



## TOP 5 REASONS TO REJECT CSHB 1—PROPOSED BUDGET FOR 2012-13

### 1. The proposed budget is totally inadequate to meet the needs of Texas.

As we explain in our [Overview of House Budget Proposal \(CSHB 1\) for 2012-13](#) and accompanying [Summary Charts](#), the House Appropriation Committee's budget proposal for 2012-13 is 23 percent below the \$214 billion needed in All-Funds to merely maintain the state's already lean current services. The proposed budget makes damaging cuts to public education, higher education, and health and human services. It does not meet our state's needs.

### 2. The proposed budget damages our economy in the short run.

In the short run, as the Legislative Budget Board explains in its [dynamic economic impact statement](#), under the proposed budget, Texans will have 335,244 fewer jobs and make 1.7 percent less money in 2013. Cuts will hit every community in the state as our [county-by-county estimates](#) show.

### 3. The proposed budget damages our economy in the long run.

In the long run, the proposed budget damages our economy by dramatically reducing the investment in education that are necessary to prepare our children to be tomorrow's entrepreneurs, innovators, and workforce.

### 4. For public education, the proposed budget offers a pig in a poke.

Because the budget is coming to the House floor before the school finance bill, no one has any idea how the cuts to public education would be distributed or what each school district would receive. Because districts are not equitably funded right now—some have much more than others—how the cuts are allocated may produce wide variation in who gets hurt the most. Lynn Moak, a leading school finance expert, [provides a district-by-district illustration of the dramatic differences the details of school finance can make to individual districts](#). The budget's bottom line for public education shouldn't be approved without knowing what it means for the children in individual school districts.

### 5. A balanced approach is a better choice.

The state can minimize the damage from its \$27 billion revenue shortfall with a balanced approach that spends the entire Rainy Day Fund and adds new revenue. Yet under the Calendar Rule that governs consideration of the proposed budget, legislators can't even offer amendments that increase spending from the Rainy Day Fund. When you are fighting a fire threatening the family home, you don't hold water back. As we explain in [Using the Rainy Day Fund to Ensure Our Recovery and Prosperity](#), the state needs to use all its \$9.4 billion Rainy Day Fund to foster economic recovery. While our state does have a structural deficit, saving the Rainy Day Fund won't solve that problem. The state needs to use the entire fund. Additionally, the state needs to add new revenue through fees, closing loopholes, or enacting healthy Texas taxes such as increasing the cigarette tax. The cuts-only approach taken in the proposed budget—which adds cuts on top of cuts—should be rejected. Instead, the state should take a balanced approach to meeting the needs of Texas.