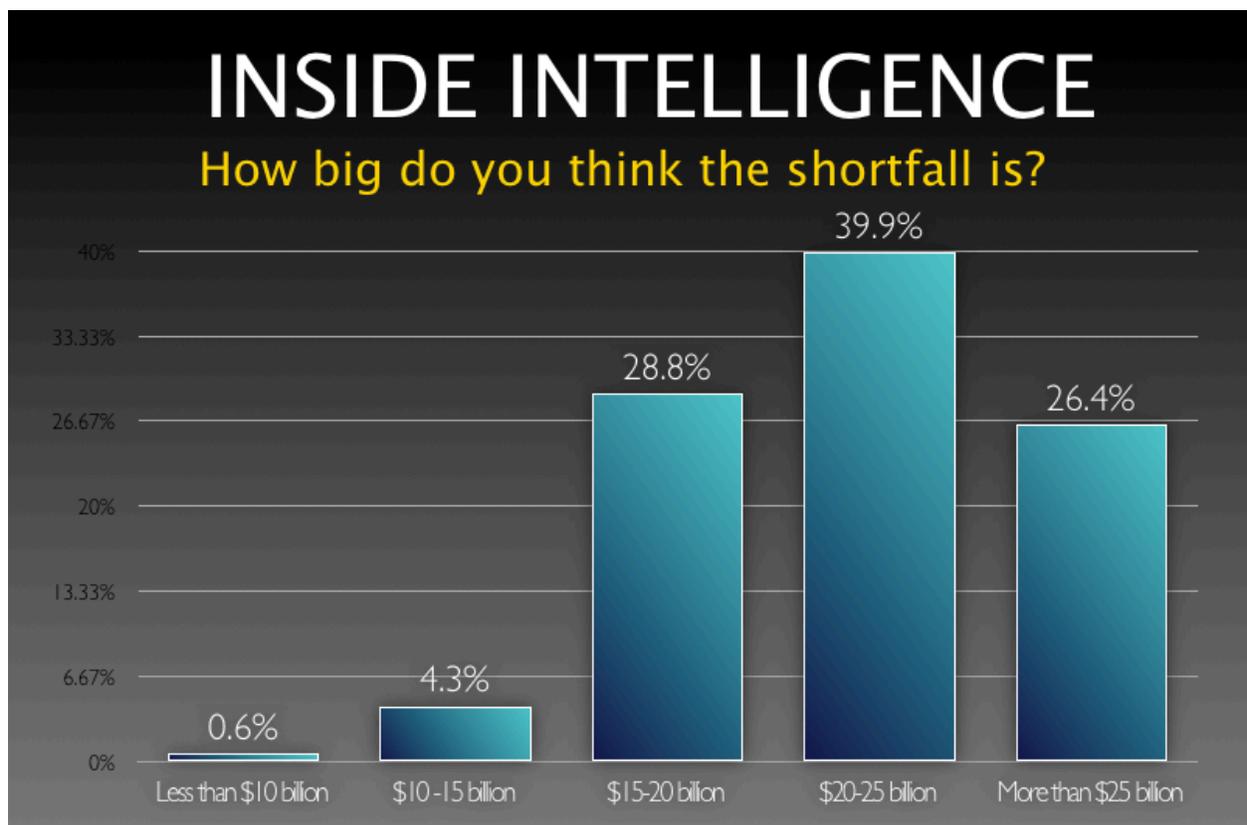


THE TEXAS TRIBUNE

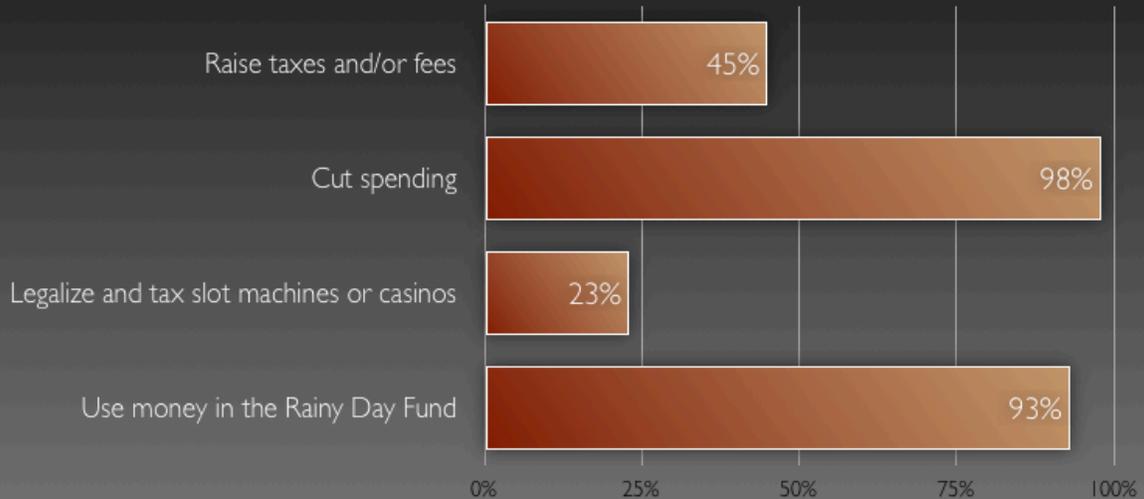
TEXAS WEEKLY

INSIDE INTELLIGENCE: The Texas Weekly/Texas Tribune insider's poll for the week of November 22.



