

Feds have forced it on us

By Bill Hobby

Recently, the Wall Street Journal worried that Texas was in the "thrall of tax-and-spend politicians." Much as we appreciate advice from New York City about how this state should be run, we must suggest that they not worry their little heads with this.

The Journal, relying on numbers from the ultra-conservative Texas Public Policy Foundation, is concerned that spending and state debt in Texas have been rising faster than the national average. The foundation found that Texas spending increased 56 percent between 1980 and 1991, compared to 48 percent for the average state. They reported that interest on state debt rose 203 percent.

Of course, a number of other things in Texas, now the second largest state in the nation, have risen faster than the national average, like health-care costs which tripled and the number of prison inmates which rose 177 percent. We have more poor people than the average state, more immigrants (three out of 10 Texans were born outside the state) and more teen-age births. This is a dynamic, growing state with a thriving economy. In each of the last three years, Texas led the nation in the number of jobs created -- 209,800 just last year.

More people create demands on government, but that is not the main reason spending has grown. Texas budget increases are largely the result of forces outside state government's control.

State spending increased 37.2 percent in real dollars since 1980. Even so, state government expenditures per capita ranked dead last, No. 50, among the states in 1992, the last date for which Bureau of **Census** data is available.

State debt, which the Texas Public Policy Foundation worries is increasing so rapidly, is still very conservative. Texas ranks 49th among the states in long-term state debt per capita.

Look at the reasons why Texas is spending more: federal mandates and court orders. An excellent new report from the Legislative Budget Board indicates federal mandates accounted for 45 percent of the increase in the last two Texas budgets. About one-third of the Texas budget is controlled by some judge. Federal court orders on prisons, mental health and mental retardation account for much of the \$3.5 billion the state is spending this biennium on unfunded federal mandates.

The biggest increase is Medicaid. Why? Federal expansions signed into law by those tax-and-spend politicians, President Reagan and President Bush. Unlike other large states, Texas had a Medicaid program that was as stingy as the feds would allow. So when the Republican presidents and a Democratic Congress said more benefits had to be provided, it cost Texas more to provide them.

Even so, Texas ranks 48th in average expenditure per person on Medicaid. Spending more on Medicaid has had a number of very good results. More pregnant women and small children got health care, which may have prevented even more costly problems. And it brought in more federal dollars, because Medicaid is financed 36 percent by the state and 64 percent by the federal government.

The next biggest spending increase was for prisons. A federal court told Texas it couldn't overcrowd prisons. Another court said that state prisoners could not be kept indefinitely in county jails. Voters overwhelmingly supported \$2 billion in bonds to build more prisons. Even with the biggest prison construction program in the history of the world, the Legislative Budget Board had to take \$30 million from other state agencies to finance emergency housing for jail inmates this summer. Prison construction largely accounts for the increase in debt payments.

Education spending increased because Texas has been trying to comply with a state court order to equalize school funding or close the schools. Ask the teachers. They haven't gotten a pay raise. State spending per pupil in constant dollars has zoomed all the way from \$1,509 in 1984 to \$1,508 in 1992.

To finance the increases in health care, prisons and education, the Legislature cut other programs. During the last four years state spending on general government and natural resources has declined by \$400 million.

Higher education has been squeezed as well. Per student spending, adjusted for inflation, decreased 9 percent between 1985 and 1992. Texas spends three and one-half times as much keeping an inmate in prison for a year as it does educating a student at a state university.

Texas leaders might have kept spending lower if they had defied the courts, the federal government and the wishes of the voters. Instead, they acted responsibly and tried to meet not only the mandates, but the needs of a dynamic, growing state.

Just to keep things in perspective, in those years when Texas spending was rising, the price of a full-page ad in the Wall Street Journal tripled from \$39,817.92 to \$118,956.48. The cost of a year's subscription went up 2.8 times from \$53 to \$149. The single copy price went up 2.1 times from 35 cents to 75 cents.

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