

Texas Spending Revamp Proposed

By DIXIE SHIPP
Capitol Staff

A state program shouldn't be able to just breeze down the track to funding, but rather jump some pretty high hurdles to prove itself worthy of tax dollars.

That's the theory of the Texas Manufacturers Association as it takes the story of its plan to revamp state spending procedures to the people.

The five point plan, unveiled earlier this week at a capitol press conference, is aimed at some of the weak points TMA researchers say, after a year of study, are the troublemakers.

Carl Braubach, research director for TMA, said the statewide association of 3,500 member businesses will have spent \$45,000 by the end of the current legislative session and more than 5,000 man-hours would have been invested in putting together its proposals.

TMA has drafted five model laws to correct the deficiencies and are now looking for sponsors to hopefully begin the process of converting the bills into law.

In the meantime some 35 local TMA chapters — one of them the three-county Central Texas chapter which includes Austin — have been trying to educate the public about the TMA proposals.

Will Miller of Duplex Advertising in Austin, immediate past chapter chairman of the local chapter, said during the past year more than 300 clubs have been shown a slide presentation all over the state that graphically displays the TMA program.

One TMA representative in each area is trained to give the talks and then contacts as many local social and business clubs as possible with the message, he said.

This year in addition to the slide presentation the speech makers will be equipped with a prepared text, written by a Houston advertising firm working with TMA on the plan, living up to expectations.

TMA members statewide are also busy lobbying with local legislators for the five proposed legislative pieces.

"We're not telling anybody how to run their business, just telling them these are the areas that need consideration," Miller said. "We're not creating a more businesslike... streamlined approach to money management."

Braubach, who works out of TMA's Austin branch office, said the research program was developed after businesses found themselves "sitting around fighting taxes every year."

"Every big interest has an interest in taxes and lobby for or against different types," he explained. "We finally said if you're looking for economy in government, it's a little late to holler at tax time."

"That's when we began to see if we couldn't get a rational procedure with integrity built into it all the way through... build hurdles so the money would be difficult to spend."

The five proposals are not new he said but do reflect sound business practice through a system of checks and balances built into the money program all the way through.

The proposals, as outlined by the TMA this week, call for the legislature to:

—Authorize the governor, as the state's chief executive officer, to review state spending on a quarterly basis, similar measures in the past have been held unconstitutional by attorney general decisions, but TMA officials feel they have drafted a law which carefully skirts constitutional entanglements.

—Authorize the legislative budget board to conduct performance audits of agency and program operational efficiency. Unlike the regular check by the state auditor to make sure financial books are in order, this audit, by the LBB, would see if the program was working with TMA on the plan, living up to expectations.

STATE BUDGETING, TEXAS STYLE		STATE BUDGET REFORMS	
PROBLEMS		SOLUTION	
1	Lack of Executive Money Management	1	Budget Executive
2	No Analysis of Existing Programs	2	Performance Auditing
3	Unlimited Arbitration Powers	3	Conference Committee Limitation
4	No Price Tagging	4	Revenue Earmarking
5	Revenue Earmarking	5	Revenue Earmarking

WILL MILLER SHOWS TMA PLAN TO REVAMP STATE SPENDING PROCEDURES
The five-point TMA plan calls for state budget reforms and took 5,000 man-hours to prepare

—Limit on the compromise power of the free conference committee on appropriations. Although this proposal is already in the joint rules of the House and Senate, the TMA feels it needs the weight of law especially in view of what happened in the 1971 budget writing conference committee.

The committee, unlimited in power, became deadlocked in the last days of the session and rewrote the appropriations bill, breaking into new spending ground with 200 new items costing an extra \$95 million. Since conference committee bills are a take it or leave it proposition, the legislature has to swallow the whole pill or face a special session.

—Establish a fiscal note system to provide a five year cost projection for all prospective spending legislation. Although the house now does this, the price tag is attached after the committee work is finished. TMA says the price tag ought to go on first, in both houses, since it is a legitimate pro or con for every proposal.

—Authorize a two-year what the TMA considers a convined the legislature ought to have a chance to look at all to re-examine the present up 80 per cent of the states the money and reset priorities practice of earmarking state income money by specifying it accordingly they recommend revenues for some 300 special here only a study commission limited-propose funds. due to the controversial nature controversial, this is aimed at. Although the TMA is already of the proposal, Braubach said.

Staff Photo by Duncan Engler



BILL GRAY
TMA president

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Spending Controls Favored

Associated Press

The Texas Manufacturers Association recommended Wednesday tighter control by both the legislature and the governor over how tax dollars are spent. Jim Yancy, the TMA's chief lobbyist, also said chances are "reasonably good" that the legislature that convenes next Tuesday can complete its work without needing a tax bill.

The TMA laid out these five proposals for "budget reform," each accompanied by a bill that TMA President Bill Gray said would be introduced this year:

—"Budget execution" authority for the governor, giving him power to make quarterly reviews of agency spending plans, and to block expenditures that he regards as unnecessary because of changed circumstances since the legislature appropriated the funds.

—Performance audits of agency operations by the Legislative Budget Board, gauging how effectively the various state departments and institutions are doing their work.

—Creation of a Texas Commission on Revenue Earmarking, to study the system of special funds that the TMA said leaves the legislature with power over only 20 per cent of the state budget. The 14-member commission, appointed by the governor, would have to report by Feb. 1, 1975.

—"Price tagging" by the budget board of any bill that would require expenditure of state funds. The five-year cost estimate would have to be made before a committee hearing on such a bill could be held.

—Prohibiting the conference committee on the general appropriations bill each session from adding expenditure items not previously approved by the House or Senate.

The last two items already included in legislative rules, but the TMA wants them enacted as law.

While not writing it into the proposed statute, the TMA said it believed only the governor should submit budget recommendations to the legislature. The budget board now submits a proposed appropriations bill also.

Budgetary Reform

FIVE SEPARATE budgets for 1972-73 were proposed to the Legislature before an appropriations bill was passed. Then the second year's appropriations were vetoed by Gov. Preston Smith, requiring a special session to provide money.

So is it any wonder that voices for budgetary reform are being raised all over the place?

The multiple-budget situation is just one of numerous examples of the sorry system now in force.

The Texas Manufacturing Association, in testimony before the House Revenue and Taxation Committee, made a good case for reform in this field.

Contending that better budgeting could avert continual increases in the size of tax measures, the association called for these reforms:

- Periodic review of programs receiving state funds.

- Reduced power for the free conference committee which reconciles differences between Senate and House versions of bills.

- Provision of more budgetary accountability.

- Efficiency checks of state offices.

- Elimination of duplicated efforts in the formulation of state budgetary proposals.

Dolph Briscoe, Democratic nominee for governor, and many of those who'll be members of the next Legislature, have stressed budgetary reform in their proposals for restructuring some of the machinery of state government.