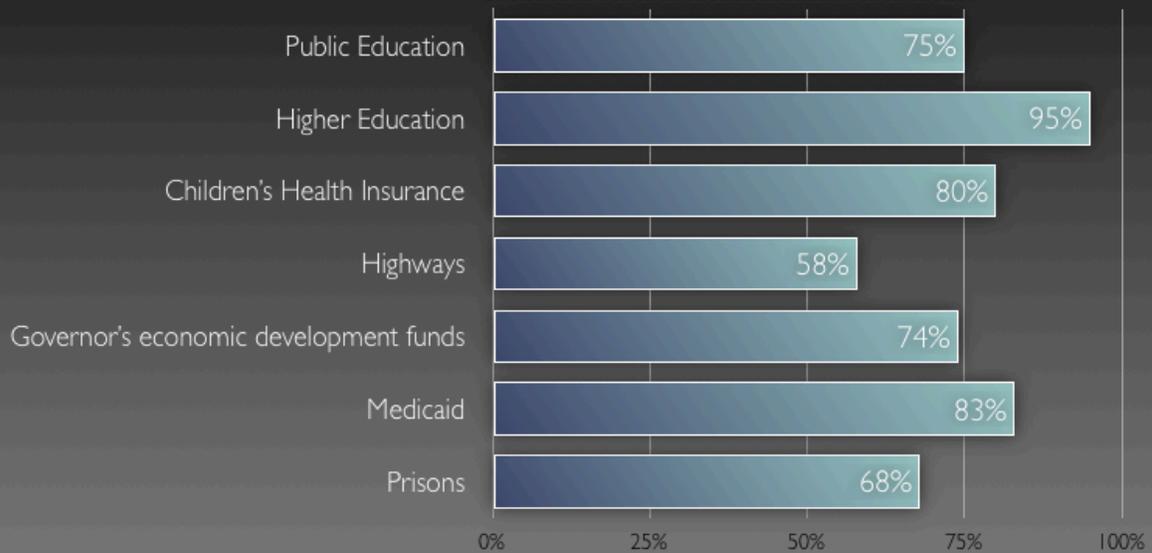
INSIDE INTELLIGENCE

How will the Legislature balance the budget?



INSIDE INTELLIGENCE

Where will they cut spending?



