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Free-Spending Ways Must Be Restricted

Texas' Budget Woes Result of Poor Choices, Not Poor Economy

By Brooke Leslie Rollins

Contrary to popular belief, the budget problems facing the Lone Star State were not created by the poor economy or low taxes. While many in Austin are busy hiding behind a sluggish stock market, the \$9.9 billion shortfall is the result of free-spending lawmakers and irresponsible choices.

Put simply: the Texas government has for too long spent more than it could afford. It's not that you are not taxed too little; it's that our elected leaders choose to spend too much.

But it appears common sense might be breaking out in Austin.

First the bad news. Since 1978, state spending has increased almost 600 percent. Even over the last decade, spending has jumped 125 percent. That kind of spending cannot last. Income has not increased that much. Neither has inflation. Certainly not population. Spending has been, and remains, Texas' biggest budget problem.

The question of reigning in the leviathan has perplexed good government advocates for decades, since many of our representatives and senators have in the past demonstrated an inability to restrain themselves. In the late 1970s, Texans approved a constitutional amendment that was supposed to limit spending growth. Unfortunately, legislators still had lots of wiggle-room, and the limitations are all but meaningless - as evidenced by the explosion in state spending. Now the good news. Our governor and the leadership in the Texas House campaigned on promises to hold the line on spending and avoid tax increases. House Speaker Tom Craddick and his team made good on the promise, and Gov. Perry is standing behind them. Finally legislators are systematically looking at the budget and asking not "how much more can we spend?" but rather, "where can we cut?" Waste, unproven programs and duplicative services are being rooted out and cut.

While that alone is a lot to be thankful for, the House could soon consider legislation that would keep legislators from straying off the limited government path. State Rep. Carl Isett of Lubbock has filed legislation that would restrict state government spending growth to a percentage of inflation and population. This falls

in line with the best economic research on such limitations.

Internationally acclaimed economist Richard Vedder has found that the only way to strictly limit government's free-spending habits is to tie its budget-writing hands with clearly defined, generally accepted and well-understood economic measures.

Texas wouldn't be the first state in the Union to adopt such a measure; 26 states have some sort of spending limitation. The best is found in Colorado. For more than a decade, the Golden State's constitution has required the same kind of limitations under consideration by the Texas House.

Opponents often suggest that a strict restraint on spending would keep the government from responding to emergency needs, and that social services might be hurt. Such concerns are unfounded. First, the legislature is given the authority to override the spending limitation with a two-thirds record vote.

Second, the spending limitation only affects the bottom-line of the budget. There can be large, even extensive, increases in funding for particular budget areas. But at the end of the day, legislators will be restricted in the total number of dollars they can spend. They will be forced to prioritize their projects and spend our money more wisely.

A strong, constitutional spending limitation forces lawmakers to budget the way businesses and individuals do: start with the money available, and then determine spending.

While Rep. Isett's spending limitations measure does not ensure legislators will make wise choices in the dispersion of our tax dollars, it will force them to think more carefully before implementing new programs or expanding old ones.

Holding the line on state spending this year is a quick win for Texas taxpayers. Constitutionally limiting the growth of government will be a win for generations to come.

(Brooke Leslie Rollins is president of the Texas Public Policy Foundation, a research think tank with offices in Austin and San Antonio. The Foundation's website is www.TexasPolicy.com.)