

Star-Telegram

Senate committee approves budget, including more money for public schools

Posted Thursday, Mar. 14, 2013

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AUSTIN -- Lt. Gov. David Dewhurst says he plans to propose two state constitutional amendments that would authorize withdrawals from the state's rainy-day fund to finance local water and transportation projects.

Dewhurst, the presiding officer of the State Senate, outlined the proposal Wednesday after Senate budget-writers signed off on a proposed two-year state budget that calls for a modest increase in state spending.

The document would invest \$195.4 billion in state services for the upcoming 2014-15 biennium but does not address ambitious infrastructure improvements that state leaders have designated as a top priority for the next two years.

The budget increases funding for public schools, higher education and mental health. It spares the financially struggling state park system from any closures but would shutter two North Texas minimum security prisons in Mineral Wells and Dallas.

"It's a good bill that addresses the priorities that Texans are concerned about," Dewhurst said of the spending blueprint.

Dewhurst said his infrastructure plan, which is still emerging, would ask voters to approve the two amendments to authorize a revolving loan program backed by withdrawals from the rainy day fund, which is expected to contain \$11.8 billion within two years.

Local governments would use the loans to develop water and transportation projects. Loan repayments would enable the state to maintain a revolving account to make additional loans in the future.

The goal, Dewhurst said, would be to "start the work" of doubling the state's water supplies and highway capacity over the next half-century.

Dewhurst said he is still working to establish a specific amount but said each amendment would likely propose a withdrawal of over \$1 billion. One amendment would deal specifically with water and the other with transportation. Dewhurst said he is also working on another proposal, which wouldn't require a constitutional amendment, to double electricity generation over the next 40 to 50 years.

Dewhurst's latest plan appeared to be an expanded version of an idea he floated earlier to establish a \$1 billion revolving account with rainy day money for water projects.

The state's top three leaders -- Gov. Rick Perry, House Speaker Joe Straus and Dewhurst -- have cited infrastructure needs as one of Texas' highest priorities to meet the demands of a fast-growing population that is threaten to overwhelm the state's road system and water supplies.

The 2014-15 budget, which will fund state government over the next two fiscal years, calls for a \$5.5 billion increase -- nearly 3 percent over current spending. The proposed spending boost, the result of an upsurge in the state's economy over the past two years, marks a reversal from the 2011 Legislature, when lawmakers were forced to cut spending \$15.2 billion in the aftermath of the national recession.

Members of the state Senate Finance Committee applauded after approving the budget by a 15-0 vote.

The full 31-member Senate is expected to vote on the spending document next Wednesday, said Committee Chairman Tommy Williams, R-The Woodlands. The House Appropriations Committee is expected to finish its proposed budget within the next two weeks.

Lawmakers will craft a final version of the state budget from House and Senate proposals in a joint conference committee before the 2013 Legislature adjourns on May 27. The budget is typically approved in the final days of the Legislature.

The committee approved an additional \$1.4 billion increase in state assistance to the state's 1,024 school districts. Williams said the increase, which is above the baseline amount needed to cover increased enrollment growth, reflects the committee's commitment to "a quality education" but it falls short of Democrats' calls for a full restoration of \$5.4 billion in education cuts from the 2011 Legislature.

The budget also included a \$35 million increase to the Texas Parks and Wildlife Department to make good on Williams' vow not to shutter any state parks.

Parks and Wildlife officials warned in advance of the session that they could be forced to close as many as 20 state parks unless lawmakers provided an adequate boost in funding.

"This budget is a big improvement for our parks after the devastating cuts of last session," said Luke Metzger, director of Environment

Texas. But he added that there "is more work to be done," pointing out that the proposed budget does not include a \$15.5 million request to restore state grants for local parks.

North Texas impact

As expected, senators called for the closure a 2,100-bed prison in Mineral Wells, despite concern from local officials that the move would create an economic backlash in the North Texas community. The proposed budget would also close the Dawson State Jail in Dallas, which activists have criticized for what they say is poor management and medical neglect of inmates.

Both minimum-security facilities are operated by the Tennessee-based Corrections Corporation of America.

Overall, the budget has the effect of softening -- if not fully restoring -- many of the 2011 cuts, drawing on a robust increase in state tax revenue since the last session. Williams said the proposal seeks to restore about a third of the more than \$1 billion in higher education cuts, as well as a \$120 million in Texas Education Grants that provide assistance to college and university students.

Leaders at the University of Arlington and the University of North Texas, as well as other universities, have called for restoration of the 2011 cuts in their budget requests to the Legislature. The committee budget recommended a \$746 million increase for higher education, including \$204 million for community college formula funding and employee benefits.

Williams said shoring up mental health funding was "a theme" of the committee's efforts, reflected in a \$240 million increase to support mental health initiatives in several state agencies.

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