Budget Processes in the States

NASBO
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Summer 2008
National Association of State Budget Officers

BUDGET PROCESSES IN THE STATES

SUMMER 2008

National Association of State Budget Officers

THE NATIONAL ASSOCIATION OF STATE BUDGET OFFICERS (NASBO)

Founded in 1945, NASBO is the instrument through which the states collectively advance state budget practices. The major functions of the organization consist of research, policy development, education, training, and technical assistance. These are achieved primarily through NASBO's publications, membership meetings, and training sessions. Association membership is composed of the heads of state finance departments, the states' chief budget officers, and their deputies. All other state budget office staff are associate members. NASBO is an independent professional and educational association and is also an affiliate of the National Governors Association.

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PREFACE

The budget process is the arena in which a state determines public priorities by allocating financial resources among competing claims. The process used to develop the state budget has important implications on the final outcome. The authorities and restrictions on budget players influence each state's ability to achieve policy and funding objectives within the budget. *Budget Processes in the States* highlights key budget issues, demonstrating the diversity in state budgeting practices.

Budget Processes in the States is divided into five chapters. The chapters are organized around particular topical areas: the budget cycle, budget requirements, budgeting tools, the budget document, and monitoring the budget. Each chapter begins with a brief summary of the tables.

This publication is updated periodically in an effort to keep abreast of changes states make in their budget processes and differences in how they implement and interpret budgeting conventions over time. Data for this report were collected from the fifty states during fiscal 2008. This edition of the report updates the 2002 edition. The 2008 edition of *Budget Processes in the States*, as well as prior editions, are available on NASBO's website at www.nasbo.org.

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Budget Timeline and Participants

Introduction

This section outlines how the budget cycle unfolds and the role of the major participants in the budget cycle. States generally have two different types of budgets: operating budgets and capital budgets. The operating budget is the budget established for operation of a state agency or program. The capital budget is the budget associated with acquisition or construction of major capital items, including land, buildings, structures, and equipment. Funds for capital projects are usually appropriated from surpluses, earmarked revenues, or bond sales. Unless otherwise noted, the budget cycle discussed in this document refers to operating budgets.

The Budget Cycle

More than half of the states operate on an annual budget cycle, which means that the budget provides appropriations for one fiscal year. The typical budget cycle for an annual budget is represented in the chart on the following page. This chart also illustrates the approximate timeline used by biennial budget states in the year in which they develop their budgets. 21 states use a biennial budget cycle, and two employ a combination of biennial and annual cycles. For those biennial states, the budget is developed for the two upcoming fiscal years. Of the 21 biennial budget states, 12 have legislatures that meet every year. In these states, the legislature may, and often does open the budget for review and revision in the non-budget year.

The Budget Office

The state budget office is responsible for the analysis of agency submissions by consolidating the funding requests into a statewide budget proposal for the governor's approval. As demonstrated in Table 1, the budget cycle typically begins when the state budget office provides guidance to agencies within state government to submit budget requests. That guidance typically includes financial assumptions such as spending targets and inflation, and policy guidance on the governor's priorities. Guidelines are generally distributed to agencies in the summer months.

In most states, agencies submit requests to the governor in the fall. At this point the budget office staff begins reviewing the budget requests. The review may include program and management evaluations, economic and revenue analysis, as well as examination of caseload and demographic data to determine need. Budget office staff may also analyze national and state economic data to develop predictions of state business activity and state revenues. Across states there are varying degrees of collaboration between the budget office and the legislature with regard to determining caseload projections and revenue projections. In some states these projections are done separately by the budget office and the legislature whereas in other states there is consensus between the budget office and the legislature on the projections.

Throughout the review process the budget office staff will typically meet with the agency staff and advocates for clarification of the agency request. The meetings may be formal, as in the case of agency budget hearings, or the communication may be informal. In some states, agencies are given the opportunity to review the budget office's recommendations prior to completion of the budget proposal. Table 2 describes the various functions of the budget office from program evaluation to economic analysis and cash and debt management. Tables 3, 4 and 5 describe certain aspects of the budget director, budget staff and the executive budget office.

Governor Review and Final Recommendations

After review and analysis of the agencies' budget requests, the budget office staff make recommendations to the governor on the overall budget proposal. The governor reviews the recommendations and often provides additional direction on the recommendations that are incorporated into the budget proposal. The budget office compiles the information into the governor's proposed budget. The governor then typically presents the proposed budget to the legislature, stressing particular priorities during a state-of-the-state message. The governor's budget is then considered by the legislature.

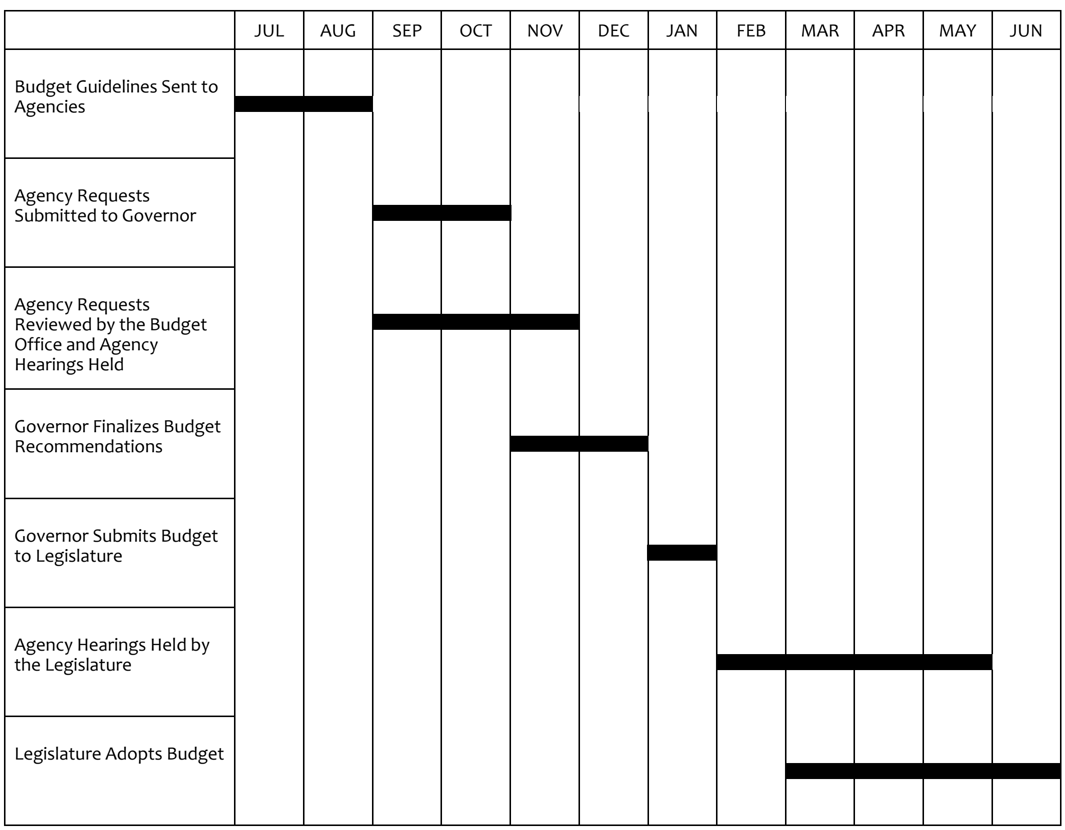
Legislative Review

The agencies' budget requests, in the context of the governor's budget proposal, are normally reviewed by the legislature in committee hearings throughout the winter and spring. Typically, each chamber of the legislature approves its own version of the budget with a conference committee appointed to resolve the differences between the two versions.

