

Budget: Ever-changing, never-ending

By LIZ NEWLIN
Battalion Staff

The budget doesn't look alive. One copy of the 14-volume budget for the Texas A&M University System just sits quietly in the Reserve Room of the Library — computer print-outs for all to see. But it is alive.

For more than a year a whole host of people have planned and plotted, cussed and changed, what is in the budget. And it is still changing. Pieter Groot, Texas A&M University's assistant vice president for academic budgets, explains that it changes even after final approval by the regents.

A vital piece of lab equipment breaks and must be replaced. A new professor must be paid more than expected. Things like that. The figures in the budget, though, are changed even more — usually made smaller — as they are shuffled among the departments, colleges, the System, the Texas Legislature, and back again.

The operating budget, the one in the library, is the product of two independent budget-making cycles, which operate simultaneously in the spring before a legislative session.

The two schemes yield:
1. a budget request to be submitted to the Texas Legislature — what the Texas A&M University System wants, and
2. an operating budget — what Texas A&M does with what it gets.

The second process — generating an operating budget — is shorter and simpler. Produced entirely for and by the System, the operating budget is developed in about three months.

Writing the operating budget for the coming fiscal year (beginning Sept. 1, 1979) will probably begin in May, says Cliff Lancaster, an assistant vice chancellor for budgets. State legislators are still deciding how much money the System will get for 1979-80 and 1980-81. Lancaster expects the System will know enough by May 1 to begin writing — rewriting, really — the operating budget, using the budget requests and legislative mandates as guides.

That budget should be approved by the regents sometime in July, he explains. The whole process — writing an operating budget — will be repeated, beginning next January for the 1980-81 fiscal year.

By that time the other budget cycle will also be under way — preparing the next Legislative Budget Request. That's the process that takes more than 1½ years and seems to involve half the State of Texas.

The basis for 80-85 percent of Texas A&M's budget is the formula developed by the Coordinating Board, Texas College and University System (see story headlined Budgetary language). Briefly, that formula determines how much money each university program should get based on the number of students it serves.

The rest of the budget involves items not covered by the formula. These special items range from faculty insurance to utilities to Texas A&M's cyclotron to building renovation. They are considered separately, and they often involve politicking in the process.

Legislators can decide, for instance, whether a university should

get an extra \$3 million to increase its library holdings. There's no formula for that.

But just figuring the "regular" items is not simple. The Texas formula is one of the most complex in the nation, says Dr. R.W. Steen, director of formula study for the Coordinating Board. Earlier this year he completed research on how other states calculate their university budgets. His report should be ready sometime this month, he says.

"Texas' formula is considerably more complicated than most other states'. It meets the needs of individual institutions better," reports Steen, who taught history here for 23 years before joining the Coordinating Board.

"It allocates the same kind of money for the same kind of work." For example, liberal arts programs, whether they are at Texas A&M or Blinn College, receive departmental operating funds at the rate of \$1.47 per undergraduate student credit hour (SCH).

The rate changes with the cost of the program, not with the political

pull of the school. Using that same example, engineering programs at both schools receive \$16.59 per SCH. The Coordinating Board has decided that departmental costs — which include lab equipment — are higher for engineering programs than liberal arts programs.

But only about half the states use a formula system, Steen says. The New York University System, one of the largest in the country, does not; instead, the regents' recommendations are forwarded to the State Legislature.

Like New York, the Legislature here has a big say in the budget — even the formula.

The Legislative Budget Board this year trimmed the Coordinating Board formula from a net 6.4 percent increase over current spending to a 5.1 percent increase. At Texas A&M the difference was about \$1 million for next fiscal year.

The LBB recommendation is about \$83 million; the University's request, before the formula was strictly applied, was about \$102 million.

It seems that the farther the budget goes, the smaller it gets.

Universities, however, have several opportunities to defend their special items and to request more than the formula allows.

Two sets of hearings are particularly important: hearings before the staffs of the LBB and the Governor's Office of Budget and Planning (GOB), and hearings before the Legislature itself.

The staffs of the LBB and the GOB — not the politicians themselves — hear budget requests the summer before the legislative session. Last August, representatives from all parts of the Texas A&M System came to the Memorial Student Center to justify their budgets — especially their special items.

Dr. John Alexander, a budget examiner for the LBB, was at the hearing. He is responsible for budgets of all the state universities and colleges.

He says the hearings are useful to get more information for the GOB and the LBB. Although staffers don't have discretion over formula

items, they can promote — or discourage — special items.

But even if the University and the staffer want a particular program to receive more money, Alexander points out, the legislators on the LBB can veto it.

One observer remarked, though, that if a special item is included in the final LBB recommendation, it's as good as funded.

The last chance the University has to add items to its budget is in hearings before the Senate Finance Committee and the House Appropriations Committee.

Administrators, with the help of friendly legislators, can add entire programs and increase funding in the last days before the appropriations bill is written — no matter what the formula says, Texas A&M's hearing before the Senate committee was late last month; the House hearing was Thursday.

Neither house has written its general appropriations bill, and it will probably be May before either does.

Texas A&M officials are outwardly worried that this tight

budget year will "squeeze Army." That may be true. Comptroller Bob Bullock has predicted that the state's surplus will be smaller than anticipated. And that means budget cuts.

But Texas A&M should do all right. Its list of "friendly legislators" is long and impressive.

The legislators from Brazos County are Bill Presnal, chairman of the House Appropriations Commit-

tee, and Bill Moore, dean of the Senate. Both are Aggies, especially during budget time, and both are powerful.

Other Ags include House Speaker Bill Clayton and A.R. "Babe" Schwartz, the veteran liberal senator from Galveston, home of Moody College.

In all, more than 15 Aggies are in the Legislature. And that doesn't hurt.

Budgetary language

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Budgeting uses a vocabulary all its own, or at least it does in Texas. Here are some of the agencies and terms intimately involved in the process:

Base Period: The three semesters on which the next biennium's number of student credit hours is estimated. The base period used this time is summer and fall 1978 and Spring 1979. The Coordinating Board has declared that enrollment on the 12th class day is the official count for the semester. At Texas A&M the Office of Planning estimates items the base period doesn't cover, like the size of the freshman class.

The Coordinating Board, Texas College and University System: The governor appoints the 18 members to six-year terms. The board makes policy for state colleges and universities. It recommends the basic formula that generates about 80 percent of the school's budgets. This year, for example, it figured a formula that would produce a net 6.4 percent increase over the current budget.

Formula: The mechanical way in which 80-85 percent of Texas A&M's budget is produced. It assigns a rate to every regular function of a university. Then the rate is multiplied by the number of student credit hours that will "use" a service, estimated from the base period.

Governor's Office of Budget and Planning (GOB): The governor also recommends a budget, and this year Gov. Bill Clements announced it well after the LBB guides were out. The Legislature considers the differences between this budget and the LBB version, but it generally prefers to use its own.

Legislative Budget Board (LBB): A panel of legislators consisting of the speaker of the house, the lieutenant governor and eight other legislators. It makes recommendations on what the budget should be, based on work by the LBB staff — professional educators and budget examiners employed year-round to do the "nuts and bolts" work. The LBB itself makes policy decisions, and LBB guides form the core of the appropriations bills for the two houses of the Legislature. "We try to fine tune the LBB recommendations," says Rep. Ron Wilson, a member of the Higher Education Committee. "We have gone above and below the recommendations. We use it as a guide, not a Bible."

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