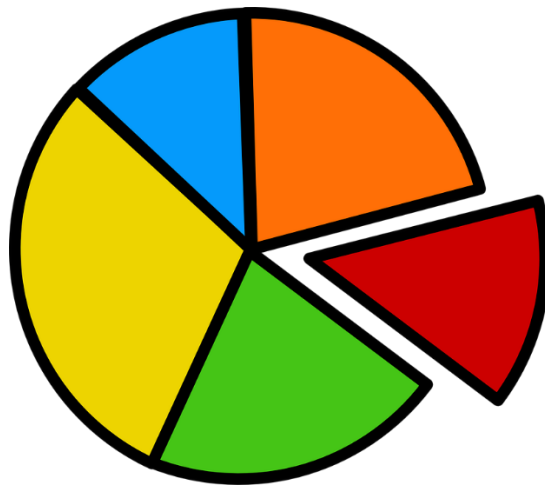# Determining a Town's Budget

Congratulations! You have just been nominated as your city's next manager! This is a big job and tough decisions must be made so you will work in a small group with other classmates. Your city receives **$150,000 in tax revenue**. It is a small town of 500 people. You must determine how much money is spent in the below categories.

**Step 1:**

| | Column A |
|---|---|
| **Category** | **Next Year's Budget** |
| K-12 education | |
| Parks | |
| Hospitals | |
| Transportation (buses, trains) | |
| Roads, streets, highways | |
| Police & Fire departments | |
| Public assistance (emergency youth center) | |
| Other | |

Oh no! You were just notified that the city is expecting a budget shortfall of $45,000. The mayor has tasked you with cutting $45,000 out of the city's budget.

Calculate your new budget amount: $150,000 - $45,000 = _____

**Step 2:** Using the same categories, determine how you will spend the new amount of money. Are there services you will cut or reduce?

| Category | Budget (from Column B above) | Revised Amount | Difference |
|---|---|---|---|
| K-12 education | | | |
| Parks | | | |
| Hospitals | | | |
| Transportation (buses, trains) | | | |
| Roads, streets, highways | | | |
| Police & Fire departments | | | |
| Public assistance (emergency youth center) | | | |
| Other | | | |

**Step 3:** Now that you see what cuts need to happen, you have a decision to make: Do you go along with all the cuts? Do you raise taxes? If so, how much? Do you make combine cuts and raising taxes? Discuss with your group.

**If you choose to raise taxes:**

How much per person? **_____**

What does that make your total city budget? **_____**

Fill out your budget with the new taxes.

| Category | Budget (from Step 2 above) | Revised Amount | Difference |
|---|---|---|---|
| K-12 education | | | |
| Parks | | | |
| Hospitals | | | |
| Transportation (buses, trains) | | | |
| Roads, streets, highways | | | |
| Police & Fire departments | | | |
| Public assistance (emergency youth center) | | | |
| Other | | | |

**If you choose not to raise taxes:**

**Explain why you believe that cuts are necessary to the citizens of your town.**

_____
_____
_____
_____


**Step 4**: After you have completed the charts, create a brief presentation/overview to present to your classmates.