Adoption of the Budget

Adoption of the budget typically occurs in the spring before the beginning of the state fiscal year. Fiscal years for all but four states—Alabama, Michigan, New York, and Texas—begin on July 1.

The State Budget Cycle



Monitoring and Oversight of the Budget

Throughout the entire budget cycle, the state budget officer and the budget office staff play a critical role by assisting in the planning, evaluation, and implementation of the budget. Once approved, the budget office implements the budget. Implementation may take the form of accounting, auditing, approving contracts, or managing state finances, debt and cash flow.

Timing and Role of Revenue Estimates

Before the beginning of the budget cycle, states develop revenue estimates and forecasts. These forecasts project the amount of revenue that will be available based on current law as well as the amount that will be available to support operating costs and capital outlays in the current and future fiscal years.

In 29 states, a council of economic advisors provides the assumptions for the revenue estimate to be included in the governors' budget. The councils may consist solely of the budget office staff, but may also include representatives from private corporations, state revenue departments, labor departments, tax offices, or private forecasting firms (See Table 6).

The agency responsible for applying the assumptions and producing the actual forecast differs across states (See Table 7). The budget office is solely responsible for revenue forecasting in 13 states, while a board or commission is solely responsible in 11 states, and the revenue office is solely responsible in 3 states. The remaining states employ a combination of agencies or boards to develop forecasts.

States may revise revenue estimates prior to finalizing the governor's budget recommendations. This is typically done to provide more up-to-date information and greater accuracy to the governor's revenue and expenditure projections. Upon release of the governor's budget proposal, the legislature may also develop revenue estimates that may be revised and updated throughout the legislative process.

Assessing the Federal Impact

The budget officers' association, the National Association of State Budget Officers (NASBO), monitors federal actions that may impact state finances. The information is provided to budget offices through various means including an electronic newsletter and information briefs. Other organizations such as Federal Funds Information for States (FFIS) gather data on federal grants for state governments. In addition, 35 states have state offices in Washington, DC. The federal liaisons work with Congress, federal agencies, and state associations to address specific state concerns. The Washington representatives also aid the budget office and the governor's office in estimating the fiscal impact of federal legislation on the states (See Table 8).

Table 1
Budget Calendar

State	*Budget Instruction Guidelines Sent to Agencies*	*Agency Requests Submitted to Governor*	*Agency Hearings Held*	*Public Hearings Held*	*Date Governor Submits Budget to Legislature*	*Extended Budget Submission Deadline for New Governors*
Alabama*	September	November	January	–	February 5	March 5
Alaska	July	October	Sept./Nov.	–	December 15	–
Arizona*	June 1	September 1	Nov./Dec.	–	January	–
Arkansas	May	July	August/Oct.	Oct/Dec	November	–
California	April/Nov.	September	Sept./Nov.	Mar/June	January 10	–
Colorado*	April	August 1	Aug./Sept.		November 1	–
Connecticut	July	September	January	Feb/June	February	X
Delaware	July	October	–	November	On/before Feb. 1	–
Florida	July	October	September	Sept/Jan	February	X
Georgia*	June	September	Nov./Dec.	late January	January	–
Hawaii*	July/August	September	November	–	December	–
Idaho	June	September	–	–	5 days after session convenes	–
Illinois*	September	Oct./Nov.	Nov./Dec.	Feb–May	3rd Wednesday in Feb.	X
Indiana*	May	August	Sept./Nov.	Sept–March	January	–
Iowa	June/July	October 1	Nov./Dec.	December	By February 1	–
Kansas*	June	September	November	–	8th calendar day of session	21st calendar day of session
Kentucky*	July	October	Nov./Dec.	–	–	–
Louisiana*	September	November	Jan./Feb.	X	45 days prior to regular session of legislature	30 days prior to regular session of legislature
Maine*	July	September	Oct./Dec.	January/May	January	February
Maryland	June	August 31	Oct./Nov.	January/March	3rd Wed. in January	X
Massachusetts*	July	September	August/September	–	4th Wed. in January	X
Michigan*	August	November	December	–	February	X
Minnesota*	May/June	October 15	Sept./Dec..	–	4th Tues. in January	3rd Tues in Feb.
Mississippi*	June	August	Sept./Oct.	Sept/Oct	November 15	January
Missouri*	July	October	Jan./Apr.	Jan/Feb	January	–
Montana	Jan.31/Aug. 1	May/Sept. 1	May–June/Sept.–	–	Nov. 15 even years	X
Nebraska	Jul	September	Jan./Feb.	Jan./Feb.	On or before Jan. 15	X
Nevada	January	August	Sept./Dec.	–	January	–
New Hampshire	August	Oct.1	November	November	Feb. 15	–
New Jersey*	August	October	Nov./Dec.	March/June	On/before 4th Tues. in Feb.	X
New Mexico*	July	September	Sept./Dec.	–	First day of leg. session	–
New York*	July/August	September	Oct./Nov.	–	–	X
North Carolina	July	October	Oct./Dec.	–	Early February	–
North Dakota*	March/April	June/July	July/Oct.	–	First week of December	–
Ohio	July	Sept./Oct.	Oct./Nov.	–	February	Mid–March
Oklahoma*	August	October	Oct./Dec.	Dec.–May	1st Monday in February	–
Oregon	Feb/May	September	Sept./Nov.	–	December 1	X
Pennsylvania*	August	October	Dec./Jan.	Feb./March	1st Full Week in February	X
Rhode Island*	July	Sept./Oct.	Nov./Dec.	March/April	3rd Thursday in January	X
South Carolina*	July/August	September	Sept/Oct	–	January	–
South Dakota*	June/July	September	Sept./Oct.	–	December	X
Tennessee	August	October	November	Nov./Dec.	February 1	X
Texas	March	July/September	July/Sept.	July/Sept.	30th day of regular session	X
Utah*	July	September	Oct./Nov.	–	December 12	X
Vermont*	September	October	Oct./Dec.	–	3rd or 4th week in January	–
Virginia*	April/August	June/October	Sept./Oct.	X	December 20	–
Washington*	April	September	–	–	December 20	X
West Virginia*	July	September	Oct./Nov.	–	2nd Wed. in January	X
Wisconsin	June	September	N/A	–	January	–
Wyoming	June 15	September	by Nov. 20	–	–	–