Complete verbatim answers to a prompt on how the budget will play out, both politically and as policy:

- the appropriations process will dominate every policy item and agenda and will determine most policy decisions in this state for at least a decade to come.
- August in Austin really isn't all that bad is it?
- If they make the right, tough decisions, the lawmakers will be unpopular. But they will have done what's right for the state.
- Policy it will be and exercise in regressive meanness. politically God only knows
- I believe that while most onlookers think legalized casino gambling is on life support, ultimately the fiscal hawks that were elected will use it to close the remaining \$1-2B shortfall as the end of session nears.
- The enormity of a \$25 billion shortfall is staggering. The upcoming session will fundamentally change government as we know it. Absent a major influx of new revenue either from taxes or another Federal Medicaid bailout, the political fallout from cuts to higher ed and public ed could be devastating to the R's over the next five years.
- public relations nightmare for leadership. careful consideration given to necessary cuts.
- Way too early - but the leg is more likely too take easy ways out. Long term financial structure will probably not be addressed. Cuts will be passed with only Republican votes.
- Early and easy cuts will leave them with a long ways to go so they will raise fees and should revisit the margins tax.
- It will be a hot mess of political opportunity and hard decisions.
- The cuts will be greater than any we have ever seen. Sen. Watson is correct about his call for budget reform which I think will happen. My prediction about future politics will prove as accurate as my predictions this year - about 5% accurate.
- Lot's of screaming by CPPP and allied groups. Small medicaid rate cuts. RIF of state employees. Early out option for some soon to be state retiree's, thus shifting higher salaried state employee costs off books, but onto ERS. More consolidation of state services, if any can be found.
- Perry presidential campaign would love to veto a tax bill. In 1999 Bush didn't want any special sessions so he could campaign. I think Perry will feel that way also.
- There will be very few repercussions for Rs for cutting the budget, but if they take a real, statutory step into the Looney World of Opting-out of Medicaid, there's going to be hell to pay in the out-years.
- Republicans will play to their base while Dems complain about the 'impact on the children.'
- cost shifting to local governments where possible. I see no political 'winners' in the aftermath of the kind of budget cuts in prospect.
- I think it will be very ugly. Lots of name-calling and attempts at guilt-trips. The true statespersons will be those who do not take absolute positions on rainy day, spending or revenue.
- The cuts will be well into the bone and we will see how much the state really likes small government.
- Republicans will be able to brag about cutting spending, but will pay a heavy price next election. The cuts will dramatically injure the public education system and make higher education unreachable for most middle class families. Their cuts to programs for indigent seniors combined with their preservation of the status quo for insurers, corporations and polluters will provide plenty of room for Democrats to hold the middle ground and paint the Republicans as extremists that hate the middle class.

- Will be remarkably tough to cut what will be needed to fix this mess. 'Modification' of taxes/fees is to be expected. The TEA Party folks will have a hissy fit. Will be hard not to at least consider expanding gaming . . . but don't expect it to happen.

- The budget will be very lean and for the first time in a long time will actually impact average- middle class Texans, so members will hear a lot of push back. Also, likely that trickle down to local government will occur also causing push back.

- Policy implications are depressing - the neediest will lose out; Politically - will be a show down to see who is the most fiscally conservative

- It will be ugly.

- 'After the government takes enough to balance the budget, the taxpayer has the job of budgeting the balance.' —Unknown

- After all the rhetoric about balancing the budget with no new taxes and living within our means dies down, legislators will be left with the sad fact that the revenues Texas generates simply do not meet current/ needed services. Politically, it will be a mess as Democrats simply vote no on everything and the Republicans face the circular firing squab with incoming mortar from outside groups. Oh what fun this should be...

- It will be difficult to adopt a budget but it will be developed on cuts alone. The Rainy Day fund will be left untouched so they can use it for 2013. Higher education will will absorb the brunt of the cuts which will result tuition increases. The social service agencies will also be hard hit. The hits to social service agencies will result in employee layoffs, which will have a negative impact on rural Texas and its economy.

- It's going to be like herding attention-deprived kindergarten cats on the House side with so many conservative freshmen teaming up with seasoned conservatives who collectively can't wait to pass their social agendas. Not even the jaw-dropping deficit numbers will sober them up until late

in the spring, but at that point, they'll be staring down at least another 30 days of session over summer or next winter if they pass a one year budget.

- I think the Republicans will finally get that baby into the bathtub

- I'm waiting to see what the new buzz word will be instead of 'tax' or 'fee' they will use in order to justify raising money from a new or existing source.

- Short-term: No new-taxes budget (with fee increases) passes in special session. Long-term it leads to a growing dissatisfaction among business/institutional leaders with State government.

