

THE TEXAS TRIBUNE

Infographic: Rainy Day Politics In Texas

by Thanh Tan and Ben Hasson | 3/23/2011 | 5 Comments

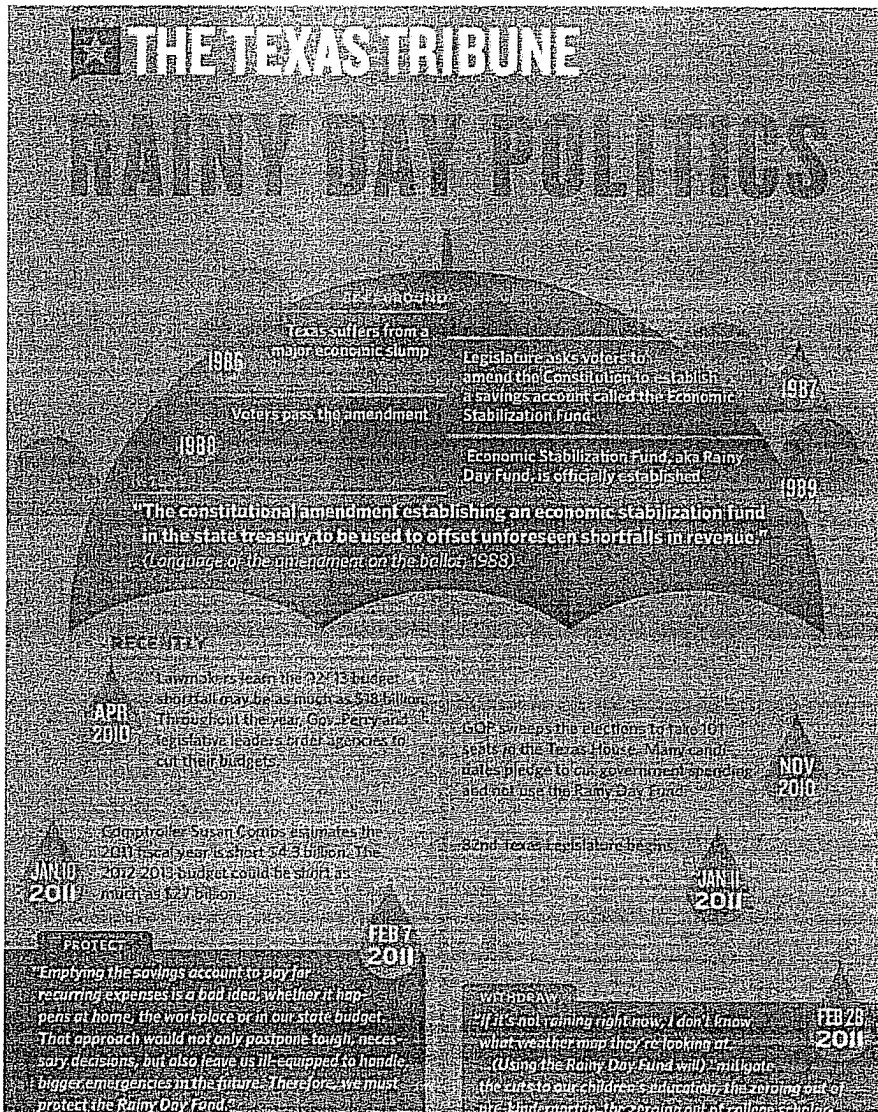
KEYWORDS: 2011 Budget Shortfall, Budget, Rainy Day Fund



Enlarge

graphic by Ben Hasson

We've heard a lot of talk lately about the Rainy Day Fund: Should legislators tap it to cover this year's \$4.3 billion deficit — and should they resort to it again to help close a massive shortfall in the next biennium's budget? As state House and Senate lawmakers undergo the contentious process of drafting their 2012-13 budgets, the Tribune has created an infographic to help you understand the intent of the Rainy Day Fund, what it takes to withdraw from that savings account, and the political arguments for and against using it. Some say it should be drained if necessary. Others have come up with a list of reasons for preserving it. What do you think? Share your thoughts with us.



3/27/2011

The Texas Tribune

Gov. Rick Perry, during his "State of the State" Address

Shirley Sherrod, head of the Rainy Day Fund, says she will not support the bill to empty the fund.

