakers run scared from reforming Medicare](#)

May 26, 2011

Videos you may like:



[The Great Debate: Dominique Straus...](#)



[Burberry's China boom continues](#)



[Scientists revive ancient spider in ...](#)

[Should Republicans who voted for Scott Walker's anti-union bill be recalled? Take our survey!](#)
[www.boldprogressiv...](#)
Ads by Google

by Taboola

Add your comment

Empty comment box

Post to Facebook

We welcome comments that advance the story directly or with relevant tangential information. We try to block comments that use offensive language, all capital letters or appear to be spam, and we review comments frequently to ensure they meet our standards. If you see a comment that you believe is irrelevant or inappropriate, you can flag it to our editors by using the report abuse links. Views expressed in the comments do not represent those of Reuters.

Comments (1)

abbydelabbey wrote:

Sadly, the Texas government is all to happy to cut education (after all they don't believe in science but in creationism so who needs an education?), to cut the social supports that protect the aged, the infirmed, poor children. But heaven forbid that Gov. Good-hair Perry and crew should think of dipping into the "rainy day" fund....

May 26, 2011 6:48pm EDT -- [Report as abuse](#)

[See All Comments »](#)

[Add Your Comment](#)

Social Stream (What's this?)

Join the real-time conversation.

Comment using one of the social networks listed below.

Ads by Marchex



Top Stock for 2011 - GTSO
Desperate Search For Rare Earth Minerals Solved. Rare Opportunity.
www.RareEarthExporters.com



Calamos Growth Funds
Find Mutual Funds that Outperform their Peers. Visit Calamos Today.
www.calamos.com/growthworks



Do You Know your Credit Score?
Get Current Credit Score Instantly. View Securely Online. Fast & Free.
www.identityGuard.com



New s- Wind Energy Tech Slashes Cost
Mass Megawatts (stock ticker MMMW) introduces low cost power units.
www.massmegawatts.com

MORE FROM REUTERS

Consumer spending tepid as inflation accelerates

WASHINGTON (Reuters) - Consumer spending rose modestly in April, starting the second quarter on a soft note as high gasoline prices continued to squeeze household finances and keep inflation pressures simmering.

[CONTINUE READING](#)

TOP NEWS

- [EBay and PayPal sue Google over trade secrets](#)
 - [Lockheed network hit by major disruption: sources](#)
 - [Fitch cuts Japan credit rating outlook to negative |](#)
 - [Greeks fail to agree on debt measures amid aid threat](#)
 - [Morgan Stanley loses bid to toss MBIA lawsuit](#)
 - [Shell could become Rosneft's Arctic partner: Putin](#)
 - [Serb court says Mladic fit for genocide trial |](#)
- » More Top News

HAPPENING NOW



Russia now says Gaddafi must go

In change of tone, Moscow believes the Libyan leader should give up his rule and is prepared to help broker his departure, a senior

Russian official said. [Full Article](#) | [Video](#)

[Russia ready to mediate in Libya crisis](#)

[Helicopters set to fly in Libya: NATO](#)

LIBYA

ANALYSIS & OPINION

Egyptians want more butter and fewer guns

C. Young & J. Clark

Chrysler makes a comeback, again

Paul Ingrassia

Is there really a China story?

George Chen

» More Analysis & Opinion

TOP VIDEOS



G8 supports Arab Spring

[Japan short of Geiger counters](#)

[Marrying a billionaire, China style](#)

» More Top Videos

MARKETS

US Indices

DOW
62.66
12,465.42
+0.51%

NASDAQ
15.10
2,798.02
+0.54%

S&P 500
8.41
1,334.10
+0.63%

TR US INDEX
0.66
122.00
+0.55%

Int'l Indices
NIKKEI
9,521.94

HANG SENG
23,118.07

» Markets

TODAY IN PICTURES

Editor's choice

A selection of our best photos from the past 24 hours.

[View Slideshow](#)

© Copyright 2011 Thomson Reuters

Editorial Editions:

REUTERS

- Contact Us
- Advertise With Us
- Help
- Journalism Handbook
- Archive
- Site Index
- Video Index
- Reader Feedback
- Reuters on Facebook
- Mobile
- New sletters
- RSS
- Podcasts
- Widgets
- Your View
- Analyst Research

THOMSON REUTERS

- Copyright
- Disclaimer
- Privacy
- Professional Products
- Professional Products Support
- Financial Products
- About Thomson Reuters
- Careers

ONLINE PRODUCTS

- Acquisitions Monthly
- Buyouts
- Venture Capital Journal
- International Financing Review
- Project Finance International
- PEhub.com
- PE Week
- FindLaw
- Super Lawyers Attorney Rating Service

Thomson Reuters is the world's largest international multimedia news agency, providing investing news, world news, business news, technology news, headline news, small business news, news alerts, personal finance, stock market, and mutual funds information available on Reuters.com, video, mobile, and interactive television platforms. Thomson Reuters journalists are subject to an [Editorial Handbook](#) which requires fair presentation and disclosure of relevant interests.

NYSE and AMEX quotes delayed by at least 20 minutes. Nasdaq delayed by at least 15 minutes. For a complete list of exchanges and delays, [please click here](#).

