Second Edition

GOVERNMENT BUDGETING

Theory
Process
Politics

ALBERT C. HYDE

Second Edition

Government Budgeting: Theory, Process, and Politics

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Preface

The title *Government Budgeting: Theory, Process, and Politics,* seems to imply that there exists a theory of governmental budgeting separate from the mechanics of the budgetary process, and, in turn, somehow separate from the politics of budgeting. Budgeting events in the 1980s leave little doubt that in reality the elements are so thoroughly fused that it is all but impossible to delineate theory, process, or politics from the whole that is government budgeting. How much budgeting has actually changed since the mid 1970s may be subject to debate, but no one seriously doubts the fact that budgeting and resource environments for all governments are dramatically different.

Yet there are historical threads that demonstrate how remarkably close to its roots public sector budgeting remains. Following an opening section devoted to the development of budget reform and budget theory, this edition is organized into three major sections, loosely organized around William Willoughby's three threads of budgetary reform noted in the selection from his work appearing as reading 2 in this text.

Section II (the thread of legislative-executive relations) examines governmental relations in budgeting: from legislative and executive interaction; to the roles of courts; to budgeting relationships among federal, state, and local governments.

Section III (the thread of popular control and democracy) introduces budgeting's new political–economic environment, focusing on various political control and economic management issues ranging from line-item vetoes and revenue limitation movements to deficits and taxes.

Section IV (the thread of management efficiency) reviews budgeting's management dimension with the traditional coverage of budgeting systems such as performance, PPBS, and ZBB, but adds special emphasis to financial management concepts and their central importance in budgeting.

Whereas this book develops various budgeting concepts historically, it is not a history of budgeting. Rather, it is intended as a source book that presents the practitioner and student with a collection of articles and viewpoints from a diverse array of experts, budget theorists, and researchers. The introductory sections, by design, have been kept brief and limited to providing historical context or background.

A significant omission from the first edition of this book is the comparative section. In its place is a section on the new political–economic environment. Discussion of the problems of budgeting in other countries is still an important topic; but the amount of material available in this area is now quite extensive and to integrate these dimensions into the full scope of budgetary theory, processes, and politics would require another volume. In placing emphasis on economic dimensions, this edition recognizes the significance of new fiscal realities and deficits, which so profoundly influence government budgeting decisions.

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Albert C. Hyde

Contents

I
The Development of Budgeting and Budget Theory: The Threads of Budget Reform
1

1 Evolution of the Budget Idea in the United States
Frederick A. Cleveland
7

2 The Movement for Budgetary Reform in the States
William F. Willoughby
18

3 The Lack of a Budgetary Theory
V. O. Key, Jr.
22

4 Toward a Theory of Budgeting
Verne B. Lewis
27

5 Political Implications of Budgetary Reform
Aaron Wildavsky
39

6 The Road to PPB: The Stages of Budget Reform
Allen Schick
46

7 The Continuing Need for Budget Reform
Elmer B. Staats
61

8 Guidelines to Federal Budget Reform
Naomi Caiden
68

9 Budget Theory and Budget Practice: How Good the Fit?
Irene S. Rubin
81

II
Budgeting and Intragovernmental Relations: An Instrument for Correlating Legislative and Executive Action
95

10 The Power of the Purse: Congressional Participation
Dennis S. Ippolito
101

11 The First Decade of the Congressional Budget Act: Legislative Imitation and Adaptation in Budgeting
Mark S. Kamlet and David C. Mowery
119

12 Ten Years of the Budget Act: Still Searching for Controls
Louis Fisher
135

13 Deficit Politics and Constitutional Government: The Impact of Gramm-Rudman-Hollings
Lance T. LeLoup, Barbara Luck Graham, and Stacey Barwick
154

14 The Crisis in Federal Budgeting
David Stockman
169

15 Courts and Public Purse Strings: Have Portraits of Budgeting Missed Something?
Jeffrey D. Straussman
175

16 The Executive Budget—An Idea Whose Time Has Passed
Bernard T. Pitsvada
184

17 Intergovernmental Relations in the Reagan Era
Richard P. Nathan and John R. Lago
191

18 The Rise of Competitive Federalism
John Shannon and James Edwin Kee
201

III
Budgeting, Economics, and Popular Control: An Instrument of Democracy
213

19 Why the Government Budget Is Too Small in a Democracy
Anthony Downs
217

20 Why Does Government Grow?
James M. Buchanan
231

21 Participatory Democracy and Budgeting: The Effects of Proposition 13
Jerry McCaffery and John H. Bowman
240

22 The Growing Fiscal and Economic Importance of State and Local Governments
Roy Bahl
251

23 A Theoretical Analysis of the Case for a Balanced Budget Amendment
William R. Keech
265

24 The Line Item Veto in the States: An Instrument for Fiscal Restraint or an Instrument for Partisanship?
Glen Abney and Thomas P. Lauth
273

