



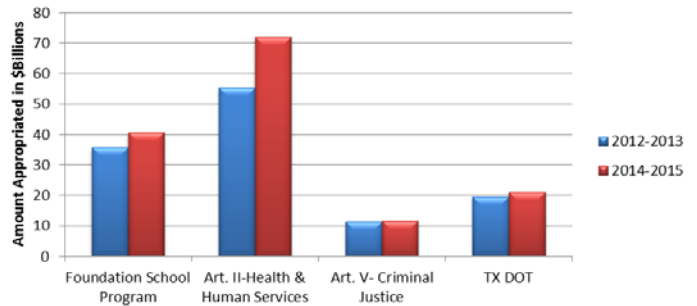
*“With a myriad of spending priorities, it has been quite a challenge to find the right balance of appropriations for all of the state’s programs and needs. That is why I am quite proud to have worked on this budget as a member of the Appropriations Committee and have produced a bill that is equitable, reasonable, and a step in the right direction. That being said, my priority remains finding additional resources to restore more of the public education budget... We simply have to put our children’s education first.”*

## The Budget

Late Thursday Night, April 4th, the House passed its \$194 billion budget for the 2014-2015 biennium (SB 1). Due in large part to the hard work of Rep. Muñoz and the appropriations committee, this budget was uncharacteristically approved by 10 pm with overwhelming bipartisan support; in part because this budget, though not perfect, represents a great step in the right direction.

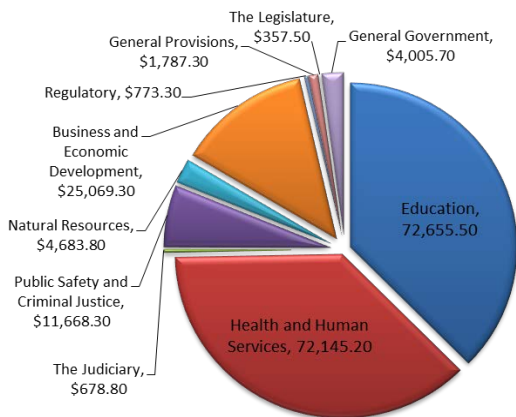
This budget provides significant restoration of the cuts made last session, as the bar graph to the right illustrates. The graph depicts the difference in funding levels provided in SB 1 thus far compared to the last budget: to the Foundation School Program, a 4.8% increase, Health & Human Services, a 16.7% increase, Criminal Justice, a 0.2% increase, and Transportation, a 1.3% increase. Other budget highlights crafted by Representative Muñoz & his colleagues are listed below:

**All Funds Appropriated This Session Compared to Last**



- An increase of \$2.8 billion, not counting the \$2 billion associated with enrolment growth, for the Public Education Foundation School Program, marking a significant step towards reversing devastating cuts from last session.
- A well-deserved increase to 6.6% in the state's contribution to the Teachers Retirement System.
- An increase in TEXAS Grants funding by \$150 million, a record level of funding for the program.
- Provides for our most vulnerable by allotting \$265 million for mental health programs, which includes extending services to more than 6,000 adults and almost 300 children on waiting list.
- An increase from \$1.1 million in the Surplus Ag Grant to benefit Food Banks. This measure will almost double the amount of food distributed by the Food Bank of the Rio Grande Valley.

**ALL FUNDS APPROPRIATED: \$193,820.00 (IN MILLIONS)**



- Includes \$6 million for debt service associated with Economically Disadvantaged Assistance Program grants which will allow the Water Development Board to issue \$50 million in additional bonds to fund waste water projects intended to benefit our South Texas communities.
- Representative Muñoz also sponsored and secured funding for a grant program for non-profits providing after school programs, such as the Boys and Girls Clubs.

**THE NEXT STEP**

Now that the House and Senate have adopted their versions of the bill, the Speaker and Lieutenant Governor will each appoint five members to a conference committee to reconcile the differences. Then, the bill goes back to each house for approval.

## Budget Terms

**STATE REVENUE SOURCES** - There are four revenue categories used in the budget, the sum of which equal the All Funds total: **GENERAL REVENUE (GR)**, funds or accounts that receive tax revenues and fees available for general spending purposes; **GR-DEDICATED (GR-D)**, accounts that may be counted as general revenue but must be used for the purposes directed by the constitution or general law; **FEDERAL FUNDS**, revenue received from the federal government which must be spent in accordance with the federal grant guidelines; and **OTHER FUNDS**, any remaining funds not included in other methods of finance. The state's tax collections will fund the majority of the General Revenue-Related Budget with \$85.6 billion in receipts, and non-tax revenue will produce an additional \$10.6 billion.

**CONSTITUTIONAL SPENDING LIMIT** - Texas has four constitutional limits on spending: the “pay-as-you-go,” or balanced budget limit; the limit on the rate of growth of appropriations from certain state taxes; the limit on welfare spending; and a limit on tax supported debt. The constitutional spending limit set for this budget cycle is \$84.9 billion, and current levels are \$685 million short of this cap on appropriations subject to the limit.

**THE ECONOMIC STABILIZATION FUND** - most often referred to as the “Rainy Day Fund,” receives most of its funding based on a formula involving the State’s annual oil and/or gas production tax collections, whereby if collections exceed those collected in fiscal 1987, 75% of the amount above that level is transferred into the fund. Appropriations from this fund requires 3/5 legislative approval. With transfers from state oil production and natural gas tax collections to the ESF estimated to total \$5.3 billion over the three-year period 2013-15, these Texas Constitution-required transfers will total \$11.8 billion at the end of the 2014-15 biennium.