- With all the other major issues, I think it will take at least two special sessions. With deep across the board cuts, some increase in 'fees', and raiding the rainy day fund , they should get there.

- Several political manifestations: R's will champion their cut, slash & burn approach as intellectually proficient; D's will condemn the insensitive methods of the R's. Policy wise, services will be restricted in some areas that will result in moving some traditional state fiscal burdens to local governments, at least for awhile.

- Despite conservative legislaures in the past the budget can be cut without causing great harm to any group or institutions and the Republicans will do that. As a percentage of the entire budget, the deficit is about the same as it was in 1987. Democrats were in control and taxes were raised but that won't happen this time. Teachers, unions and state employees will not be pleased but they lost the election.

- Politically: one or two special sessions, and everyone unhappy with the results. Tea Party, unhappy cuts weren't deeper. Dems, unhappy for the huge loss of services. Moderates, unhappy about the long term impact on our state. Freshman house members, in treatment for PTSD.

- Gov will demand a 0 based budget! Dems demagog on rainy day fund-Repbs will push for limited spending-in the end all

services agencies and citizens will feel the impact. Gov will only sign if bal

- Pro-gambling forces will produce 'sky is falling' shortfall numbers, but there's not a 2/3 vote to pass it. There will be no will to fix the revenue gap created in 2006 when the Legislature decided to cut school property tax rates and create the margins tax to make up the difference. All areas in the state budget will be reduced as a result, probably another 5% over the existing 5% +2-3% cuts. Most people won't notice the cuts in their daily lives unless the Legislature cuts something tangible that affects a lot of people who vote.

- If history holds, the budget will be balanced using real cuts as well as 'smoke and mirrors', pushing off major effects into the future.

- The budget will be IN play until it plays out and that will be August 31st.

- After dealing with redistricting, the Governor will call for multiple extra sessions to deal with the budget issue.

- As policy, the number is too big to realistically be addressed. Texas will have to limp along, in constant special session, and pray the economy turns. But the Medicaid enrollment growth will force them into a tax special session. ... This will spell the doom for many of the current and new Republicans, especially after they attempt to draw a map that protect 99. ... Raiding the surplus funds of public schools and universities will be the political undoing of many of them. The new 'Tea Party' freshmen are going to learn the hard lesson of looking at their constituents and trying to explain 'you don't understand.'

- The budget will be cut dramatically in the House and it will pass easily. In the Senate, they will zap all of the rainy day fund, raise fees and use a few accounting tricks. The fight will be bloody in conference committee.

- Politically, big budget cuts should play well in many Republican primaries but rural Republicans better watch out as they'll be sticking it to their constituents. ... As policy,

the budget cuts being trumpeted by the more reactionary legislators would delay and lessen economic recovery in Texas.

- The Republicans will have to walk a line between being holding the line on taxes and spending like some of their louder constituents want and being seen as cruel and heartless. If using the rainy day fund and smoke and mirrors give you about \$11 billion, you need another \$11 to \$13 billion in cuts. The two biggest areas of the budget are HHS (by far) and education. I don't see any way around cutting actual FTE's in HHS and reducing education funding in any number of ways. They could lift some sales tax exemptions and claim it's not a tax increase -- just closing a loophole.

- It will create a hole in state services 2-3 times larger than the one that was dug in 2003. But after 2010, how do state matters matter in a year when President Obama is ACTUALLY on the ballot?

- The leadership has provided the necessary political cover...multiple cuts from state government...which will allow for an increase in fees, etc....a long shot to allow voters to decide for gambling, helped by teapartyers seeing gambling differently than conservative Rs, it's a voluntary user fee--pay to play, rather than a moral issue...

- As policy--badly. Politically--way too early to tell. Will down to specifics on the cuts and no way to know the political environment this far out.

- There will be significant cuts that will hurt real people all over this state. In the long run, Texas will have to modernize its revenue system and realign its spending priorities, but in the near term there will be a lot of heartbreak.

- as a greek tragedy

- Special sessions

- Texans will get a harsh dose of lean and mean reality. And perhaps -- just perhaps -- long for legislators with hearts.