25 The Continuing Search for a Popular Tax
Alice M. Rivlin
280

26 The Federal Budget and the Nation's Economic Health
Charles L. Schultze
285

27 Debunking the Conventional Wisdom in Economic Policy
Robert Eisner
312

IV
Budgeting Systems and Management: An Instrument for Securing Administrative Efficiency and Economy
323

28 Performance Budgeting in Government
Catheryn Seckler-Hudson
331

29 What Program Budgeting Is and Is Not
David Novick
342

30 Planning and Budgeting: Who's on First?
S. Kenneth Howard
349

31 Introduction to Zero-Base Budgeting
Graeme M. Taylor
358

32 Organizational Decline and Cutback Management
Charles H. Levine
369

33 Standards and Issues in Governmental Accounting and Financial Reporting
James L. Chan
381

34 Governmental Financial Management at the Crossroads
Charles A. Bowsher
389

35 Government Budgeting and Productivity
A. Premchand
398

36 Do Budget Reforms Make a Difference? Some Conclusions
Donald Axelrod
405

V
Closing Perspectives on Budgetary Politics
409

37 Incremental Budgeting in a Decremental Age
Alan Schick
410

38 The Politics in Budget Reform
Aaron Wildavsky
426

APPENDICES

A The Federal Budget as a Second Language
Stanley Collender
441

B The Budget Message of the President and Director's Introduction to the New Budget
Office of Management and Budget
456

C Budget Enforcement Act of 1990: Brief Summary
Edward Davis and Robert Keith
469

I

The Development of Budgeting and Budget Theory: The Threads of Budget Reform

> Budgets are not merely affairs of arithmetic, but in a thousand ways go to the root of prosperity for individuals, the relation of classes, and the strength of kingdoms.
>
> Gladstone

The Dimensions of Budgeting

Budgeting is, and always has been, the single most important decision-making process in governmental organizations. The budget itself is also a government's most important reference document. In their increasingly voluminous and complex formats, budgets simultaneously record policy decision outcomes; cite policy priorities and program goals and objectives; delineate a government's total service effort; and measure its performance, impact, and overall effectiveness.

A public budget has four basic dimensions. First, it is a political instrument that allocates scarce public resources among the social and economic needs of a jurisdiction. Second, a budget is a managerial and/or administrative instrument. It specifies the ways and means of providing public programs and services and establishes the costs and/or criteria by which its activities are evaluated for their efficiency and effectiveness. It is the budgeting process that ensures that all the programs and activities of a jurisdiction will be reviewed or evaluated at least once during each year (or cycle). Third, a budget is an economic instrument that can direct a nation's, state's, and even municipality's economic growth and development. At the national, state, and regional levels, government budgets are the primary instruments for evaluating redistribution of income, stimulating economic growth and development, promoting full employment, combating inflation, and maintaining economic stability. Fourth, a budget is an accounting instrument (now termed *financial management instrument*) that holds government officials responsible for both the expenditures and revenues of the programs over which they exercise control.

Over the past decade, it has been more and more apparent that the interconnections of these dimensions is the vital issue. For example, the very premise of the accounting dimension means that budgets are to hold governments accountable in the aggregate. After all, the basic concept of a budget implies that there is a ceiling or a spending limitation, which literally requires governments to live within their means. Yet the ever pervasive federal budget deficit is now viewed as the nation's number one political and economic problem. How is it, one might ask, that the very instrument designed to ensure balanced spending and funding decisions is viewed as the major obstacle in maintaining that balance?

Certainly it is not for lack of effort. Since the late 1970s, Congress and five presidents have waged veritable budget warfare over controlling spending and changing taxes through the federal budget process. Still, the country is mired in deficit. As late as this summer of 1990, the president and Congress were deadlocked in "budget summits" over new taxes and spending cuts, while federal employees were receiving furlough notices. As the military cold war comes to an end, it may well be replaced with a new form of economic and political warfare over budgets.