* See Notes to Table 1

Table 1
Budget Calendar, continued

State	Legislature Adopts Budget	*Votes Required to Pass Budget*	*Fiscal Year Begins*	*Frequency of Legislative Cycle*	*Frequency of Budget Cycle*
Alabama*	Feb./May	majority	Oct.	A	A
Alaska	April	majority	July	A	A
Arizona*	Jan./April	majority	July	A	B
Arkansas	Jan./April	three-fourths	July	B	B
California	June 15	2/3 elected	July	B	A
Colorado*	May	–	July	A	A
Connecticut	June/May	majority	July	A	B
Delaware	June 30	majority	July	A	A
Florida	April/May	majority	July	A	A
Georgia*	March/April	majority	July	A	A
Hawaii*	April/May	majority	July	A	B
Idaho	March	majority	July	A	A
Illinois*	May	–	July	A	A
Indiana*	April	majority	July	A	B
Iowa	April/May	–	July	A	A
Kansas*	May	majority	July	A	A,B
Kentucky*	April	2/5 elected	July	A	B
Louisiana*	June	majority	July	A	A
Maine*	June	majority	July	B	B
Maryland*	April	majority	July	A	A
Massachusetts*	June	majority	July	A	A
Michigan*	June/July	–	Oct.	A	A
Minnesota*	May	majority	July	A	B
Mississippi*	March/April	2/3 elected	July	A	A
Missouri*	April/May	majority	July	A	A,B
Montana	April	majority	July	B	B
Nebraska	May	majority	July	A	B
Nevada	May/June	majority	July	B	B
New Hampshire	May	majority	July	A	B
New Jersey*	June	majority	July	A	A
New Mexico*	Feb./March	majority	July	A	A
New York*	March	majority	April	A	A
North Carolina	June	majority	July	B	B
North Dakota*	Jan./April	majority	July	B	B
Ohio	June	majority	July	A	B
Oklahoma*	May (last Fri.)	majority	July	A	A
Oregon	Jan./June	majority	July	B	B
Pennsylvania*	May/June	majority	July	A	A
Rhode Island*	June	2/3 elected	July	A	A
South Carolina*	June	majority	July	A	A
South Dakota*	March	majority	July	A	A
Tennessee	April/May	majority	July	A	A
Texas	May	majority	Sept.	B	B
Utah*	Feb./March	majority	July	A	A
Vermont*	May	majority	July	A	A
Virginia*	March/April	majority	July	A	B
Washington*	April/May	majority	July	A	B
West Virginia*	March/April	majority	July	A	A
Wisconsin	June/July	majority	July	B	B
Wyoming	March	majority	July	A	B

* See Notes to Table 1

Codes: A = Annual
B = Biennial

Notes to Table 1

Alabama	Budgets must be submitted by the second legislative day of each regular session. The dates of each regular session vary. In the first year of a Governor's term, the regular session begins on the first Tuesday in March. In the second and third years of a term, the regular session begins on the first Tuesday in February. In the fourth year of a term, the regular session begins on the second Tuesday in January.
Arizona	Governor must submit the budget within five days after the legislature convenes in regular session (second Monday in January).
Colorado	November 1 is the deadline for the main submission, not including supplemental adjustments (Jan 2) and budget amendments (Jan 2 & 23rd). No extended budget deadline for new governors, but the Legislature's Joint Budget Committee allowed for budget amendments to be submitted 1/9/2007 so that the new Governor could make changes.
Georgia	Public hearings are held by the General Assembly after the Governor submits the budget. These begin in late January.
Hawaii	Governor submits budget thirty days prior to the legislature convening (legislature convenes the third Wednesday of January). The state Constitution and statutes prescribe a biennium budget; in practice, a budget is submitted every year.
Illinois	New Governors are allowed an extended budget submission deadline if needed- typically a few weeks.
Indiana	Governor submits the budget to the legislature in accordance with IC 4-12-1-9(a): Before the second Monday of January, in the year immediately after preparation, the budget report and the budget bill shall be submitted to the Governor by the budget committee. The Governor shall deliver to the house members of the budget committee such bill or bills for introduction into the House of Representatives.
Kansas	Twenty agencies are on a biennial budget cycle. The rest are on an annual cycle.
Kentucky	The Governor submits the budget on the fifteenth legislative day for the first term and the tenth legislative day for the second term. In order to pass the budget, a majority of members voting that must make up at least two-fifths of elected members.
Louisiana	As the budget progresses through the legislature, public hearings are held in both the House Appropriations Committee and the Senate Finance Committee. The Governor is required to submit a copy of the executive budget to the joint legislative committee on the budget 45 days prior to the beginning of the regular session of the legislature, except that during the first year of each term it shall be submitted 30 days prior to the beginning of the regular session of the legislature.

Louisiana (cont'd)	The Governor shall transmit to the legislature, no later than the eighth day of the regular session, a proposed five-year capital outlay program. To pass the budget, a majority vote is required in each phase of the legislature: House Appropriations Committee, the House of Representatives; Senate Finance Committee; the Senate; back to the House of Representatives (for concurrence of any Senate recommendations); and then House and Senate for concurrence of Conference Committee recommendations.
Maine	The necessary vote for enactment is usually a simple majority, except that emergency bills and bills excepted from the State Mandate provision of the Constitution of Maine require a two-thirds majority of the entire elected membership of each body; referenda for bond issues and constitutional amendments require a two-thirds vote of those present.
Massachusetts	Constitution provides that the Governor files budget on the fourth Wednesday in January. New governors are granted an additional five weeks.
Michigan	The Governor must present the budget to the legislature within 30 days after the legislature convenes in regular session (typically early February) except in a year in which a newly-elected governor is inaugurated into office, when 60 days are allowed. The concurrence of a majority of members elected to and serving in each house is required to pass a budget bill. The assent of two-thirds of the members is required for the appropriation of public money or property for local or private purposes, and to have a bill take effect immediately.
Minnesota	Public hearings are not held on the Governor's budget during development. The Governor must submit the budget to the legislature by the fourth Tuesday in January in each odd-numbered year. In a year following the election of a governor who was not governor the previous year, the budget must be submitted by the third Tuesday of February.
Mississippi	The executive budget is submitted in January during the first year of a governor's term. The Governor does not hold separate agency hearings (from legislative hearings).
Missouri	The Governor does not hold hearings separate from legislative hearings. The Governor is required to submit his/her budget within 30 days of the General Assembly convening (first Wednesday after the first Monday in January); this is usually in January. There is constitutional authority for annual and biennial budgeting. Beginning in fiscal 1994, the capital budget has been biennial. The operating budget has been on an annual basis with the exception of the budget for leased space which was a biennial budget from fiscal 1995 through fiscal 2005.
New Jersey	The Governor delivers the Budget Message to the legislature on or before the fourth Tuesday in February (unless superseded by legislation). New governors may have their budget submission deadline extended with the agreement of the legislature.
New Mexico	The General Appropriations Act is effective upon being signed. Other appropriations with emergency clauses require a two-thirds majority vote.
New York	The Governor submits the budget to the legislature on or before the second Tuesday following the first day of the annual meeting of the legislature (typically by mid-January).

