



# Beyond Balancing the Budget: How to get the most out of the Debt Fixer Simulation

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# Agenda

- Overview of various city, state, & federal budget simulations
- Description of “The Debt Fixer” from the *Committee for a Responsible Budget*
- Use as an online class discussion
- Ways to enrich the discussion by using various roles to complete the simulation



# Budgeting Simulations

- Purpose:
  - ...”for placing students into ‘real world’ context for the purpose of reinforcing class content and improving learning outcomes” (Wedig, as cited in Mallinson, 2018, p. 111)
  - Provides for an understanding of the complexity in budget decision
- Focus:
  - City, state, and federal level bring different aspects of the decision process



# Local Budgeting Simulations

- UNC School of Government Budget Simulation
  - Two versions – “Budgetopolis” for cities and “Bottom Line!” for counties
  - Board game approach
  - Players are given alternatives for cutting services and options to generate revenue
  - Fee for localities



# Local Budgeting Simulations

- People's Budget (<https://neworleans.peoplesbudget.com/>)
  - City of New Orleans, Committee for a Better New Orleans
  - Online simulation
  - “We give you 602 million dollars. It's your job to balance the budget while funding the many important responsibilities of city government. We'll give you some guidelines – what do the departments do? What happens if you give them more—or less – money?”



# State Budgeting Simulations

- School of Public Affairs, University of Colorado, Denver  
“Balancing Act” (<https://co.abalancingact.com/colorado-2018-2019-budget>)
- Models the 2018-19 Colorado budget, with a focus on the education and spending items that were on the 1018 ballot.
- Seven categories of revenue; eight categories of expenditures



# State Budgeting Simulations

- California Budget Challenge by About Next 10  
(<https://www.budgetchallenge.org/pages/home>)
- “A nonpartisan budget simulation of some of the tough choices lawmakers are faced with and an introduction to the California state budget process.”
- Six categories of revenue; 10 categories of spending
  - Additional information provided for each category



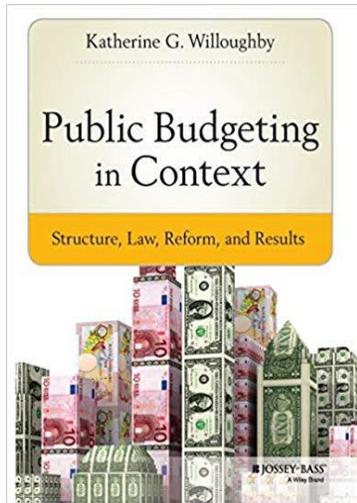
# Federal Budget Simulations

- Council for Economic Education “National Budget Simulation” (<https://archive.econedlink.org/national-budget-simulator/>)
  - For K-12 but can be used for higher-ed
- 20 major budget categories
- Based on 2012 budget



# Federal Budget Simulation

- Committee for a Responsible Budget “The Debt Fixer” (<http://www.crfb.org/debtfixer/>)
- Used since 2015 in PA 6650 Governmental Budgeting & Financial Management course (Troy University)
  - Prior to that, used Budget Hero
- All students completed the simulation based on their own perspective
- Adjusted this summer: Used role-playing
  - Randomly assigned into liberal or conservative group



## **Chapter 3: Budget Law and History of the US Federal Government**

While related to all of Chapter 3, the direct focus of the simulation is on the federal debt (pp.76-86):

- Budget Balance & Management Improvement
- Then and Now – Budget Numbers



# The Discussion Forum Assignment

- Complete the Debt Simulation and reach the target of 70% of the GDP by 2028.
  - A reduction of \$7,810 Billion
- You will be asked to make adjustments in 7 Categories.
- To reach the goal, you will have to adopt the perspective assigned (conservative or liberal) for your policies and priorities.

# The Simulation

<http://www.crfb.org/debtfixer/>



1. Defense 
2. Education, Infrastructure and Research
3. Social Security
4. Health Care
5. Other Domestic Spending
6. Individual Income Tax
7. Other Taxes

# The Simulation

<http://www.crfb.org/debtfixer/>



Committee for a  
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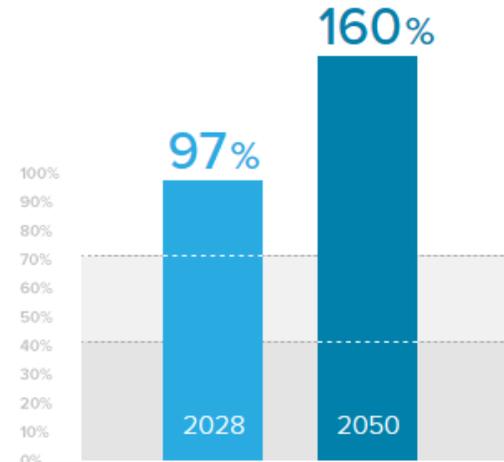
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## Defense