- The budget is the achilles heel for the Republicans. No matter what cuts are

made...they will be draconian in nature and will have impact the next election cycle. Republicans are in a 'no-win' situation. One tool the legislature had back in 2003 was tuition deregulation.....and this helped balance the budget by allowing universities to have control over tuition rates. Unfortunately, this tool is not available during this cycle. Higher education will be cut and tuition rates will increase dramatically across Texas. The Democrats will air ads next time against these Republicans who allowed for tuition rates to increase by more than 100% in less than 10 years. This is just one example on how the Republicans are in a 'no-win' situation.

- The Democrats will make an effort to make Republicans admit the structural deficit, the Republicans will try to side-step that, resulting cut proposals will be painful, budget doesn't pass until late-August. Train wreck ensues.

- Once the LBB budget is filed, the public is going to be shocked at what must be cut to balance the budget with or without new revenue. You will see a substantial backlash to balancing the budget with cuts alone.

- politically deadly for all elected officials

- Good policy. Way too soon to guess how it plays politically.

- Very messy, requiring special sessions.

- The state budget will get cut and the Republican party will be heros to their base and look like cruel, out-of-touch, rich folks to the rest of Texas. From a policy perspective, it is a tough time to be poor in this state for the next few years.

- Very painfull

- Like a Wagnerian opera....long and depressing!

- Texas has never seen anything like this. \$10 billion short a while will make us long for the good old days. This is going to be bad and expect about 20,000 state employees to be looking for work when the last special session over the budget is over.

- Impact of severe cuts will have political consequences once the folks back home feel the impact - ' we didn't mean cut that program!'

- Perry's lack of leadership and engagement will result in major chaos, and a much more difficult session than required.

- It will be rough, but it won't take a special session.

- At the end of the day, Texans will be pretty sure things have been cut to the bone-some will like that, but more will be surprised how it affects them, either directly or within two degrees of separation.

- The Legislature will balance the budget but will do so through hook and crook, shell games, and cons.

- Policy: terrible if you're sick, hungry, want your kids to go to good schools, desire stronger higher ed, or want better roads. ... Politically: A small band of center-right Republicans will try to get some accommodations from the hard right but will probably fail. The cuts to health and human services will anger liberals, cuts to education and higher ed will really anger suburban moderates and swing voters. ... The Texas GOP leadership created this mess, let's see how much worse they make it before Democrats have a chance to fix things.

- cuts and more cuts. D's will vote against because they will be to deep. Far right will vote no because they don't go deep enough. Both groups will try to keep Rainy Day fund from being tapped, but around the second or third session, they will relent.

- The cuts will be so deep that many members of the legislature will be trying to defend this vote for the next year when they go home.

- Will probably do a one year budget which will include budget cuts that will set up a howl from local entities that will be, to a large extent, left holding the bag. The general public may well not pay much attention to the cuts until they are directly affected.

- Very painfully. Watch for ALEC influence - the biggest pressure from the majority party will be in areas where privatization is realistically possible, incl roads, schools, and prisons. With such a lean budget at the start, these are the obvious options. Medicaid / CHIP gets good headlines, but will be very difficult - and ultimately very expensive - to do.

- If medicaid or children's health insurance are cut, there will be a political revolution like we have never seen.

- The legislature will balance the budget without raising taxes.

- The new Rs will come in believing their bumper stickers and potentially do permanent damage. The only countervailing force will be the school superintendents, county commissioners, and mayors who would bear the burden of picking up the cost of essential services abandoned by the state. The hope is that someone could teach the newbies the lessons Arlene Wohlgemuth learned.

- The budget will play out badly, both politically and policy-wise. Cuts to public and higher ed, and raising of fees will prove very unpopular. Will Democrats take a page from Congressional Republicans and simply vote no, thereby forcing Republicans to totally own the results? We will see.