North Dakota	The Governor submits the budget to the legislature during their organizational session the first week of December. The actual date varies. An outgoing Governor submits the budget the first week of December. The incoming Governor only makes amendments to the budget as submitted. There is no specific deadline to submit amendments. If an emergency clause is included in the measure, to allow spending to occur immediately, a two-thirds vote is required.
Oklahoma	Legislative hearings are public and are held anytime between December and May.
Pennsylvania	The Governor's budget is submitted in February, except in a Governor's first term when it is submitted in March.
Rhode Island	For new governors, the budget submission deadline is extended until the first Thursday in February. Article VI Section 11 of the state of Rhode Island Constitution requires a two-thirds vote of members elected to each house "for every bill appropriating the public money or property for local or private purposes". The appropriation normally includes such spending (i.e. state aid and school aid), as well as appropriations for public purposes. A three-fifths vote of the members present and voting in each is required to override the Governor's veto.
South Carolina	Governor holds public hearings with selected agencies usually in September-October. The legislative session begins on the second Tuesday in January. The Executive Budget is due within 5 days after the beginning of each regular session.
South Dakota	The Governor submits the budget the first Tuesday after the first Monday in December.
Utah	By law, the Governor, within three days after the convening of the Legislature in the annual general session, submits a budget for the ensuing fiscal year. However, at least 34 days before the submission of any budget, the Governor delivers a confidential draft copy of his proposed budget recommendations.
Vermont	Public hearings are held throughout the budget process, dealing with particular programs, but not according to a set schedule. The state constitution prescribes a biennial legislature; in practice, legislature meets annually, in regular and adjourned sessions.
Virginia	The General Assembly holds public hearings in January after the budget bill is introduced in December.
Washington	There are no statutory requirements or deadlines for the budget submitted by a new governor. Washington passes a biennial budget that is typically adjusted by annual supplemental budgets for some agencies. Appropriations for a few funds are by fiscal year.
West Virginia	Budget Office hearings are open to the public. Governor submits the budget the second Wednesday in January; in a year following a gubernatorial election, date is extended to second Wednesday in February.

Table 2

Budget Agency Functions

(in addition to main budgeting function)

State	*Revenue Estimating*	*Fiscal Notes*	*Review Legislation*	*Accounting*	*Management Analysis*	*Contract Approval*
Alabama*	X	X	X	–	X	–
Alaska	–	X	X	–	X	–
Arizona	X	–	X	–	X	–
Arkansas	–	X	X	–	X	–
California*	X	X	X	X	X	–
Colorado*	X	–	X	–	X	–
Connecticut	X	X	X	–	X	X
Delaware*	–	–	X	X	X	–
Florida	X	X	X	–	X	–
Georgia	X	X	X	–	X	–
Hawaii*	–	–	X	–	X	X
Idaho	X	X	X	–	X	–
Illinois*	X	X	X	–	X	X
Indiana*	X	X	X	–	X	X
Iowa	X	–	X	–	X	–
Kansas	X	X	X	–	X	–
Kentucky	X	X	X	–	X	–
Louisiana*	X	X	X	–	X	X
Maine	X	X	X	–	X	X
Maryland*	X	X	X	–	X	X
Massachusetts	X	X	X	–	X	–
Michigan*	X	X	X	X	X	–
Minnesota	X	X	X	X	–	–
Mississippi	X	X	X	X	X	X
Missouri*	X	X	X	–	X	–
Montana*	X	X	X	–	X	–
Nebraska	–	X	X	–	X	–
Nevada	X	X	X	–	X	X
New Hampshire*	X	–	X	X	X	X
New Jersey	X	X	X	X	X	–
New Mexico*	–	X	X	–	X	–
New York*	X	X	X	–	X	X
North Carolina	X	X	X	–	X	X
North Dakota*	X	X	X	X	X	–
Ohio*	X	X	X	X	X	X
Oklahoma	X	X	X	X	–	–
Oregon*	–	–	X	–	X	–
Pennsylvania*	X	X	X	X	–	X
Rhode Island	X	X	X	–	X	–
South Carolina*	–	X	X	X	X	–
South Dakota	X	X	X	X	X	–
Tennessee	X	–	X	–	–	X
Texas*	–	X	X	–	X	X
Utah	X	X	X	–	X	–
Vermont*	X	X	X	X	X	X
Virginia*	X	X	X	–	–	–
Washington*	X	X	X	X	X	X
West Virginia	X	X	X	–	X	–
Wisconsin	X	X	X	X	X	X
Wyoming	–	X	X	–	X	–
TOTAL	40	42	50	16	45	19

* See Notes to Table 2

Table 2
Budget Agency Functions, continued
(in addition to main budgeting function)