The federal government spends a significant portion of its budget on defense, security, and foreign relations. Many of the programs in these categories are vital to keeping America safe and maintaining global leadership, but high national debt could leave the country vulnerable. All numbers represent cumulative change in dollars through 2028.

	in billions
<input checked="" type="checkbox"/> End the Wars in Iraq and Afghanistan <a href="#">Learn more</a>	\$440B ↓
Increase Defense Funding Levels (select one) <a href="#">Learn more</a>	
<input type="radio"/> Reverse the Defense "Sequester" Cuts	\$550B ↑
<input type="radio"/> Continue Recent Defense Spending Increases	\$900B ↑
<input checked="" type="checkbox"/> Slow Development of New Weapons Systems <a href="#">Learn more</a>	\$70B ↓
<input checked="" type="checkbox"/> Reduce the U.S. Navy Fleet from 292 to 250 Ships <a href="#">Learn more</a>	\$110B ↓
<input checked="" type="checkbox"/> Allow Veterans to See Any Doctor Outside of the VA <a href="#">Learn more</a>	\$560B ↑

Debt as Percentage of GDP



**\$7,810 billion to go.**

Your goal is to cut \$7810 billion from the Federal Budget to bring down the debt to 70% of GDP by 2028

# The Simulation

<http://www.crfb.org/debtfixer/>



Committee *for a*  
Responsible Federal Budget

Recommend 3 Times

1. Get Familiar

2. Test Your Strategy

3. Perfect Your Strategy & take notes

4. Print

## Share Results

Share your results with friends and colleagues on social media and email.



## Discuss

Join the discussion on our Facebook page.



## Print

View a print-friendly summary of your choices and results.





# The Discussion Forum Assignment

- Post a summary or overview by Thursday midnight (CT) to include:
  - What you changed in each of the seven categories (and whether you increased or decreased funding).
  - What methodology you used to determine your funding changes (conservative - liberal)
    - ***Provide text or article references for support!***
  - Summarize what you believe will be the impact of your changes on the private sector.
  - State your impression of the simulation.



# Discussion Board Assignment

- Part II:
  - Discuss how you believe local revenue & expenditure choices can be influenced by changes at the federal level
    - Tie it to the changes you made in the simulation
- Parts I & II are due by Sunday, midnight.
- Comment on at least 2 other student's postings from a substantive perspective by Saturday, June 15th.



# Demographics

- Class divided into 3 groups of 12 students each
  - Each group had 6 conservatives and 6 liberals assigned
  - Total of 36 students participated
  - 169 individual posts ( a lot of discussion!)
- Demographics:
  - 11 students from Alabama, 8 from Georgia, others spread across US
  - 8 active duty military; 5 federal civil service; others city employees and private sector



# Student Feedback

*Overall, I was challenged by the simulation. I consider myself a moderate, that doesn't always align with one party or the other. However, while attempting to apply the Democratic platform to spending changes, I found that compromises were required to meet the debt reduction targets. This was eye opening and made me realize the importance of moderate elected officials, who can look at a situation with sober thoughts and make difficult choices given the options at hand.*



*My impression of the simulation is that it challenges you in three areas: your beliefs, what is economically best for the country , and what is best for you as a person. This is to say, I have been raised all my life to support the Democratic Party, but after reading the Republican platform, I realize that a lot of my personal beliefs and view of how the world would be better, center around those of the Republican Party. In discovering this, it made the simulation process very difficult; I was forced to erase what I believed was the foundation of the Democratic Party.*



*After completing this simulation I have learned that no one party has the solution to our nation's debt crisis and that the necessary steps required to reign in our nation's debt are drastic and leave little room for the well received policies that call for increased spending.*



# Differences with Individual Approach

- Done individually:
  - Students generally found it to be interesting and informative
  - Repeated process until goals met
- Done in role-play:
  - Students generally found it to be interesting, informative, and difficult to complete from one-party platform
  - Need to understand other perspectives
    - For some, understanding their stated political “persuasion” is not what they thought



# Instructor Perspective

- Using role-playing added another dimension to the assignment
  - More robust replies
  - Better understanding of the political approach to budgeting
  - Students could see trade-offs
- Other options:
  - Assign students to a different socio-economic class – thoughts on other divisions?
- Can be used in class as well as online
  - Divide students by gender into different groups



# Budget Simulations

- Final thoughts:
  - One of the highlights of the budget course
  - Done early in the course, provides a good overview of budget concepts
  - Improves critical thinking skills
- Good article on simulations:

Mallinson, D.J. (2018). Teaching public budgeting in the age of austerity using simulations. *Teaching Public Administration*, 36(2), 110-125.