

## Software Lets You Write a Texas Budget

*By Bill Hobby*

Are you unhappy with the way your legislators spend money? Now you can write your own state budget with your own computer.

The Texas Budget Simulator (TBS) is new software developed by the Lyndon B. Johnson School of Public Affairs at the University of Texas at Austin as part of a project sponsored by the Legislative Budget Board. TBS gives you information about the current (1994-95) two-year state budget and the ability to plug in your own numbers for the 1996-97 budget the Legislature will be considering this session.

You can plug in the revenue estimate contained in the new Biennial Revenue Estimate issued by Comptroller John Sharp or experiment with restructuring taxes. (The Texas Constitution, however, assures that the Legislature will use the Comptroller's figures.) TBS will keep a running total of the revenues and expenditures you decide upon and show you the difference between the two.

That will help you understand the problems legislators face when they try to keep spending within available revenue. Unlike the federal government, Texas is required by its constitution to balance its budget.

With a keystroke, you can get backup information on each revenue or expenditure item. This also introduces some of the restrictions real budget writers must observe. The constitution and the laws of Texas dedicate the revenues from some taxes to some functions of state government. If you try to cut public school appropriations, for example, below the dedicated amount, TBS will stop you and tell you why it did.

With a keystroke, you can look at certain policy options and their dollar implications. You can then adjust the figures to fit the options you like.

None of these options are necessarily endorsed by the LBJ School or the Legislative Budget Board. Like TBS and a printed report titled "Hard Choices--Setting Priorities for the Texas State Budget", they are the product of a student policy research project. The project was directed by Tom Keel, a former director of the Legislative Budget Board and myself, with valuable assistance from Mike Wegner of the comptroller's office and budget board staff.

In short, TBS allows you to play "what if?":

- State revenues increase \$4 billion in the next two years (a good guess)? The net spendable increase would be about \$3.2 billion, because about \$800 million has been committed by "one-time savings" in the current appropriations act.  
The school year were five days longer? State cost: \$151 million.
- Tuition in state universities went up \$1 per credit hour. State saving: \$18.8 million.
- Aid to Families with Dependent Children were eliminated? State saving: \$1.27 billion.
- The state paid for all that current law requires for public schools? Cost: \$2 billion.
- Medicaid costs go up? They will. State cost: \$2 to \$3 billion.
- Teacher retirement payments were reduced to the constitutional floor of 6 percent of salary? Saving: About \$325 million.
- The offices of the state comptroller and treasurer were merged? Saving: \$8 million.

Some costs will go up whatever happens. Prison costs will go up about \$1 billion including \$190 million in interest on the bonds to build the new prisons and \$600 to \$700 million more to operate them.

Interesting facts you can find on the disk and in the report:

- State taxes pay for just half (51 percent) of state government. The other half comes from the federal government (30 percent), dividends and interest (5 percent), and other sources, including the lottery (14 percent).  
Half the state budget (49 percent) is driven by federal mandates and court orders.
- Texas state government spends less money per citizen than any other state.
- Federal mandates increase your local school taxes. Federally required increases in Medicaid siphon money from the state treasury. That money therefore cannot be spent on state aid to public education. In 10 years, the local (property tax) share of the cost of public schools has increased from 48 percent to 55 percent.
- For the first time in fiscal 1994, Texas got more money from the federal government, 30 percent of revenue, than from the sales tax, 28 percent.

TBS comes on a 3.5 inch floppy disk. The information contained on the disk--and more--is available in the printed report, "Hard Choices". After January 11, you can download TBS from the Legislative Budget Board Bulletin Board, 512-463-7005. The printed report has additional historical data on state revenues and expenses.

TBS is also available from Window on State Government, the comptroller's bulletin board, which can be reached at 1-800-227-8392 by modem or window.texas.gov by telnet. A wealth of useful information is available on this bulletin board, including population projections to the year 2010 and state economic indicators. A limited number of copies of TBS and "Hard Choices" are available for about \$15 from the LBJ School Publications Office, 512-471-4218. Two LBJ students deserve much of the credit for the software and report. Joe White designed the software and Joe Dyer wrote the report.

An excellent similar program for the federal budget is available from Larry Dzieza, Citizens' Toolbox, 1411 Westview Place, Olympia, WA 98504. Dzieza's program is based on a Congressional Budget Office publication titled "Reducing the Deficit: Spending and Revenue Options."

As Tom Keel says, there's nothing here that can't be done with a lead pencil and a Big Chief tablet but it's a lot easier with a computer.

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