State	*Coordination of Statewide Performance Measures*	*Planning*	*Program Evaluation*	*Tax Expenditure Report Preparation*	*Debt Management*	*Cash Management*	*Economic Analysis*	*Demographic Analysis*
Alabama*	–	X	X	–	–	X	X	X
Alaska	X	X	X	–	–	–	X	–
Arizona	X	X	X	X	–	–	X	X
Arkansas	–	X	X	–	–	–	–	–
California*	–	X	X	X	X	X	X	X
Colorado*	–	X	X	–	–	–	X	X
Connecticut	X	X	X	X	–	–	X	X
Delaware*	X	X	X	–	–	–	–	–
Florida	X	X	X	–	–	–	X	X
Georgia	X	X	X	–	X	X	X	X
Hawaii*	X	X	X	–	X	X	X	–
Idaho	X	X	X	X	–	X	X	–
Illinois*	–	X	X	–	X	–	X	–
Indiana*	X	X	X	X	X	X	X	–
Iowa	X	X	X	–	–	–	X	X
Kansas	X	X	X	–	–	X	X	X
Kentucky	–	X	–	X	–	–	X	X
Louisiana*	X	X	X	–	–	–	X	–
Maine	–	X	X	–	–	–	–	–
Maryland*	X	X	X	X	X	–	X	–
Massachusetts	X	X	X	–	X	X	X	–
Michigan*	–	X	X	–	–	–	–	X
Minnesota	–	X	X	–	X	X	X	–
Mississippi	X	X	X	–	–	–	X	–
Missouri*	X	X	X	X	–	–	X	X
Montana*	X	X	X	–	X	–	X	–
Nebraska	X	–	X	–	–	–	–	X
Nevada	–	X	X	–	–	–	X	–
New Hampshire*	–	–	–	–	X	X	X	–
New Jersey	–	X	X	–	–	X	–	–
New Mexico*	–	X	X	–	–	–	X	–
New York*	X	X	X	X	X	X	X	X
North Carolina	X	X	X	–	–	–	X	X
North Dakota*	–	X	X	–	X	X	X	X
Ohio*	–	X	–	X	X	X	X	–
Oklahoma	X	X	X	–	–	–	X	–
Oregon*	X	X	X	X	X	–	–	–
Pennsylvania*	X	–	X	X	X	X	–	–
Rhode Island	X	X	X	–	X	–	X	–
South Carolina*	X	X	X	–	–	–	–	–
South Dakota	X	X	X	–	–	X	X	–
Tennessee	X	–	X	X	–	–	–	–
Texas*	X	X	–	–	X	–	X	X
Utah	X	X	X	X	X	–	X	X
Vermont*	–	X	–	–	X	X	X	–
Virginia*	X	X	X	–	–	–	X	–
Washington*	X	X	X	–	–	X	X	X
West Virginia	–	X	X	–	–	X	–	–
Wisconsin	–	X	X	X	X	X	X	X
Wyoming	–	–	X	–	–	X	–	–
TOTAL	31	45	45	15	20	21	38	20

* See Notes to Table 2

Notes to Table 2

Alabama	Alabama statute requires Alabama's Legislative Fiscal Office to prepare official fiscal notes on legislation but the Executive Budget Office also prepares them independently. There is a separate entity, the Executive Planning Office, which coordinates statewide performance measures.
California	Accounting function involves development and maintenance of the California Statewide Accounting and Reporting System (CALSTARS), and establishing accounting policies for the state.
Colorado	The Colorado Governor's Office of State Planning and Budgeting approves agency requests for loans and advances.
Delaware	The Budget Office does not oversee statewide cash management policy, but does oversee compliance with requirements mandated by the Cash Management Improvement Act of 1990.
Hawaii	Fiscal notes – as part of review function and because of responsibility to ensure a balanced financial plan. Review contracts costing $500,000 or more, including certain professional services. The Office of Planning carries out longer-term, strategic planning; the Budget Agency monitors short and long-term program, budget, and fiscal planning.
Illinois	Contract approval refers to Long Term Care approval.
Indiana	State Budget Agency performs several of these functions in conjunction with other Office of Management and Budget (OMB) agencies.
Louisiana	Fiscal notes- selected input and review. The legislative staff is primarily responsible for preparing a fiscal note on each bill, however, significant input from the budget agency and appropriate administrative agencies is given.
Maryland	The Department of Budget and Management has responsibility for monitoring, reporting, and coordinating the issuance and levels of debt for certain state agencies.
Michigan	The Budget Office estimates non-tax revenue and the State Treasurer estimates tax revenue. The Budget Office reviews all intergovernmental mandates and prepares fiscal notes as part of the Executive Budget process. Legislative fiscal agencies prepare fiscal notes as bills progress through the legislative process. The Governor's office and state agencies coordinate statewide performance measures as part of Michigan's Cabinet Action Plan. Debt management and cash management are primarily duties of the state treasurer with assistance from the Budget Office. Demographic analysis was transferred from the Budget Office to the Department of History, Arts, and Libraries in 2002 and centralized with similar functions under the direction of the Library of Michigan.
Missouri	The Budget Office is not responsible for all fiscal notes, just those related to the budget. The budget office does review all the fiscal notes of bills passed by the legislature before they are signed by the Governor. The Budget Office has an assistance and advisory role in debt management and cash management.

Montana	Budget Office is partially responsible for debt management.
New Hampshire	Tax expenditure reports prepared by the Department of Revenue. Demographic analysis prepared by State Planning.
New Mexico	Consensus revenue estimates are performed by economists from the Department of Finance and Administration (where the budget director is housed), Taxation and Revenue Department, and Legislative Finance Committee.
New York	Normally the Budget Office provides oversight of the contract approval process. However, in some instances, the budget office may approve specific contracts.
North Dakota	The Budget Office is responsible for only those fiscal notes related to the budget recommendations or OMB functions.
Ohio	A tax expenditure report is prepared by the Department of Taxation every two years and published with the Governor's executive budget.
Oregon	The data reported here includes all functions of the Budget and Management Division, which is located within the Department of Administrative Services. Other functions within the Department of Administrative Services, but not in Budget and Management, include Revenue Estimating, Accounting, Contract Approval, Economic Analysis, and Demographic Analysis. The Department of Revenue prepares the tax expenditure report with the assistance of the Budget and Management Division. The report is published with the Governor's biennial recommended budget. For debt management, the State Treasurer sets overall policy, while the Budget and Management Division coordinates execution of transactions for debt issuance and debt service for most state agencies. While the Budget and Management has some responsibilities related to Cash Management, that is primarily a function of the Treasurer.
Pennsylvania	The tax expenditure report is prepared by the Department of Revenue and included in the Governor's annual recommended budget which is published by the Office of the Budget. The Budget Office also prepares cash flow estimates for the state treasurer and schedules major payments, and conducts sales tax anticipation notes, bond, and other forms of short-term debt.
South Carolina	Budget Office is responsible for impacts on appropriations; Expenditures Board of Economic Advisors responsible for revenue impacts.
Texas	Legislative Budget Office is responsible for fiscal notes, not the Executive Budget Office. Legislative Budget Board (the legislature's budget agency) coordinates statewide performance measures and compiles reports.
Vermont	Statute requires that "indicators to measure output and outcome" be included in the Executive budget submission. Program evaluation is done as needed as part of the budget allocation process. Debt management and cash management are primarily duties of the State Treasurer, to which the budget agency contributes.
Virginia	Revenue estimating for non-General Funds only.
Washington	The Office of Financial Management (OFM) contributes to revenue estimates performed by the Economic and Revenue Forecast Council and other agencies. The Economic and Revenue Forecast Council has primary responsibility for the forecast of General Fund revenues. The budget agency has some oversight responsibilities for cash management. The State Treasurer is responsible for the daily cash management of treasury funds.

