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## **Texas Senate Approves 2002-03 Budget**

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*Senators invest in financial aid, health and human services, state employee pay*

AUSTIN// --the Texas Senate today approved SB 1, a \$111.7 billion budget that meets Texas' basic needs while increasing investment in key priorities such as financial aid, health and human services and state employee pay, without raising taxes.

The Senate increased funding \$3.5 billion over the initial budget proposal filed in January, which represents a \$9.8 billion increase (9.2 percent) over the adjusted budget for FY 2000-01. The majority of the new funding is dedicated to health and human services (49.3 percent) and education (27.8 percent). Overall, the 2002-03 appropriations bill includes \$4.83 billion more for health and human services programs, \$380 million more for the TEXAS Grant Program -- which will help 100,000 Texas students go to college -- and \$814 million for state employee pay raises.

"The Texas Senate has created a blueprint that meets the basic needs of a growing Texas while making significant investments in our families," said Chairman Rodney Ellis (D-Houston). "We are all proud of this budget."

"This committee has made every attempt to utilize the limited funds available in a manner that provides the most benefit for the people of the State of Texas," said Vice-Chair Chris Harris (R-Arlington).

"This budget shows that we value our state employees and have attempted to use every source of revenue available to do as much as possible for them," said Senator Gonzalo Barrientos (D-Austin).

"The Committee established priorities, made hard decisions, and the result was a quality work product," said Senator Robert Duncan (R-Lubbock). "I am proud we were able to keep the school finance system operating equitably while providing funding for educational facilities."

"I am proud of the work of the Committee; we accomplished a great deal with limited resources," said Senator Jon Lindsay (R-Houston). "I'm still hopeful that the conference committee can find a way to fund Medicaid simplification, health insurance for teachers and the waiting lists for services of the mentally retarded and the mentally ill."

"I commend Chairman Ellis, Vice Chairman Harris and my fellow colleagues on the committee for their dedication to the people of this great state," said Senator Eddie Lucio, Jr., (D-Brownsville). "With a budget shortfall and a growing population facing a diversity of needs, it was trying, to say the least, to apportion funding in an equitable manner. But we did and I feel we will meet the needs of many Texans as much as possible."

"We have put in a lot of work on this budget, and I am glad that we were able to fund the areas we did with the limited amount of resources we had to work with this session," said Senator Mike Jackson (R-Galveston). "Everyone on the committee was committed to doing all we could to improve the quality of life in this great state."

"I would like to commend Chairman Ellis on his leadership and on his ability to bring the committee together to set priorities," said Senator Carlos F. Truan (D- Corpus Christi). "It was a difficult process given our current financial situation, but we have done a lot of good for the State of Texas."

"Given our limited resources, the Committee took great care in crafting a budget that fairly addresses the priorities of this state," said Senator John Whitmire (D-Houston). "While we significantly increased funding for health and human services, I believe the State should develop a four to six-year plan to put an end to the vast number of clients on waiting lists and ensure that all Texans receive the services they deserve."

"Despite tight budget restrictions, the Senate Budget for FY 2002-03 not only meets many of the demands of Texas' growing population, but also increases funding for key priorities such as Medicaid, domestic violence intervention and early education initiatives in reading and math that will benefit the people of Texas for years to come," said Senator Judith Zaffirini (D-Laredo).

For public education, Senate Bill 1 earmarks \$200 million as a starting point for teachers' health insurance, with the goal of adding an additional \$2.2 billion from all funding sources. Both the Senate Education Committee and the House Select Committee on Teacher's Health Insurance are studying several proposals that would provide health insurance to Texas school teachers.

Senate Bill 1 also provides \$1.205 billion in equity funding to help local school districts fund public education. The plan raises Equalized Wealth limits from the current \$295,000 to \$300,000 in FY 02 and \$305,000 in FY 03, raises Basic Allotment from the current \$2,537 to \$2,567 in FY 02 and \$2,597 in FY 03, and raises Guaranteed Yield from the current \$24.99 to \$25.90 in FY 02 and \$26.75 in FY 03. Senate Bill 1 also includes \$245 million for Facilities, to cover existing debt at school districts issued prior to 2000 from 12 to 29 cents.

Other key initiatives include:

- \$961 million increase in Federal Funds for the Texas Department of Transportation for road construction and other projects.
- \$523 million earmarked for Medicaid prescription drug and program cost increases and caseload growth.
- \$30 million to fund President Bush's and Governor Perry's Math and Reading Initiatives.
- \$2.3 million increase to the Office of Attorney General to hire additional employees to improve child support enforcement.

Senate Bill 1 does not include specific funding for proposed Medicaid reforms to streamline and simplify the enrollment process. Legislators will await the recommendations of a special joint House-Senate task force reviewing proposals to improve the program to cover the estimated 600,000 eligible children eligible but not currently served by Medicaid before taking action.

"This budget makes a major downpayment for Texas' future," said Senator Ellis.

The \$9.8 billion increased funding is needed to cover state government cost increases due to Texas' rapidly growing population and rising health care costs, and to fund key priorities established by the committee. The majority of this growth comes from other funds, such as federal funds, rather than state coffers.