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Contact: F. Scott McCown, [mccown@cphp.org](mailto:mccown@cphp.org)

## CPPP STATEMENT ON SENATE'S STATE BUDGET FOR 2012-13

(AUSTIN, Texas)—Center for Public Policy Priorities Executive Director F. Scott McCown released the following statement today in response to the Senate adopting its version of the state budget for 2012-13.

**“The Senate’s budget is better than the House budget, but it is still a bad budget.**

“The state’s general revenue budget for 2010-11 totals \$90 billion (roughly \$82 billion in state general revenue and \$8 billion in federal recovery dollars). To provide the same public services in 2012-13, because of more people and higher costs, the Legislature would have to spend *at least* \$99 billion in general revenue. The House’s budget would spend just under \$78 billion, leaving the state short \$21 billion. The Senate’s budget would spend about \$83 billion, leaving the state short \$16 billion—\$5 billion of which would have gone to public education.

**“At this point, though, we must rally around the better budget.**

“While expressing their disappointment in the budget, we urge Texans to demand at least the Senate budget. We urge the Senate conferees to hold firm for every penny in the Senate budget.

**“But we need to remember that this Legislature had better choices.** The Legislature could easily have written a 12- or 18-month budget, allowing time to see if the economy improves before making deep cuts. Or, the Legislature could have taken a balanced approach to the state’s traditional 24-month budget—one that included cuts, but also used much more of the state’s Rainy Day Fund and added significant new recurring tax revenue.

**“And we need to make sure that the next Legislature makes better choices.** While Texas has the wealth to meet today’s needs and to build a prosperous future, until our state fixes its tax system, it will never have adequate revenue. Our state’s major tax is a sales tax on goods, a tax designed for yesterday’s economy. Our state’s business tax is flawed in design, leaving the state with a \$10 billion per biennium structural deficit. Texas must fix its tax system for our state to achieve greatness.”

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*The Center for Public Policy Priorities (CPPP) is a non-profit, non-partisan policy institute committed to improving public policies to better the economic and social conditions of low- and moderate-income Texans. We pursue this mission to achieve our vision for a BETTER TEXAS. You can learn more about CPPP at [www.cphp.org](http://www.cphp.org).*