- In the House, it's simple math: they'll come up with a budget that balances out of committee, and the Rs will all vote to approve it--the Ds can't stop it, and the Rs believe they have a mandate from the voters to cut spending and not raise taxes. In the Senate, they'll have pushback because of the 2/3 rule, so it wouldn't surprise me if they made an exception to the 2/3 rule for the budget this year like they did for voter ID last year, but ultimately it passes. ... Politically, it's going to result, I think, in a fundamental shift in what people view government paying for and what functions it performs, especially if they zero out a bunch of agencies that provide 'value added' services for the public but are not necessarily essential.

- The Leadership and 22 new members all promised no new taxes and none were

elected to come find more money to spend. If they don't do what they promised voters will throw them out in 2 years. Will be one of the most difficult sessions ever.

- The unstoppable force meets the immovable object. Special sessions highly likely. The answer will be a little bit of all of the above

- The only thing we heard during the campaign is how the state needs to 'cut the fat,' or how 'we need less government.' However, a slash and burn attitude towards a budget that is already lean will leave us with a society of the 'have's' and 'have nots.' This isn't the answer, especially if certain government spending generates higher future productivity; e.g., public and higher education. Writing a budget off the backs of the poor, college students, parents and children will put forth a bad policy for future legislatures.

- Never get done in regular session. Try to write a balanced approach but end up with one year budget after using some of rainy day fund. It will be entangled with re-districting.

- Challenge for the GOP is to look responsible and not mean in making draconian cuts

- Politically I think the new members will be surprised at the 'push back' they will get from constituents when they try to cut or reduce some programs.

- I think it's like the old saying, dog catches car. I think the Republicans are in for a rude awakening.....

- Contentious ideological debate about the size and scope. Difficult and painful decisions will be made to reduce spending in major services. Final cuts not as large as conservatives initially believe as more is learned about the implications and the voting starts. Budget gimmicks will be used to avert deeper cuts with a hope that revenues recover for the '14-15 biennium.

- Democrats in lockdown over Rainy Day Fund to extract their pound of flesh. After Sen. (P.T. Barnum) Patrick launches his

immigration hysteria and pushes to change 2/3's - the Texas Senate is going to be in a pretty sour mood.

- If you are a 'have' with no kids in school and everyone you love is healthy, happy and rich, then you gotta love the direction the Lege is headed. But if you also love Texas and care for all her people, then it's sure hard to watch the destruction of the seed corn that can make and keep her great.

- politically, will pass a budget that makes significant cuts to needed infrastructure such as education and some health funding and allows existing loopholes (and current tax avoiders) to continue manipulation under the guise of no new taxes.

- It will be a very difficult session with a goal of avoiding a tax increase being paramount. That will mean large cuts in major programs and pray for a very strong economic recovery.

- This will be the most draconian budget we will ever see in our lifetime. It will also cost a dozen Republicans their seats. They don't have a mandate to opt out of Medicaid or to cut funding for things like prekindergarten.

- Ogden will put a first draft of the budget that is scorched earth and then groups will fight a PR/grassroots battle to get certain funding restored, especially in the public education and healthcare areas. A significantly reduced budget will pass with the help of rainy day funds.

- There will be more than one special and many deep cuts will be proposed and met with serious opposition. In the end they will have to pass some type of tax/fee package. The tea prtiers will continue to protest both against taxes and against cutting their pet program (everyone has their 'can't cut program').

- A political win. Policy, short term wins, long term structurally consequences.

- Most LIKELY outcome is combination of cuts, new revenues, and rainy day fund - BUT. No one can know for sure how the new mix of elected officials will behave, or how strong the pull to the right will be.

- infuriatingly poorly.

- It will be the usual budget grind times ten. Look to the smokeless tobacco/rural doctor deal from 2009 for the model here: legislators and lobbyists rampantly rاتفucking each other to swap expenditures and revenue sources. There will be new sources of revenue, they will be complicated, and they will make the tax structure more regressive and the income distribution more skewed to the top. Social services will lose, local government will have increased burdens, public education will suffer more, and public higher education will be set back two decades.

- it is very bad-- very tough- deferrals, slots and lots of cuts. same problem repeats in two years with the costs of Obamacare. the decision for the legislature will be severe public education cuts (which raises local property taxes) or VLT's at racetracks-pick?

- It will be a long, hard, grinding session(s), as we've experienced before. The only thing that will keep the budget from being the most contentious issue on the table will be redistricting.

