Proposed Texas budget includes deep cuts in public education, health care

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With the state of Texas facing a $27 billion shortfall over the next two years, the administration of Republican Governor Rick Perry and the state legislature are seizing the opportunity to push for deep cuts to public education and health programs.

The Texas House of Representatives is due to vote this week on a package of measures that includes $8 billion in cuts to education and an additional $6 billion to Medicaid. In response to the anticipated cuts, the state's schools and major public universities are considering large numbers of layoffs, increased class sizes, and reduced programs.

The number of students receiving the state's main form of financial aid, the Texas Grant, would be reduced from 86,000 to 27,000. This week, Texas public universities sent out a letter to financial aid recipients in lieu of a financial disbursement, warning that no funds will be sent out until the budget negotiations are completed.

In response to the proposed budget, the University of Texas Board of Regents recently voted to increase tuition and fees for medical students. These students will pay at least $1,000 more for the 2011-2012 school year. Similar increases were approved for nursing, dental, and other health science students. Once cuts are implemented, tuition will likely be hiked across the board.

The state's community colleges will be especially hard hit by the proposed cuts. Under a draft budget proposed by the Texas House, four community colleges—Ranger, Brazosport, Odessa, and Frank Philips College in Borger—would close completely, and surviving ones would have major budget reductions, affecting course offerings and class sizes.

Opposition to the proposed education cuts has been enormous. Two rallies held at the state Capitol in Austin this month attracted thousands of demonstrators.

Several days before these rallies, Perry declared that he was not responsible for any layoffs at public schools—which could reach over 100,000. Those will all be local decisions, he said. One protester told the *Houston Chronicle,* "That's like him saying 'I put the bullet in the Ruger and I shot the coyote, but it was the bullet that killed the coyote, not me,'" referring to an incident last year in which Perry shot a coyote near his house.

Other major cuts have been proposed to health care. Under the proposals, some state-supported nursing homes would be forced to close. Home health care services have been targeted for cuts of almost one-third. Advocates for these services state that more than 3,000 children would be vulnerable under these proposals, and over 100,000 adults who rely on home health care services would be affected.

The $8 billion cut in Medicaid will throw thousands off the health care program for the poor, while many more would face reduced care. Perry has suggested that Texas may consider opting out of the program altogether.

What precipitated the budget dilemma was a statewide cut in school property taxes, enacted in 2006 by the state legislature. At that time, Perry promoted a revised business tax to cover the cuts in school property taxes. John Heleman, the current chief revenue estimator for the Comptroller's office, has told legislators that an annual $5 billion shortfall would continue unless another way was found to adjust revenue and expenses.

Perry had initially refused proposals to use the state's Rainy Day Fund of $9.4 billion to address the deficit. The Rainy Day Fund is supported by oil and gas production taxes, plus money left over at the end of

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each two-year budget period. In response to criticism from some Democrats, Perry has since agreed to use $3.2 billion from the fund to cover part of the budget shortfall. This only represents one-third of the total fund and will not prevent cuts from being made to the budget.

While Democrats have postured as critics of the cuts proposed in the House, there is bipartisan agreement on the need to slash social programs. A Senate proposal would include slightly less immediate reductions in Medicaid disbursements.

The proposed cuts to the Texas budget are part of a nationwide campaign by both Republicans and Democrats to cut services for working people. In state after state, as well as at the federal level, cuts to social programs are being made to pay for the government bailout of financial institutions, tax cuts to the wealthy, and war.

Just this past week, Democratic Governor of California Jerry Brown signed into law a budget with $8 billion in cuts—including $1 billion from university education, $1.7 billion rom Medicaid and $1 billion in Welfare. (See, "California governor, legislature approve deep cuts in social programs")

Both Democrats and Republicans in Texas have rejected any tax increase for the wealthy, and all accept that the burden of the crisis must be borne by working people. According to the *Forbes Magazine* list of billionaires that was released earlier this month, 44 of the world's 1,210 billionaires live in Texas. These Texans are collectively worth $145.5 billion, many times the amount of the entire budget deficit.

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