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STATE SENATOR
DISTRICT 28

The State of Texas Budget
Senator Robert Duncan
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This last week the Texas Senate voted to approve Senate Bill 1, which is the budget for the state of Texas.

The process is now moving. Senate Bill 1 will go to the House and they will substitute their version of the budget. We will then go to conference (committee) to try to work out the differences.

The Senate bill appropriates a total of \$182 billion. Much of it is federal funds that we've received from the (federal) stimulus package, as well as federal funds we would normally receive in education and health and human services. 'General Revenue' funds, which are your tax dollars paid through sales taxes and other state taxes, comprise about 44 percent of the total budget, or \$80 billion for two years. Out of those funds appropriated, I believe, we were able to conservatively address the needs of the state of Texas.

The budget includes about a 7.3 percent increase in all funds - that means your tax dollars generated from sales tax in Texas and other taxing sources - plus all federal funds.

There are a lot of questions about how we spend the federal stimulus dollars coming to the state. Texas is eligible to receive about \$16 billion. Some of that money, we may not access, depending on the requirements we have to adhere to in order to access it. That is still being evaluated.

However, in the budget we were able to create a new article that allows us to utilize stimulus money to make our current Texas tax dollars go further without strings attached. The key is, how can we use stimulus money to make our state economically strong without committing the state to an ongoing expense? Article 12 attempts to do that.

Very important in our budgeting decisions in the Senate - and I believe this will carry forward throughout the session - is our refusal to go into the Rainy Day Fund. The Rainy Day Fund is a fund we hold to take care of emergencies for years where we have significant short-falls. Currently the Rainy Day Fund is approximately \$9 billion. We hope by the end of the next biennium it will grow to about \$12 billion. That reserve should be sufficient to help us whether any continuation of the recession, as we now see it, will hopefully allow our budgeting to be more sound in two years when we come back to the Texas Legislature.

In this budget, there are significant increases for public education and higher education. Texas Tech gets about \$14 million more out of this budget than last biennium. Angelo State's budget increases by almost \$3 million.

This is a work in progress. The budget is very complex, and there are a lot of different points of view about how we should be spending stimulus dollars and all of our tax dollars. We will keep you updated on decisions as they develop. I think you will see, hopefully, a budget out of the conference committee - that's the committee between the House and the Senate to work out the differences - sometime about mid May.