A BUDGET POLICY MESSAGE TO THE
SEVENTY-FOURTH LEGISLATURE
ASSEMBLED IN REGULAR SESSION
FEBRUARY 15, 1995

Governor Bullock, Speaker Laney, Members of the Seventy-fourth Legislature:

Last week, in my State of the State Message, I outlined the major priorities which shape my legislative agenda. Those priorities—welfare reform, juvenile justice reform, tort reform, and decontrol of our public schools—also shape my budget policy and determine my budget priorities as we work together to develop the 1996-97 biennial budget for Texas state government.

My budget priorities are clear and uncomplicated. First, we must begin now to steadily increase the state’s share of funding for our public schools. The objective is to improve the quality of education and to create the opportunity for meaningful property tax relief. I am pleased that the legislative budget that is now before you puts the lion’s share of new revenue into funding public schools. As we work together in the weeks ahead, I would hope we can find the means, within available revenue, to increase that level of support.

Next, our system of juvenile justice must be redesigned so that we stop the cycle of crime. If Texas is to save a generation of young people, we must change the juvenile justice system. We must get the message back to our children that if you break the law, swift and appropriate measures will be taken so that you are held responsible for your actions.
To send that message, Texas must immediately confront the critical shortage of juvenile detention beds. We must significantly expand the capacity of the Texas Youth Commission to house violent offenders. This expanded capacity can be achieved through the construction of additional facilities and the conversion of beds from the adult corrections system and these efforts are currently underway. In addition, we must prioritize funding for community-based detention and intervention programs. These two steps will help us keep violent juveniles off the streets and give juveniles who can demonstrate actual rehabilitation the opportunity for a second chance.

We must also confront the problems in our welfare system. I believe that we have an obligation to take care of those who cannot take care of themselves, but the current welfare system undermines Texas values of hard work, self-respect, and personal responsibility.

The amounts recommended for health and human services programs in the legislative budget provide a substantial increase over the 1994-95 biennial budget. Even so, I am told that case load projections indicate that there might be a need for still additional funding. There are both short-term and long-term solutions to this budget problem.

In the short-term, we must work together within the confines of the current system to agree on a responsible level of health and human service funding for the next biennium. In the long-term, we must seek waivers from the federal government to reform the current welfare system. I strongly believe that far-sighted, systemic changes that end dependence on government will gradually help us reduce health and human service spending.

The Legislature has already initiated efforts to control the growth in the number of state employees. I support that goal. I intend to work with you to see that direct and effective limits are established on the number of full-time equivalents that an agency can employ.

At the time the budget was introduced, I complimented the Legislative Budget Board (LBB) for producing a recommended budget that is balanced and requires no additional taxes. I have a genuine appreciation for the tough decisions that the LBB had to make.
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...to develop the spending plan which is now before the Senate Finance and House Appropriations committees. I want to thank the LBB staff for taking the time to give my budget staff detailed briefings on the initial spending plan. They did an excellent job of providing us with the basic framework for our budget work during the regular session.

I also would like to thank Governor Bullock, Speaker Laney, Senator Montford, and Representative Junell for the cooperation they have shown me and my staff during our early budget work together. Even before Lieutenant Governor Bullock and I were inaugurated, general appropriations bills for the 1996-97 biennium, introduced as Senate Bill 2 by Senator Montford and House Bill 1 by Representative Junell, were prepared in accordance with the guidelines established by the Legislative Budget Board. The principal guideline called for a spending plan for the 1996-97 biennium that would not exceed the Comptroller’s forecast of available revenues.

During the weeks following the submission of the appropriations bills, I had constructive and cooperative discussions on the budget with Governor Bullock, Speaker Laney, Senator Montford, and Representative Junell. The two chairmen of the budget committees also have afforded me the opportunity to have members of my budget staff sit with their committees during the budget mark-up stage. This approach will achieve two important results: first, it will provide an opportunity for my position to be voiced on the budget priorities outlined above and on the other major budget issues that will confront the committees; second, it will give me a greater understanding of legislative decisions on various funding issues.

I am convinced that continuing to work with you, both individually and through the committee process, will serve a more constructive purpose than submitting a detailed Executive Budget proposal.

GEORGE W. BUSH
Governor