The reality is that budgeting links control to political and economic choice, or as Joseph White and Aaron Wildavsky make clear in their recent study, *The Deficit and the Public Interest* (Berkeley: University of California Press, 1989):

> Budgeting involves meeting obligations, keeping promises. It involves choices about values, about which purposes are of highest priority. It involves questions of power: How are we governed, and by whom. Most of all, tax and spending decisions involve real people with real pain and real benefits. What happens to any of us—the fate of farmers, the poor, or General Dynamics—may have meaning to others. In the rhetoric of deficit reduction, these other matters are either disparaged as "special interests" or worse ignored. Persistent deficits are blamed on a lack of courage or good will. Wrong. Deficits persist because all choices are bad. Choices are hard because important values are helped or hurt by alternatives. (pp. xviii–xix)

From its beginnings, the theory of budgeting has recognized that shaping such choices is of central importance. This was to a great extent what budget reform in government was all about.

This section opens with two classic articles about the origins and objectives of modern budgeting. Frederick A. Cleveland reviews the guiding forces behind the executive budget concept and examines its objectives in his 1915 study, "Evolution of the Budget Idea in the United States." William F. Willoughby looks more directly at the state and local experience in his 1918 *The Movement for Budgetary Reform in the States*. In the excerpt from Willoughby's work, one will find a prophetic recognition of the essence of budget reform. Willoughby saw three main threads to budget reform: (1) providing for and advancing popular control; (2) developing and enhancing legislative and executive cooperation; and (3) ensuring and improving administrative and managerial efficiency. Just as a rope is woven out of strands, these threads must be intertwined if budgeting is to be an effective exercise in the process of governance. These threads have a special significance for this work: the three major sections of the book are organized and dedicated to Willoughby's three movements.

A Brief History of Budget Reform

The development of the executive budget itself was considered the first step of budget reform. It is important to keep in mind that government budgets as we know them today are relatively new phenomena. Prior to this century, they were little more than compilations of piecemeal appropriations reports passed by a legislature. The Budget and Accounting Act that began the establishment of today's federal budgeting mechanisms was not passed until 1921. Earlier budgeting efforts at the state and local levels go back to experiments and developments in New York City and other localities in the early 1900s. Until that time there was little perceived need for sophisticated budgeting mechanisms because government expenditures were relatively insignificant. Federal "budgeting"—if it can even be called that—was primarily an exercise in getting rid of "surplus funds" accumulated by tariff revenues or for finding ways to fund major land purchases or wars.

In retrospect, the nation's first great public financial administrator, Alexander Hamilton, may have succeeded too well in putting the new republic on a solid financial footing. However, there were instances throughout the nineteenth century, such as the financial panic of 1837 and Abraham Lincoln's efforts to finance the Civil War, that generated some concern that there might be a need for a budgeting system. Later political and social forces, such as the progressive reform movement, the scientific management movement, and the emergence of more diverse and specialized government programs, provided impetus for more effective advocation of a budgeting system. The pioneering work done in some states and municipalities provided the federal government with further examples of the direction to go in budgeting. Indeed, the federal nature of the U.S. system of government has proven to be an essential factor in budgetary reform. Such reforms often emerge from ''experiments'' in state and local ''laboratories,'' as with performance budgeting in New York City in the early 1900s, or zero-based budgeting in Georgia in the 1970s.

The thrust for reform came to a head in the report of the Taft Commission of 1912, which argued strenuously for a national budgeting system to serve the executive branch. Even in its infancy, a recurring theme of governmental budgeting was already apparent—the conflict between the legislative and executive branch as to who would control the budgeting process—and Congress quickly rejected the Taft Commission recommendations. After World War I, President Wilson rekindled the idea of an executive budget mechanism, but Congress proposed its own legislation, which Wilson promptly vetoed because of lack of executive control. Finally, in 1921, the Budget and Accounting Act was signed into law. It established a Bureau of the Budget (to be lodged in the Treasury Department), a formal budgeting mechanism to be controlled by the executive branch, and a General Accounting Office accountable to Congress.

It would be another eighteen years, however, before the Bureau of the Budget would become a direct staff branch of the Chief Executive. During this period, budgeting processes focused primarily on accountability and control, and the initial technology of budgeting was the line-item budget: a systematic, accounting-oriented method of recording public expenditures against various classification categories, such as salaries, travel, supplies, and equipment.