- Republicans will own it to their detriment. Texas will be written off nationally as a third world country.

- It will take at least one, maybe two special sessions. Republicans dig themselves a new and deep political deficit with very visible attacks on services and infrastructure ALL Texans -- not just those poor people on the other side of town -- rely upon.

- Won't reach consensus until after Aug 31

- Governor Perry will be able to point to consolidation in state government, innovative approaches to service delivery as a better model than the federal model offers -- without directly raising taxes -- and have a strong Presidential platform.

- promotes gambling. will tank the careers of many of the tea party freshmen.

- They will use the rainy day fund, cut heavily especially from education and raise existing taxes and fees

- I think the newly elected fiscal conservatives look at the budget woes as an opportunity to lessen the size of government in Texas.
- Introduced bill will cut programs so severely that legislators will applaud themselves for lessening the amount of reductions in the final bill.
- Perry will come out a winner- he'll come out with a series of cuts including medicaid- get told be the feds he can't do that, and blame Texas harsh budget cuts on Obama. He'll have to call a special or two to get the budget done and gambling will be passed then
- Typical negative press toward budget cuts will be drowned out by the high unemployment rate and the fact that every household is also cutting budgets. Big government is dead; have we heard that before?
- It will be like a mafia trial: lots of people wheeled in on breathing machines. Will be better than Survivor.
- Rs are trapped in their rhetoric and probably will end up cutting in areas that the leadership knows they shouldn't do. Much smoke and mirrors and things that will put pressure on local property taxes. Improving economy could soften the blow, however.
- its tough to govern with soundbites and the republicans are about to demonstrate their inability to move this state forward.
- The Republicans have used such strong rhetoric about government that they have no choice but to pass draconian cuts and there will be a political price to pay when the effects of those cuts are felt at the local level. The last election was all about national politics-- if the Democrats message right, the next one will be all local.
- There will be initial grandstanding by both parties, but with no federal stimulus dollars left to plug holes both sides will work to make the necessary cuts.
- Tough session. Conservatives will look good if no new taxes
- If the budget appears to be sufficiently covered through the multiple means necessary, there will be little backlash in the short-term. The long-term ramifications may be more severe when the starvation of schools and services begins to materialize.
- Politically: Republicans are mean people who don't like old people, dogs, or children. Democrats just want to help everyone, except the mean Republicans. Policy: Very difficult article by article review but with significant (some painful) cuts and use of Rainy Day Fund, they will balance the bodega without new taxes. Fees? What are fees?
- Politically, there is no choice for the leadership but to cut, cut, cut....or at least start there and await the onslaught of interests which stand the most to lose. But with no significant revenue raisers available, or off the table, much more than 'belt tightening' is in the works. I believe many folks outside Austin are going to be shocked to see how deep the cuts may need to be.
- Republicans will enact deep cuts across the board. Democrats will stage a walk out. Voters will give Republicans credit.
- The budget will reduce so many programs that even the fiscal conservatives will have problems voting for it. But those coming into office who think they will just gut the budget to the bare bones will be in for a surprise. When the electeds go home on the weekends, they will be surprised to hear from their conservative constituents that they want them to cut spending, 'just not that particular spending'. It won't take long for these newbies to learn that when there are cuts, the responsibility just gets pushed down to the locals to take care of.
- Look for another big turnover in the House as the deep cuts are realized by the electorate. These cuts will be felt like never before.
- Local property taxes will go up (where they are not already maxxed out). Committee chairs that sponsor the legislation enacting the budget cuts may see it come back to haunt them.

- No budget adjustments are ever easy but with a responsible approach this will be less political than other parts of the country. Additionally, without the polarizing figures that Washington DC deals with, Texas may be able to set an example for the rest of the country of how to address economic challenges though leadership versus bickering.

- The budget will have a negative impact on Texas public education and services to the poor. And while the legislature should be working to find solutions to the problems facing Texas, the legislature will be dealing with partisan issues - Voter ID, the anti-immigration legislation and redistricting.

- I think the leadership will use this opportunity to shrink our state government. To great accolades at first until the actual ramifications are felt in the local communities.

