

For Immediate Release

May 24, 2001

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Senate Approves 2002-03 Budget

Texas invests in health and human services, state employee pay, teachers health insurance, college aid

AUSTIN// The Senate today approved a \$113.8 billion budget that meets Texas' basic needs while increasing investment in key priorities such as health and human services, state employee pay, teachers health insurance and college aid, without raising taxes.

The Senate approved the Conference Committee Report to CSSB 1, the 2002-03 budget for the state of Texas. The biennial budget increased funding \$11.8 billion, an 11.6 percent increase over the FY 2000-01. The majority of the new funding is dedicated to health and human services and education. Overall, the 2002-03 appropriations bill includes \$5.1 billion more for health and human services programs, \$200 million more for the TEXAS Grant Program -- which will help nearly 100,000 Texas students go to college over the next two years -- and \$480.1 million for state employee pay raises.

"This budget meets the basic needs of a growing Texas while making significant investments in our families," said Senate Finance Chairman Rodney Ellis (D-Houston). "We have made a strong downpayment for Texas' future."

"This budget is the product of a monumental effort by those who came together to try and do what was right, fair, and best for the people of this great state," said Senate Finance Committee Vice-Chair Chris Harris (R-Arlington).

"Just like a household budget, this biennium we were tasked with making many ends meet with limited resources," said Senator Robert Duncan (R-Lubbock). "I believe we achieved that goal."

"I am proud of the work we did," said Senator Steve Ogden (R-Bryan). "This is a good and balanced budget for Texas."

"The conferees worked hard to prioritize the needs of Texas, particularly in areas of health and human services, education and employee pay raises, in the budget. We're delighted that our colleagues in the Senate and House reached consensus regarding the need to improve the lives of Texas, particularly future generations," said Senator Judith Zaffirini, (D-Laredo), who chaired the Senate workgroup that crafted the health and human services portion of the budget.

For public education, CSSB 1 earmarks \$2.52 billion for teachers health insurance, discretionary funding for school districts, new and existing facilities, and other vital education needs. A House-Senate Conference Committee will use these funds to develop a health insurance program for Texas school teachers, address school financing equity and facilities issues, health insurance for retired teachers, and other necessary educational increases.

Other key initiatives include:

- \$961 million increase in Federal Funds for the Texas Department of Transportation for road construction and other projects.
- \$542 million earmarked for Medicaid prescription drug and program cost increases and caseload growth.

Committee Substitute to Senate Bill 1 includes funding for proposed Medicaid reforms to streamline and simplify the enrollment process. A special joint House-Senate task force has agreed to a plan that will provide coverage to the estimated 600,000 eligible children eligible but not currently served by Medicaid.

The \$11.8 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.

"I am extremely proud of this budget," said Senator Ellis. "We provided record investments in health and human services and financial aid programs, and give hard-working state employees the biggest pay raise in history. We also

lay the foundation for a sound teachers health insurance program, which will help reduce the teacher shortage and improve the education of our children. Clearly, this is a budget that will help Texas families."

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