Against this backdrop, in 1940, V. O. Key, Jr. (who would later become one of the most influential U.S. political scientists) wrote a searching inquiry about the state of the art of budgeting, ''The Lack of a Budgetary Theory.'' Greatly concerned about the overemphasis on mechanics, he posed what is still widely acknowledged as the central question of budgeting: ''On what basis shall it be decided to allocate *X* dollars to activity A instead of activity B?'' Key then went on to elaborate on what he felt were the major areas of inquiry that should be researched to develop a budgeting theory.

In the 1940s and 1950s, following the recommendations of the Brownlow Commission and later codified by the Hoover Commissions, performance budgeting emerged as the new and dominant budgeting system. Performance budgeting was above all a management-oriented system heavily focused on efficiency by relating costs to measured outputs. Its appearance during these two decades was well-timed to match immense increases in both the size and scope of governmental undertakings. The Second World War marked the advent of ''Big Government'' and an underlying confidence among public administrators that the new techniques and mechanics behind large scale public budgets were appropriately geared for the larger scaled, more efficiency-oriented structures that would surely characterize future administrative operations. Vision in the 1940s was blurred by the unprecedented scale of operations of the Second World War and the preceding economic war waged against the Depression.

Improved efficiency, however, was not an adequate response to Key's question of choice. Larger budgets, fueled by economic growth, made choices more important and increased concerns about how budgets should facilitate the idea of direct consideration of alternatives. First articulated by Verne B. Lewis in his 1952 article, "Toward a Theory of Budgeting," the idea of budget "alternatives" centered on the preparation of incremental budget submissions that would permit evaluation of various funding amounts in terms of levels or quantity of service. The administrative or managerial context of alternative budgeting provides a dual advantage. Budget submissions can be prepared in a manner that will facilitate comparison and demonstrate a range of choices for service and funding levels. At the same time, the final choice will provide a realistic contract; that is, specific, realistic expectations for the program manager. The implied rationale for this process was almost a restatement of V.O. Key's classic budgeting question: for X level of funding, Y level of service can be provided; for $X + (1/X)$ funding, $Y + (1/Y)$ services.

But the 1960s brought even more definitive responses. Aaron Wildavsky, then a professor at Oberlin College, countered that Key's question, as raised, was unanswerable. His 1961 article, "Political Implications of Budgetary Reform," paralleled the contentions Charles E. Lindblom made in his famous 1959 article in *Public Administration Review,* "The Science of Muddling Through." Budgeting, Wildavsky argued, was in reality a mode of incremental conflict resolution aimed principally at ordering whose preferences would prevail. The question of which criteria should determine what goes in the budget is synonymous with, and equally as unanswerable as, the question of what government ought to do in the first place. If an answer were possible, it would mean nothing less than a total resolution of conflict over government's role in society. Wildavsky's arguments in this early article were an important prelude to what would later be four editions of the classic *The Politics of the Budgetary Process,* and a completely revised edition in 1988 entitled *The New Politics of the Budgetary Process.* Section V presents Wildavsky's conclusion of how budget theory has changed, through the eyes of one of its foremost developers and critics.

Significantly, the 1960s marked a new era of increased government activity. Policy and programs were recast in bolder, more innovative terms with "social intervention" as the major premise. A new budgeting system emerged, called PPBS (Planning-Programming-Budget-Systems), emphasizing multiyear planning, policy analysis, and program objectives that focused on effectiveness. The system was widely heralded as a major breakthrough for public administration. Nicknamed the "pristine path to budget salvation" by its critics, PPBS dominated public sector budgeting like no other system had ever done before.

The case for depicting budgeting systems as an evolutionary process within management has been made best by Allen Schick in his 1966 article, "The Road to PPB: The Stages of Budget Reform" (later updated in his 1978 *Public Administration Review* article, "Road from ZBB"). His work is considered classic for its examination of the different orientations and purposes of budgeting and its presentation of budgetary change as an evolutionary process. The budgeting literature in particular has adopted his typology of budgetary reform, which consecutively illustrates shifts in budgetary emphasis from accounting-strict expenditure control (the line-item budget), to management-work efficiency (the performance budget), to planning-program effectiveness (PPBS). Schick traces the events leading up to each succeeding budgeting system, defines each system, and describes its implementation process, strengths, and weaknesses.