- A lose-lose for those in the majority party. No one wants higher taxes and no one will be happy with the required cuts.

Republicans are tone deaf when they encourage Texans to go out and spend. A totally insensitive 'solution.'

- I hope the size of the deficit will allow some much needed restructuring and/or improvements of programs and - most notably -administration in areas usually regarded as 'Sacred Cows'.

- Not so much as what fees are raised, but what gets cut will determine both politically and policy how the budget plays in mind of voters.

- It will be difficult, everyone will be in favor of cutting spending until the ax hits their area. If the lege can make a case for all to have some pain for the state to gain then maybe it will play okay. A growing economy could help Tx grow out of too much pain.

- There will be much gnashing of teeth and predictions that the world will end, but spending will get cut and the budget will balance...all in 140 days.

Our thanks to this week's participants: Adam Haynes, Albert Hawkins, Alan Gray, Alan Erwin, Bee Moorhead, Billy Hamilton, Bill Hammond, Bill Pewitt, Bradford Shields, Brandon Aghamalian, Bill Ratliff, Bryan Mayes, Bruce Gibson, Bruce Scott, Bruce Todd, Carey Boethel, Carl Richie, Carol McDonald, Cathie Adams, Craig Enoch, Charles Stuart, Charles Bailey, Cal Jillson, Cliff Johnson, Clyde Alexander, Colin Strother, Craig Murphy, Chuck Rice, Christopher Shields, Darren Whitehurst, David Sibley, David Dunn, Deborah Ingersoll, Debra Medina, Eva De Luna-Castro, Daniel Gonzalez, Doc Arnold, Donald Lee, Daron Shaw, Anne Dunkelberg, Robert Kepple, Ellen Arnold, Ellen Williams, Eric Bearse, Eric Wright, Fred Bosse, George Cofer, George Allen, Glenn Smith, Gray Mayes, Gardner Pate, Harold Cook, Homero Lucero, Jim Henson, Jack Erskine, James LeBas, James Aldrete, James Clark, Jason Johnson, Jay Arnold, John Colyandro, Jeff Eller, Pete Laney, Jerry Philips, Jim Chapman, Jim Grace, Kyle Frazier, Janis Carter, J. McCartt, John Heasley, John Esparza, John Greytok, John Pitts, Jon Fisher, Jose Camacho, Keir Murray, Kraege Polan, Kevin Shuvalov, Keith Strama, Ken Whalen, Dick Lavine, Lee Woods, Lydia Camarillo, Lawrence Collins, Leland Beatty, Leslie Lemon, Lance Lively, Lynn Moak, Louis Bacarisse, Larry Soward, Matt Mackowiak, Matt Angle, Patricia McCandless, Scott McCown, Kurt Meacham, Marta Greytok, Mike Hull, Michael Grimes, Michael Toomey, Mustafa Tameez, Mike McKinney, Michael Moore, Martha Smiley, Michael Wilt, Neftali Garcia, Mark Sanders, John Fainter, Dave Beckwith, Patricia Shipton, Phillip Martin, Jay Propes, Peck Young, Reggie Bashur, Robert Black, Ryan Erwin, Richard McBride, Richard Khouri, Richie Jackson, Rick Cofer, Richard Levy, Robert Miller, Richard Murray, Bob Strauser, Royce Poinsett, Russ Tidwell, Ruben Longoria, Dick Weekly, Luis Saenz, Scott Dunaway, Scott Gilmore, Sandy Haverlah, Shanna Igo, Sandy Kress, Susan Longley, Terral Smith, Tom Smith, Snapper Carr, Steve Pringle, Steve Scurlock, Bob Stein, Steve Murdock, Steve Stagner, Sylvia Nugent, Sylvia Acevedo, Tom Banning, Tom Blanton, Terri Burke, Thomas Graham, Tim Reeves, Tom Kleinworth, Ted Melina Raab, Todd Smith, Todd Olsen, Tom Phillips, Tom Spilman, Tim Tuggey, Vilma Luna, Walt Baum, Corbin Casteel, William Chapman, Wil Galloway, Wayne Hamilton, Angelo Zottarelli.