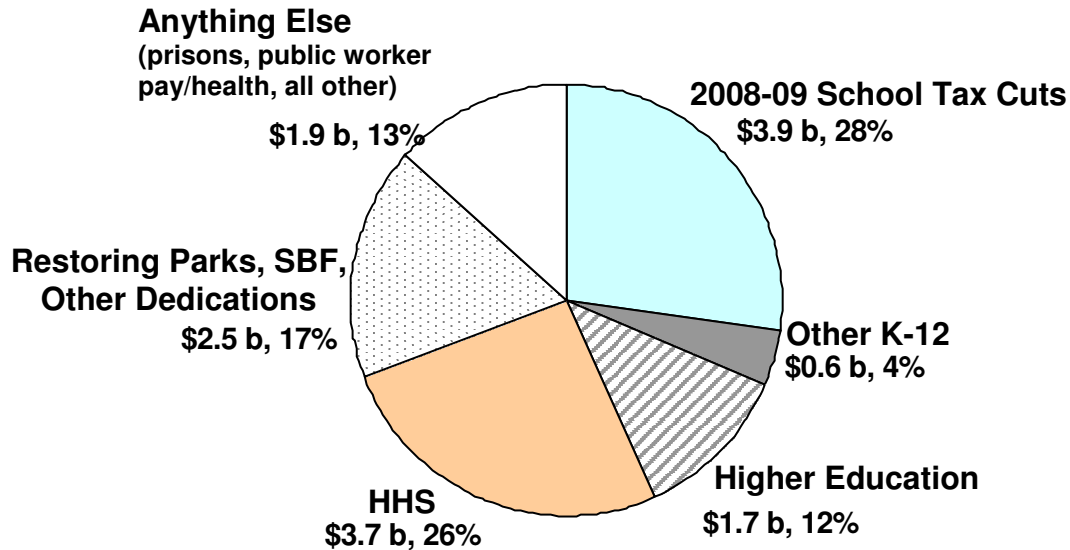


# What a "Current Services" Proposal Could Do with \$14.3 Billion



**A Current Services ("how much more is needed for enrollment/caseload growth and cost increases") budget would have proposed the increases shown above:**

**K-12:** For 2008-2009, \$3.9 billion more in General Revenue (needed in addition to \$8.1 billion in Property Tax Relief Fund) to continue paying for school property tax cuts called for in HB 1, 2006 Special Session, plus \$600 million for facilities, continuing programs such as the Student Success Initiative, etc.

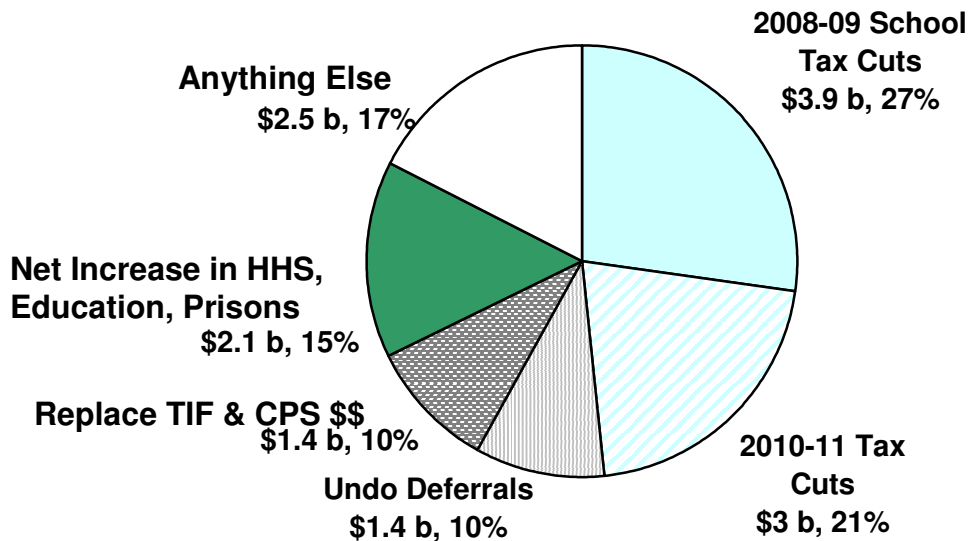
**Higher Education:** According to the Higher Education Coordinating Board, \$1.7 billion more needed for enrollment and cost increases at public universities and community colleges

**Health and Human Services:** \$3.7 billion more needed for caseload increases (Medicaid, foster care, CHIP), cost increases (utilization, prescription drug prices, etc.), and refinancing Child Protective Services reform to replace Rainy Day Funds (\$591 million)

**GR Dedications:** At least \$2 billion in general spending is currently offset by balances that have built up in dedicated accounts (System Benefit Fund, State Parks, and many more).

**\$1.9 billion remaining:** needed to deal with all other areas of the budget, including prisons (more cells? rehab/diversion programs?); state employee and teacher health/pension/pay raise costs; debt service; child support enforcement; child care subsidies; higher ed. financial aid; border enforcement; etc.

# What the Proposed State Budget Would Do with \$14.3 Billion



## What Senate Bill 1 as introduced would fund:

**K-12:** \$3.9 billion in General Revenue for school property tax cuts in 2008-09, plus another \$3 billion set aside for future (2010 & 2011) tax cuts. **Cuts** to Student Success Initiative (\$31.8 million less); pre-K grants (\$18.4 million cut); Reading, Math and Science Initiatives (\$3.4 million cut); Master Teacher Grants (\$2.7 million cut). Increased facilities needs **not** funded.

**Undoing past deferrals:** \$1.1 billion for Foundation School Program (move payment back to August 2009, instead of September); about \$300 million for various HHS providers

**Other education and HHS:** caseload increases in Medicaid and CHIP; higher ed enrollment increases are only funded for general academic and health-related institutions (NOT community/other 2-year colleges); debt service for higher ed tuition revenue bonds. Texas Grants would reach only 47,852 students by 2009, a 22% drop from 61,067 served in 2006

**\$2.5 billion remaining:** needed to deal with all other areas of the budget, including Medicaid/CHIP cost increases (\$1.1 billion in General Revenue); state employee health costs; debt service (other than tuition revenue bonds); higher ed financial aid; border enforcement; etc.

**SB 1 CUTS** General Revenue for community & other public two-year colleges and 43 state agencies (22 General Govt & Regulatory, 5 Judiciary, 4 Public Safety/Corrections; 7 Natural Resources; 5 Business/Econ. Development); does not completely make up for less federal funding for child support enforcement; cuts TANF cash assistance funding by 11 percent; caseloads drop 4 percent (to 131,820 by 2009); reduces subsidized child care slots for “working poor” families from 104,439 in 2006 to 96,964 in 2009 (7% cut)