Table 3

The Budget Director

State	*Title*	*Appointed By*	*Term of Office*	*FY 2008 Salary Range*	*Director is Cabinet Member*
Alabama	State Budget Officer	DG	P	$118,000	–
Alaska	Director, Office of Management and Budget	G	P	$85,716–$118,740	X
Arizona	Director, Office of Strategic Planning and Budgeting	G	P	$110,000–$130,000	X
Arkansas	Administrator, Fiscal and Budget	D	P	$109,230	–
California	Director of Finance	GS	P	$175,000	X
Colorado	Director, Office of State Planning and Budgeting	G	P	NA	X
Connecticut	Secretary, Office of Policy and Management	G	P	$135,034–209,262	X
Delaware	Director, Management and Budget	G	P	$143,050	X
Florida	Director, Office of Policy and Budget	G	P	$77,472–$164,257	–
Georgia	Director, Office of Planning and Budget	G	P	$100,000–$150,000	–
Hawaii	Director of Finance	GS	P	$106,121	X
Idaho	Administrator, Division of Financial Management	G	P	$90,000–$120,000	X
Illinois	Budget Director	G	P	–	X
Indiana	Budget Director	G	P	$110,000	X
Iowa	Director, Department of Management	G	P	$97,906–$149,802	X
Kansas	Director of the Budget	G	P	$83,000–$85,000	–
Kentucky	State Budget Director	G	NS	–	X
Louisiana	State Director of Planning and Budget	D	NS	$76,357–$160,680	–
Maine	State Budget Officer	D	P	$61,006–$88,587	–
Maryland	Secretary of Budget and Management	GS	P	$119,352–$159,632	X
Massachusetts	Assistant Secretary for Budget	DG	P	$125,000	–
Michigan	State Budget Director	G	P	$135,250	X
Minnesota*	Assistant Commissioner – State Budget Director	DG	P	$73,351–$105,131	–
Mississippi	Director, Office of Budget and Fund Management	DG	NS	$63,408–$110,965	–
Missouri	Director of Budget and Planning	DG	P	$75,742–$110,127	–
Montana	Director, Office of Budget and Program Planning	G	P	$95,000–$100,000	X
Nebraska	State Budget Administrator	DG	P	–	X
Nevada	Director of Administration	G	P	–	X
New Hampshire	Budget Officer, Assistant Commissioner	DG	4 yrs.	$68,000–$90,000	–
New Jersey	Director, Office of Management and Budget	GS	P	$125,000–$130,000	–
New Mexico*	Deputy Secretary for Budget and Policy	D	P	$62,000–$153,000	–
New York	Director, Division of the Budget	G	P	$175,000	X
North Carolina	State Budget Officer	G	P	set by Governor	X
North Dakota	Director, Office of Management & Budget	G	P	$120,000–$130,000	X
Ohio	Director of Budget and Management	GS	P	$73,715–$152,610	X
Oklahoma*	Director of State Finance	GS	P	$108,045	–
Oregon	Administrator, Budget and Management Division	D	P	$79,176–$122,592	–
Pennsylvania	Secretary of the Budget	G	P	$164,069	X
Rhode Island	Executive Director/State Budget Officer	DG	NS	$113,865–$126,337	X
South Carolina	State Budget Director	BC	P	$93,461–$144,960	–
South Dakota	Commissioner	G	P	$133,068	X
Tennessee	Commissioner of Finance and Administration	G	P	$180,000	X
Texas	Director, Governor's Office of Budget, Planning and Policy	G	P	$100,007–$161,220	–
Utah	Director, Office of Planning and Budget	G	P	$59,400–$140,700	–
Vermont*	Commissioner of Finance and Management	GS	P	$84,834–$127,251	–
Virginia	Director, Department of Planning and Budget	G	P	$111,156–$191,906	–
Washington	Director, Office of Financial Management	G	P	$158,000	X
West Virginia	Secretary of Revenue	GS	P	$85,000	X
Wisconsin	Administrator, Division of Exec. Budget and Planning	DG	P	$78,500–$121,600	–
Wyoming	Administrator	DG	P	$70,000–$125,000	–
TOTAL					27

* See Notes to Table 3

Codes: BC = Budget & Control Board; NS = Not Specified; D = Department Head; DG = Dept. Head w/Governor's Approval; G = Governor; GS = Governor w/advice & consent of Senate; P = At pleasure of appointing officer

Notes to Table 3

Minnesota	Compensation packages for the fiscal 2008-09 biennium have not been agreed upon, however, it is expected that an across-the-board increase ranging from 2 percent to 3.25 percent per year represents the anticipated settlement.
New Mexico	In practice, the Governor's concurrence is received.
Oklahoma	The Finance Director can serve until the successor is appointed and confirmed.
Vermont	The Budget Director is appointed by the agency secretary and the Governor. Term of office is concurrent with the agency secretary or governor.

Table 4
Budget Agency Personnel

State	Total Positions In: Agency	Budget Function	Number of: Budget Analysts	Tech/ Computer	Admin. Staff	Other Staff	FY 2008 Salary Range For Analysts	Appointment Through Civil Service
Alabama	12	9	8	1	2	1	$32,755–$94,459	X
Alaska*	17	12	8	2	2	4	$63,180–$118,740	–
Arizona	20	19	13	2	1	2	–	–
Arkansas	427	22	19	1	2	–	$28,182–$73,789	–
California*	442	175	114	30	17	281	$39,756–$95,508	X
Colorado*	19.5	17	14.5	–	3	2	$51,000	–
Connecticut	178	33	30	3	–	–	$56,728–$110,865	X
Delaware*	445	24	9	–	–	15	$42,801–$75,044	X
Florida	147	104	51	43	11	42	$30,989–$87,499	–
Georgia	80	32	21	10	19	19	$35,500–$88,500	–
Hawaii	301	30	19	–	9	2	$34,644–$75,948	X
Idaho	19	8	7	1	5	6	$48,000–$80,000	–
Illinois	43	43	22	3	5	13	–	–
Indiana	30	30	19	2	6	3	$40,000–$92,000	–
Iowa	31	12	11	1	–	–	$48,900–$99,320	X
Kansas	778	20	14	–	2	1	$40,841–$75,000	X
Kentucky	39	10	15	2	9	13	$32,000–$100,000	X
Louisiana*	49	42	31	–	6	1	$33,904–$100,069	X
Maine*	14	11	8	–	1	3	$42,869–$70,054	X
Maryland*	449	40	29	3	–	–	$44,907–$78,757	X
Massachusetts	41	29	11	7	4	5	$48,000–$68,000	–
Michigan*	171	41	33	0	5	3	$48,000–$84,500	X
Minnesota*	154	25	15	2	4	4	$48,922–$91,183	X
Mississippi	373	7	5	–	1	1	–	X
Missouri*	29	20	15	1	5	7	$31,320–$62,400	X
Montana	19	19	10	1	4	4	$40,000–$72,000	–
Nebraska	699	11	9	–	1	1	$45,619–$82,828	X
Nevada	26	15	13	–	6	4	$55,812–$91,997	X
New Hampshire	170	9	6	–	1	2	$57,000–$78,000	X
New Jersey*	159	61	31	9	11	–	$39,733–$93,387	X
New Mexico	160	18	15	–	3	–	$30,534–$67,870	X
New York*	406	406	245	35	112	14	$37,000–$145,000	X
North Carolina*	64	33	27	7	12	12	$42,637–$99,170	–
North Dakota*	131	5	4	2	3	–	$43,656–$72,768	X
Ohio*	104	26	19	–	2	5	$46,301–$89,190	X
Oklahoma	140	9	7	–	1	–	$38,000–$63,000	–
Oregon*	32	32	14	10	4	3	$59,244–$87,288	X
Pennsylvania*	893	55	29	–	4	22	$45,000–$90,000	X
Rhode Island	19	19	14	1	3	1	$45,928–$97,972	X
South Carolina	23	23	10	–	6	7	$49,500–$96,000	X
South Dakota*	26	8	6	3	2	18	$40,317–$67,105	–
Tennessee	25	25	17	2	2	–	$31,000–$63,800	–
Texas	37	31	24	–	5	8	$40,000–$75,000	–
Utah	48	14	12	5	4	13	$41,572–$84,209	–
Vermont*	51	10	5	9	3	34	$48,464–$76,003	X
Virginia	58	34	29	4	7	18	$40,959–$109,818	–
Washington*	330	38	36	–	–	–	$57,000–$94,000	–
West Virginia	10	10	3	1	2	4	$28,080–$42,984	X
Wisconsin*	1069	30	17	1	2	7	$44,000–$112,000	X
Wyoming	400	8	7	–	1	–	$54,408–$73,404	X
TOTAL	9407	1764	1151	204	320	605		31

