

FISCAL RESPONSIBILITY

Texas Democrats believe responsible, accountable and progressive state budget policy is necessary to restore trust between taxpayers and elected officials in Austin. Earning that trust requires leaders who will talk straight about the challenges facing Texans today and in the future—unlike Republican politicians who have created short-term and long-term budget problems and then have blocked solutions.

These Republican budget policies have intentionally created a long-term “structural deficit” by cutting school property taxes while not providing the substitute revenue they promised from business taxes. The price for these irresponsible state fiscal policies has fallen squarely on the backs of hardworking Texans for more than a decade.

Drastic state budget cuts in education, healthcare and other areas have shifted the tax burden to

local government, often requiring cities, counties and school boards to cut services or increase local property taxes or regressive sales taxes. As Texas Democrats, we support:

- Reversing the \$5.4 billion in cuts to public education that were made in 2011, which caused many public school employees, including teachers, to lose their jobs while more students were crammed into crowded classrooms;
- Restoring funding for proven services in the women's health programs, where cuts left millions of women without basic preventive care and screening services;
- Supporting college students and their parents, who have been hit with tuition rates that have doubled at the same time Republicans made significant cuts in state financial aid;
- Forward-looking traffic solutions that address traffic congestion;
- Long-term funding solutions for the state water plan that go beyond the decision of Republicans to redirect part of the Rainy Day Fund to serve this vital need;
- Ending debt, diversions, and deception in the state budget process;
- Fully funding our state park systems to ensure all Texans can have access to the natural beauty of our great state;
- An update for state emergency services, including 911 systems that allow communities to manage crisis situations that can arise from floods, hurricanes, and tornadoes;

State government must invest wisely and efficiently to meet the needs of our rapidly growing population and develop the human resources that are the key to our economic future. Texas must reform state fiscal policy and develop reliable revenue sources that grow with the economy to provide essential state services for a growing population. Texas Democrats support policies to restore responsible state fiscal policy, including:

- a progressive tax system based on the principle that all taxpayers should pay based on their ability to pay;
- the end to Republican policy that provides tax breaks to the wealthy at the expense of the vast majority of working Americans;
- enacting a constitutional amendment to prevent extending the sales tax to food and medicine, while opposing Republican efforts to impose a sales tax to replace local property taxes with a tremendous increase in state sales taxes;
- reforming the business "margins tax" policy to provide fairness to all economic sectors, especially small businesses;
- eliminating tax loopholes and unproductive special breaks, such as Chapter 313 agreements, to simplify the tax system and provide revenue for essential services;
- the federal government discouraging economic incentive policies that pit one community against another;
- reforming the property tax appraisal system to guarantee uniform appraisals and eliminate the loopholes that allow business, mineral and commercial properties to be taxed at far below market value, which shifts the burden onto homeowners;
- structured property tax relief to benefit all homeowners fairly and prevent families from being taxed out of their homes when land values rise inordinately, and extend the benefits of property tax relief to renters when landlords receive the full benefit of those reductions;
- requiring proposed revenue policy to be clearly established in a transparent process and determined by open, public debate and votes cast by elected representatives;
- requiring state government to spend taxes and fees for the reason they were collected;

- adopting strict guidelines that require that procurement contracts with private entities and programs to provide taxpayer-funded incentives to businesses must target, when possible, small businesses, including minority-, women-, veteran-owned businesses, and prohibit such awards for companies who export jobs or utilize tax loopholes to avoid state or federal taxes, by enacting and enforcing regulations to prevent the continued use of the Enterprise Fund as a corporate slush fund that rewards businesses owned by political cronies and contributors, despite their failure to meet hiring targets and other program requirements.