But by the 1970s, PPBS had failed. (If the minimum criteria for success is continuity, PPBS was discontinued in the federal government by the Nixon administration). Budget reform in the 1970s was beset by two more compelling developments: a new period of legislative–executive competition over who would control budgets and spending levels; and a new "era of resource scarcity," in which economic growth was no longer a constant, and unquestioning popular support for increased budgets and increased taxes was no longer valid. The other two threads of budget reform were now fully as important as the long dominant managerial thread.

Like most developments in budgeting, the vulnerability of public budgets to expenditure and revenue limitation initiatives (following the advent of Proposition 13 in California) was first felt at state and local levels. The resulting pressure on budgets was inescapable. Partly because of these new economic realities, budget reforms in the 1970s were marked by intense executive-legislative rivalry, which at the federal level produced a new budgeting law, *The Congressional Budget and Impoundment Act of 1974*. Rivalry may even be too mild a term. Alan Schick, in his influential account of the period (*Congress and Money*), calls the period leading up to the new act the "Seven Years' Budget War." Legislative Budgeting is covered in more depth in the following section, but at this juncture the reader needs to keep the new 1974 law in historical perspective.

There was one more major development within budget reform in the 1970s—the arrival of zero-based budgeting (ZBB) with the Carter administration. Launched with much fanfare in 1977, ZBB promised to counter the traditional incrementalism bias of budgets (i.e., that resource allocation decisions are made about the annual margins of budget change without altering the historical budget base) by using an elaborate system of decision units, packages of alternatives, and rank order of choices based on political relevance. Critics called it "decremental budgeting" in disguise and it was eventually overwhelmed by changing economic events. Ironically, a budget system purposefully designed to make ordered cuts in budgets in the event of necessary cutbacks was ignored when those circumstances prevailed. ZBB was rescinded in early 1981 by the Reagan administration and a new political–economic era ushered in.

Whither Budget Reform?

By 1980, budget reform stood at a crossroads. Clearly, the coming decade would be one of increasing complexity and difficulty. Outgoing GAO Comptroller General Elmer B. Staats made a speech that year that would be widely distributed, titled "The Continuing Need for Budget Reform." Staats reaffirmed the importance of positive movement for public sector budgeting to keep pace and provide leadership, but he provided several warnings about future problems. First of all, his concerns were federal credit activities and loan guarantees, their control difficulties, and potential impact on the budget. In the early 1990s, the nation faces a massive $500 billion estimated Savings and Loan bailout, which unfortunately underscored this early warning about the adequacy of budgetary information and the paucity of political will.

For budget reform, it was apparent that the eighties would be quite different, and that many of the budgeting rules would be changed. Naomi Caiden was one of the first to see the new directions and began a series of articles outlining the impacts and implications for budget theory and reform. Her 1983 article, "Guidelines to Federal Budget Reform," overviews the new political dimensions for budgeting change.

The 1980s may be remembered best as the decade when government budgeting was turned upside down. At the federal level; this was the era when a president called the whole budget process "Mickey Mouse," when the media labeled submitted budgets as "D.O.A." (dead on arrival because of their faulty and unrealistic economic assumptions), when "budget summits" were created, and when the first academic arguments were raised over whether or not the executive budget process itself had outlived its usefulness. Several articles in Section II will address many of these events.

For state and local governments, there were new strains of tax revolts and tax limitation propositions, and increasingly unpredictable cycles of good and bad times. California gave taxpayers a refund one year and sank into fiscal crises two years later. Massachusetts went from economic miracle to fiscal morass in the span of a presidential election year. City budgeting fortunes looked like roller coaster rides. Relations between governors and state legislatures and between mayors or city managers and city councils were no less acrimonious over budgeting. Budget disputes became newspaper headlines. Supportive relationships between federal and state and local governments also suffered during this decade, as several articles in Section III attest.

The 1980s have cast budgeting reform into limbo (Naomi Caiden once called it a black hole). Although there has been an incredible amount of activity in public budgeting, has there been any progress, much less any discernible direction? Irene Rubin poses the question another way in the concluding article to this historical section on budget reform, "Budget Theory and Budget Practice: How Good the Fit": to what extent has budget reform been responsible for limiting the potential impact of budgeting or for hindering the understanding of the complex phenomena that link budgeting processes and governance? She is unconvinced that budget reform as it has evolved has been all that useful, but remains hopeful that newer developments in the field of budgeting—particularly descriptive budget theory—will produce some meaningful change.

1
Evolution of the Budget Idea in the United States

Frederick A. Cleveland

Difficulty in tracing the evolution of the "budget idea" in the United States lies not so much in the historical material to be mastered as in decision as to what "idea" is to be discussed.