* See Notes to Table 4

Notes to Table 4

Alaska	Most budget analysts are a Range 22 ($63,180-$86,748). One of the eight analysts is the Chief Budget Analyst at a Range 27 (85,716-$118,740).
California	Budget analysts include first level supervisors. Technical/computer staff and administrative staff in budget and budget supporting units only. Other staff include legal counsel, economic and demographic research staff, information technology oversight staff, audit staff, fiscal and accounting technical staff, business services staff, and human resources staff. Annual salary range for the 2006-2007 fiscal year. The 2007-08 state budget pending enactment at the time of this survey.
Colorado	Administrative staff includes director (1.0), office manager (1.0), and deputy director (half of which is reflected in budget analysis). Other staff includes 3.0 economists, with 0.5 devoted to budget analysis (K-12, transportation, Treasury). Management and budget analyst entry level salary is $51,000 a year.
Delaware	Salary range represents minimum salary for an Associate Fiscal and Policy Analyst-Midpoint of Senior Analyst.
Louisiana	Salary range excludes management position salaries.
Maine	Budget function and Other Staff reflects Position Control Analyst, Position Control Analyst Assistant and Budget Examiner.
Maryland	Includes both operating and capital budget positions. Certain budget positions serve at the pleasure of the Secretary of Budget and Management.
Michigan	In January 1998, the Department of Management and Budget was restructured and the Governor appointed a separate State Budget Director. Budget Office employees provide statewide support for budget development and implementation, accounting functions, payroll functions, the state's financial management system, and management of performance data of Michigan public schools and students. Reorganization of functions in 2001 and 2002 transferred geographic data mapping, demographic data, and administrative information network functions to other state agencies. Total Budget Office positions will increase from the reported total when transfer of accounting functions from state agencies to the Budget Office is completed.
Minnesota	There are 154 employees in the Finance Department; twenty-five work in the Budget Services Division (excludes accounting and payroll systems). The Budget Services Division consists of fifteen Executive Budget Officers/Analysts, four Executive Budget Directors/Team Leaders, five other planning and operational professional staff and the State Budget Director. There are two information technology/system support personnel, four administrative support personnel and 4 economic analysis personnel (including the state economist) that work outside the Budget Services Division. Compensation packages for the fiscal 2008-09 biennium have not been agreed upon, however, it is expected that an across-the-board increase ranging from two percent to 3.25 percent per year represent the anticipated settlement.

Notes to Table 4

Missouri	Other staff includes two economists, three section managers, a demographer, legislative coordinator, and accounting assistant.
New Jersey	Salary range includes first-level supervisors.
New York	Budget agency personnel are appointed through civil service, including all supervisory staff except Budget Director and executive management.
North Carolina	Administrative staff includes budget, human resources and general support staff. Other staff includes economists, management analysts and demographic researchers.
North Dakota	Computer staff is shared with all divisions of OMB. Administrative staff is shared with all divisions of OMB.
Ohio	Maximum salary would be $95,992 if on maximum longevity pay.
Oregon	The data reported here includes all of the Budget and Management Division. Other staff includes the capital investment section staff.
Pennsylvania	Agency positions include comptroller’s offices (accounting functions, 875 positions). Other staff includes the Secretary’s office and Bureau’s for Legislation, Legal, Fiscal Policy and Cash Flow, Revenue and Debt.
South Dakota	Some positions serve in dual functions. For example, the economist also does analyst work.
Vermont	Other staff includes payroll, accounting and Strategic Enterprise Initiative program.
Washington	Salary range reflects both operating and capital budget analysts and first level supervisors.
Wisconsin	Other staff includes six Team Leaders and one Policy Initiatives Advisor.

Table 5
Location of Executive Budget Office

State	*Freestanding Budget Agency*	*Governor's Office*	*Budget Agency within Finance Department*	*Budget Agency within Management/Administration Department*
Alabama	–	–	X	–
Alaska	–	X	–	–
Arizona	–	X	–	–
Arkansas	–	–	–	X
California*	X	–	–	–
Colorado	–	X	–	–
Connecticut	X	–	–	–
Delaware	–	–	–	X
Florida	–	X	–	–
Georgia	–	X	–	–
Hawaii*	–	–	X	–
Idaho*	X	–	–	–
Illinois	–	X	–	–
Indiana*	–	–	–	X
Iowa	X	–	–	X
Kansas*	–	–	–	X
Kentucky*	X	–	–	–
Louisiana	–	–	–	X
Maine*	–	–	X	–
Maryland	–	–	–	X
Massachusetts	–	–	–	X
Michigan*	–	–	–	X
Minnesota	–	–	X	–
Mississippi	–	–	X	–
Missouri	–	–	–	X
Montana	–	X	–	–
Nebraska	–	–	–	X
Nevada	–	–	–	X
New Hampshire	–	–	–	X
New Jersey*	–	–	X	–
New Mexico	–	–	X	–
New York	X	–	–	–
North Carolina	–	X	–	–
North Dakota	–	–	–	X
Ohio	X	–	–	–
Oklahoma*	–	–	X	–
Oregon	–	–	–	X
Pennsylvania	X	–	–	–
Rhode Island	–	–	–	X
South Carolina	–	–	–	X
South Dakota	–	–	X	–
Tennessee	–	–	X	X
Texas	–	X	–	–
Utah	–	X	–	–
Vermont*	–	–	X	X
Virginia	X	–	–	–
Washington*	–	–	X	–
West Virginia	X	–	–	–
Wisconsin	–	–	–	X
Wyoming	–	–	–	X
TOTAL	10	10	12	21

