

TEXANS FOR A CONSERVATIVE BUDGET

May 3rd, 2011

Texas Senate
Delivered By Hand

Dear Senator,

In 2009, we signed a letter urging the Texas legislature to not use the Economic Stabilization Fund, better known as the Rainy Day Fund, for state-government activities in the 2010-2011 biennium. In it, we stated, "Retaining the entire balance in the Economic Stabilization Fund is important so that the state does not have to cut essential programs or raise taxes in response to an anticipated budget shortfall in 2011."

We want to make two things clear:

- We stand by our 2009 letter.
- We stand by our 2011 declaration that using the Rainy Day Fund now is unnecessary and unwise.

In 2009, we were explicit: Rainy Day Fund use should be contemplated if and only if the alternative is higher taxes or essential-program cuts. Fortunately, Texas and its state budget are not at that impasse. The Texas House of Representatives, in particular, has shown that with political imagination and courage, it is possible to craft a budget for the coming biennium that does not raise taxes, does not cut essential programs — and does not demand a penny of the Rainy Day Fund.

Any person claiming that our 2009 letter validates use of the Rainy Day Fund ignores our clear intent then and now. We have been consistent in our position that the Fund should be preserved in full — not just in the last biennium, but in this one as well.

With respect,

Talmadge Heflin, Texas Public Policy Foundation
Arlene Wohlgemuth, Texas Public Policy Foundation
Michael Quinn Sullivan, Texans for Fiscal Responsibility
Peggy Venable, Americans for Prosperity — Texas
Jonathan Saenz, Liberty Institute