What Is the "Budget Idea"?

Most controversies grow out of the failure of parties contestant to make clear what they are talking about. Words in ordinary use make expression of thought difficult whenever exactness is required. It is for this reason that science has gone entirely outside the common language for its terms. The word "budget" is a term used in so many different ways that no one can write on any aspect of budgets or budget practice without risk of controversy about the facts until he has taken the trouble to tell what he conceives a budget to be. Writers, therefore, not infrequently begin with a definition. It is an interesting fact, however, that nearly all these definitions are so indefinite that the reader is still left in doubt.

Definition of Budget as Herein Used

In this essay the term "budget," is used to mean *a plan for financing an enterprise or government during a definite period, which is prepared and submitted by a responsible executive to a representative body (or other duly constituted agent) whose approval and authorization are necessary before the plan may be executed.*

In order that no room may be left for inference, each of these clauses may be enlarged on and the reason given for its use.

Source: The Annals of the American Academy of Political and Social Science (1915): 15–35.

1. The idea "budget" is classed as a "plan" instead of a "document" or a "statement" for the reason that it is in the nature of a definite proposal calling for approval or disapproval with such details and specifications attached as are thought to be useful to the approving body or agents in arriving at a decision.
2. It is differentiated from other plans by the phrase "for financing an enterprise or government during a definite period." This includes the first idea of Leroy-Beaulieu's definition. But if it stopped here it would be just as defective; anyone might make a plan for financing an enterprise or a government. For this reason it is further differentiated by the requirement that to be a budget it must be "prepared and submitted by a responsible executive."
3. One other essential is added, *viz.*, that it must be submitted to "a representative body (or other duly constituted agent) whose approval and authorization are necessary before the plan may be executed." Each of these qualifying phrases is so full of meaning and each so necessary to a budget practice that it is deserving of further comment.

The Budget as a Plan of Financing

The one thing that has been conspicuously lacking in our governmental business, federal, state and municipal, has been the element of careful, understandable, responsible planning. The lack of careful, understandable, responsible planning has been an incident of "invisible" or "irresponsible" government. Each year in every jurisdiction we have had "estimates" both of revenues and expenditures. But "estimates" in themselves do not constitute a budget. They only serve the purpose of laying the foundation for work plans and financial plans.

These estimates must be of two kinds, *viz:* (1) there must be estimates of needs, and (2) there must be estimates of the financial resources that may be availed of to meet needs. To be of value the estimates must be made by a great many persons. The estimate of needs must be made by persons who are familiar with the requirements of each kind of work to be done, or each service to be rendered—with the operating requirements, the maintenance requirements, the capital requirements. Then one or more persons must make up estimates of needs for certain things that are common to all services—those which are general, such as requirements for interest, sinking fund requirements, the requirements for payment of maturing obligations for which no sinking funds are provided, requirements for purchase of common lands and the conduct of common business transactions such as advertising, printing, etc. Then again, estimates of the financial resources which may be availed of to meet estimated financial needs, to be of the highest value, must be made up by a number of other persons who are familiar with present financial conditions; they must also be able to forecast probable revenues derivable under existing law; they must have knowledge of the present and probable future condition of appropriations and funds, having in mind present and proposed financial policies they must have the ability to forecast probable financial conditions of surplus and deficit at the beginning of the period to be financed and of probable surplus and deficit at the end.

Plan Must Be Made by a Responsible Executive

All these various estimates of expenditures, of revenues, and of financial condition must be brought together; they must be considered by someone who can think in terms of the institution as a whole; they must be brought to a conclusion; and conclusions must be stated as a definite proposal and a basis for action by some one person or agency that can be held to account. The only person who can be held to account is the one who is to execute the plan proposed. This executive therefore is the only one who can be made responsible for leadership.

The estimates and conclusions must be presented to the representatives of the people whose approval and action are required before spending officers are authorized to go ahead. They must be presented as a definite plan or prospectus which will show what is proposed to be undertaken. This plan must not only show what undertakings are proposed but what will be the probable cost on the one hand and how the cost is to be met. The financial plan must deal with great questions of public policy—must set forth how much is to be met by revenue, how much is to be met by borrowing, and how much, if any, is to be met from surplus. The plan must show what authorizations should be given to the executive to enable him to carry on the business efficiently and meet obligations as they mature. Not only is it necessary that the "estimates" be prepared by persons familiar with the facts, but it is quite as essential that the plan of work and of financing be proposed and submitted by the same person who is to be held accountable for directing the execution of the plan. This means the executive. To have a plan—in other words the "budget"—made by persons who have no responsibility for carrying on the business would be destructive of the very purpose of representative government.

