



**A BALANCED APPROACH TO A BALANCED BUDGET**

**TEXAS**Forward™

PRESS RELEASE

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## **New Coalition Urges a Balanced Approach to Move Texas Forward**

(AUSTIN, Texas) — A new coalition of Texans today urged the Legislature to spend all of the Rainy Day Fund as a balanced approach to bridging the state's anticipated revenue shortfall and fueling new economic growth.

Texas Forward, whose 37 member organizations represent educators, health and human services nonprofits and others dedicated to better lives for all Texans, believes this is not the time to cure budgetary problems with cuts alone. Texas children and their families need more help, not less, in these difficult economic times.

"The Rainy Day Fund, which is expected to include more than \$9 billion by the end of the current fiscal year, was created to help lawmakers meet financial emergencies. And, this emergency is of monsoon proportions," said Reverend T. Randall Smith, president of the Board of Directors of Texas Impact.

Janet Ketcham, ceo/president of Child Advocates of San Antonio (CASA), said a practical, balanced approach to drafting a new state budget also will require some carefully targeted cuts. But they must be combined with spending all of the Rainy Day Fund, maximizing the use of federal dollars and creating new revenue streams that treat all individuals and businesses equitably.

"The health, safety and, in some cases, even the lives of millions of Texans are at stake," she added.

Here is what closing the shortfall with deep budget cuts alone – the approach now advocated by some state leaders—would mean for millions of Texans:

- More crowded classrooms in the public schools, weakening the learning environment, reducing achievement, undermining college readiness, and prompting more kids, particularly disadvantaged youngsters in need of individual attention, to give up on school and drop out. More dropouts ultimately will cost every taxpayer more in criminal justice costs and lower Texas' attractiveness to employers with high-paying jobs.
- Additional university tuition increases too high for many middle- and low-income families to afford. Promising young people will drop out of college, never enroll or take on a mountain of debt to fulfill their dreams. Student financial aid, meanwhile, will be reduced, compounding the problem.

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- There are approximately 150,000 disabled and senior Texans on Medicaid home and community services who want to live as independently as possible and age in place. Reductions in Medicaid home and community services will result in many people going into more costly nursing home or other institutional services.
- Thousands of working families will lose access to affordable health insurance for their children because of likely cuts to the Children's Health Insurance Program, or CHIP. Many of these kids will end up in public hospital emergency rooms, where treatment is more expensive, and local taxpayers will have to pick up the tab.
- Prevention and Early Intervention (PEI), which provides delinquency prevention, helping youth in crisis, and abuse and neglect prevention services under the Department of Family and Protective Services, will be all but eliminated. Such cuts threaten the safety of thousands of Texas children.

Rev. Smith concludes, "It would take years to recover from many of these budget cuts and program reductions. Texas must move forward, despite our financial challenges, and we can do so with an equitable, balanced approach to budget-setting that will spur economic recovery and keep pace with the state's needs."