MARCH 2011

March 10, 2011: House Appropriations Committee considers HB9 and HB275, which would all spending and release \$3.1 billion of Rainy Day Fund to cover the 2011 deficit. The governor's staff appears to be in a committee to report he has not drawn a line in the sand. When it comes to spending in the RDF, but GOP members say the governor has told them to find more cuts. Chairman Jim Pitts says, "I'm trying to get a solution. When the governor out there telling me to consult with long-termally opposite interests, I fail to pass a bill."

PROTECT
We're sickening to watch bureaucrats bully parents and teachers into believing that raiding the Rainy Day Fund and hiking spending is the only way to protect the classroom. If just ten thousands of teachers and classrooms can be protected with better spending decisions at the local level.
— Michael Quinn Sullivan, Empower Texans

"I want to remind people that (RDF) is our insurance policy against a major catastrophic event in Texas. If we had a hurricane of level 4 or level 5 go into Houston today, it would be an incredible impact on this state and for us not to have a substantial amount in our Rainy Day Fund for that type of an event, I will suggest to you, would be irresponsible. You look at what's happening in Japan today and the catastrophic event that has occurred, and that country is certainly economically being tested, and I want Texas to have every resource that we can available in case we get into a major natural disaster."
— Perry, during a statewide teleforum with Empower Texans

House Appropriations Committee meets again to attempt to vote on the bill. Perry still does not seem to be ready, after repeated requests from the committee. He says he will not vote until the governor publicly supports tapping the RDF. He is forcing committee members to radical cover.

After several delays and a public blessing from Gov. Perry, the House Appropriations Committee votes to reduce spending and withdraw up to \$3.2 billion from the Rainy Day Fund to close the current year's \$4.2 billion deficit. Gov. Perry backs the support for the immediate action, but says he will not fund any additional withdrawals from the RDF to cover the 2012 deficit.

9.4 BILLION

PROTECT
Those who seek to empty the fund because it is raining today have not checked the long-range weather forecast. Our recent report, Final Notice: Medicaid Crisis projected that Texas Medicaid programs would require between \$10 billion and \$15.6 billion in additional state funds in the 2014-2015 budget cycle, the low estimate representing the cost if ObamaCare is repealed. Thus we can reasonably predict that economic pressures on the Texas state budget will be even more severe in the next legislative session.
— Talmadge Hatfill, Texas Public Policy Foundation

BALANCE BUDGET

PROTECT
To put it bluntly, we're still unconvinced that all possible savings have been found in the current budget.
— Michael Quinn Sullivan, Empower Texans

Governor Perry has things backwards. Texans aren't supposed to protect the Rainy Day Fund. The Rainy Day Fund is supposed to protect Texans. The Legislature and Governor should use the Rainy Day fund to bridge the revenue hole created by the Great Recession.
— Scott McCown, Center for Public Policy Priorities

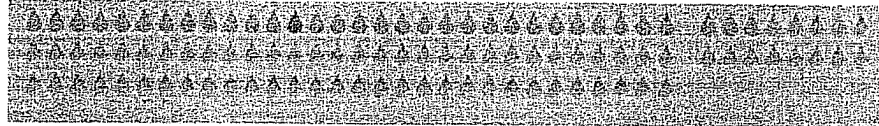
"The fight is long from over, and I think the fact that what's been thrown out there with the governor—the line in the sand—he's going to be forced to move that. If he wants sound fiscal policy for this state."
— Rep. Jessica Farrar, D-Houston

HOUSE NOW MUST DECIDE WHETHER TO WITHDRAW FROM RDF

63% LEFT

3/5 VOTE REQUIRED TO WITHDRAW RDF IN FY 2011

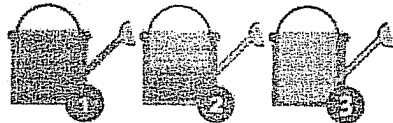




NEXT OPTIONS

2012-2013 BUDGET:
\$18-27 BILLION SHORTFALL

RAINY DAY FUND SCENARIOS



- 1 LEAVE \$6.3 BILLION
- 2 SPEND SOME
- 3 DRAIN IT

2/3 VOTE REQUIRED TO WITHDRAW RDF IN FY 2012-13

HOUSE

SENATE



RAINY DAY FUND HISTORY

RAINY DAY TRANSFERS (2000-2009)

2002	440.5 M
2004	532.0 M
2005	970.5 M
2006	528.3 M
2007	691.5 M
2008	901.5 M
2009	0.4 M