The representative character of a government is to be found in its legislature and in its electorate. As has been pointed out, the constitutional or institutional purpose of a budget is to make the executive responsible and responsive to the people through their representatives and through the electorate. No plan or proposal can serve this purpose which comes from individual representatives any more than it could if it came from individual electors. In the first place it is incompatible that the proposer should also be the disposer of public funds. In the second place the proposal should not reflect the interests of a single individual or a single district—but the interests of the whole community of associated interests which are composed in the state or nation.

The one who submits the financial proposal should be responsible to all—he should be accountable for the management of the affairs of the whole government. Since the several parts of the government are interdependent, no legislative committee can prepare a budget unless the business of the government is to be managed by this committee as in a commission government, or in New York City where the executive power is in its Board of Estimate and Apportionment. But they must act together. Responsibility should be attached to some one man, or some group of persons acting as one man, who can be continued or retired as one man. It was for this reason that Great Britain did not succeed in establishing a true budget system till after 1800 when the principle of solidarity of responsibility was forced on the cabinet. Even then the budget could not be made effective until a means was provided for enforcing this responsibility through a truly representative parliament—until the reform acts of 1837 which made parliament in effect the people in session. In discussing the evolution of the budget idea in the United States, therefore, what is meant is the development of the idea of "a plan for financing the government during a definite period, which is prepared and submitted by a responsible executive to a representative body whose approval and authorization are necessary before the proposed plan may be executed.''

Budget Control by the Representative Body

As it is the institutional and constitutional purpose of the budget to serve as a means both of exercising control over what the government shall do and how it shall be financed and also for making the executive responsible and responsive to the people through their chosen representatives and through the electorate, the budget cannot be more than a proposal or request. Actual authorization must come from the representative or electorate body before a dollar can be raised or spent. Or if some latitude is given to the executive to spend without such action first obtained, the expenditures so made must come to representatives and the electorate for approval. A budget can have no force. A budget, as such, can convey no authority. It is only the "act" of appropriation, the revenue or the borrowing "measure" which gives authority to the executive. Therefore, the "act" and "enacted measure" must be clearly distinguished from the "plan" or "proposal" of the executive.

How Legislative Control May Be Made Effective

If the executive is to be held responsible for results, the legislature must do *three things: viz.:* (1) It must provide a means of enabling representatives to find out whether the executive has acted within his past authorizations and conducted the business efficiently; (2) it must provide a means of enabling representatives to inquire into the requests for future grants; (3) since the purpose of a representative system is to make the government responsible and responsive to the people, it must provide a means of reaching the people, of letting the people know what has been done and what is proposed and of getting controversies between a majority of representatives and the executive before the electorate for final decision. With provision made for these three things the representative system is adapted to the ends and purposes of a democracy; without provision for these three things the representative system is not adapted to the ends and purposes of a democracy.

How Legislative Inquiry May Be Made Effective

The collateral means which have been found effective for keeping the executive within authorizations are the creation of an agency for independent audit and report on all transactions, the establishment of an independent judiciary for the settlement of legal controversies, and the authority of the legislature to make independent inquiries. But these are collateral means. The method which has been found to be most effective for enabling representatives to inquire into requests for future grants, and obtain exact information about what has been done as well as what is proposed, is to require the executive to appear personally before the representatives of the people at the time he makes his request for funds to answer questions and details.

How the Electorate May Be Reached

The method which has been found to be most effective for keeping the people in touch with public affairs and for having questions in issue settled by the electorate, is to make provision whereby each representative can openly question the executive and every item can be separately debated and voted on. And in case the executive is not supported to make further provision, the electorate may promptly retire either the executive or the opposing majority. What this means is, that a budget which is to serve its constitutional purpose must not only be an executive proposal submitted to a representative body, but it must be submitted under such rules of procedure that each representative may have a right to personally and publicly make inquiry of the executive concerning any matter or detail of the business in hand and also have the right openly and publicly to oppose any part of the plan which, in his opinion, is against the general welfare of the state. And the only procedure which has been found effective for doing this is to require that the estimates and the budget be considered and discussed in committee of the whole house with the executive present.