* See Notes to Table 5

Notes to Table 5

California	The Department of Finance is a freestanding agency within the executive branch, which is headed by the Governor.
Hawaii	Department of Budget and Finance
Idaho	The Division of Financial Management is a free standing agency within the Executive Office of the Governor.
Indiana	No longer a freestanding agency. The State Budget Agency is now an agency under the umbrella of the Office of Management and Budget (OMB).
Kansas	The Budget Division is located in the Department of Administration for budgetary purposes only. The budget director reports directly to the governor, and the office functions as the governor's staff.
Kentucky	The Office of the State Budget Director is a freestanding agency within the Executive Office of the Governor.
Maine	The Budget Office is part of the Department of Administrative and Financial Services.
Michigan	The Budget Office reports directly to the Governor and is an autonomous agency within the Department of Management and Budget.
New Jersey	The Office of Management and Budget is a division within the Department of the Treasury.
Oklahoma	The Budget Division is a division of the Office of State Finance.
Vermont	The Budget and Management Division is in the Department of Finance and Management, which is in the Agency of Administration.
Washington	The executive budget function is a division within the Office of Financial Management (OFM). OFM also has accounting, policy development, population forecasting, and collective bargaining responsibilities.

Table 6
Economic Advisors

State	*Official/Agency Providing Revenue Estimates for Executive Budget*	*Source of Authority*	*State has Council of Economic Advisors*	*State Has Formal Revenue Estimating Group*
Alabama	Department of Finance	I	X	–
Alaska	Office of Management and Budget, Department of Revenue, Department of Labor	AO	X	–
Arizona	Office of Strategic Planning & Budgeting	–	–	X
Arkansas	State Fiscal Officer, Office of Economic Analysis and Tax Research	S	X	X
California	Department of Finance	I	–	X
Colorado	Governor's Revenue Estimating Advisory Committee	S	X	–
Connecticut	Office of Policy and Management	S	X	X
Delaware	Delaware Economic and Financial Advisory Council	EO	X	–
Florida	Consensus Revenue Estimating Conference	S	–	X
Georgia	Office of Planning and Budget	–	X	–
Hawaii	Council on Revenues	C,S	–	X
Idaho	Division of Financial Management	–	–	–
Illinois	Budget Agency	S	X	–
Indiana	Budget Agency	I	X	X
Iowa	Department of Management	S,EO	X	X
Kansas	Budget Office; Revenue Department; Legislative Research Department	I	X	X
Kentucky*	Consensus Revenue Forecasting Group	S	X	X
Louisiana	Governor, Legislature, Revenue Estimating Conference	C,S	X	X
Maine	State Budget Officer; Revenue Forecasting Committee	S	X	X
Maryland	Expenditures – Department of Budget and Management; Revenues – Board of Revenue Estimates	S	X	X
Massachusetts	Revenue Dep't/Exec. Office for Admin. and Finance; Consensus Revenue Process with Legislature	S	X	–
Michigan	Consensus Revenue Estimating Conference	S	–	X
Minnesota*	Department of Finance	EO	X	–
Mississippi	Office of Budget and Fund Management	S	–	X
Missouri*	Budget Office	–	–	–
Montana*	Governor's Budget Office with underlying forecasts from contract with forecasting firm – Global Insight	I		X*
Nebraska	Revenue Department, Legislative Fiscal Office, and Economic Forecasting Advisory Board	S	X	X
Nevada	Economic Forum	S	–	X
New Hampshire	Budget Office and Department of Revenue Administration	S	–	–
New Jersey*	Office of Revenue and Economic Analysis, Department of the Treasury	I	X	–
New Mexico	Economic Analysis Bureau; Department of Finance and Administration	S	–	X
New York	Division of the Budget	–	–	–
North Carolina	Office of State Budget and Management	–	–	–
North Dakota	Office of Management and Budget and Tax Department	S	–	X
Ohio	Office of Budget and Management	I	X	–
Oklahoma	Oklahoma Tax Commission; Office of State Finance	C,S	–	–
Oregon	Office of Economic Analysis within the Department of Administrative Services	EO	X	–
Pennsylvania	Budget Office and Revenue Department	C,S	–	–
Rhode Island	Revenue Estimating Conference	S	–	X
South Carolina	Board of Economic Advisors	S, Provisonal	X	X
South Dakota	Bureau of Finance and Management	EO	X	–
Tennessee	Center of Business and Economic Research – University of Tennessee	S	X	X
Texas	Comptroller's Office	–	–	X
Utah	Office of Planning and Budget and Tax Commission	EO	X	X
Vermont	Department of Finance and Management	S	X	X
Virginia	Department of Taxation	S	X	X
Washington	Economic and Revenue Forecast Council	S	X	X
West Virginia	Department of Revenue	S	–	–
Wisconsin	Department of Revenue	–	–	–
Wyoming	Consensus Revenue Estimating Group	I	X	–
TOTAL			29	28

* See Notes to Table 6

Codes: S = Statutory; C = Constitutional; EO = Executive Order; AO = Administrative Order; I = Informal

Notes to Table 6

Kentucky	Revenue estimating is performed by a consensus forecasting group jointly selected by the Finance and Administration Secretary and the Legislative Research Commission. Preliminary estimates are required October 15 of each odd-numbered year prior to January's legislative session with a revised/final estimate due by the fifteenth legislative day.
Minnesota	The Department of Finance prepares five-year revenue estimates that are formally published in November and February each year. Economic updates are issued in January, April, July and October of each year. The Economic Analysis Division, under the direction of the State Economist, serves as the formal revenue estimating group for the state of Minnesota.
Missouri	Establishing a consensus revenue forecast with the legislature has been the practice most years since the mid 1980s, but is not required by statute. While the budget office revises the working revenue estimate, it is not usually considered the "official" estimate if a consensus was reached for that fiscal year. In some years, the budget office, Governor and legislature do revise the "official" estimate.
Montana	The Budget Office and the Legislative Fiscal Division both independently calculate revenue estimates than compare forecasts and work together toward the best forecast.
New Jersey	The Office of Revenue and Economic Analysis (OREA) provides revenue estimates, but this role is not statutory.

Table 7
Revenue Estimates in the Governor's Budget

State	Who Prepares Estimate	Who Revised Estimate	Revision is Binding	Consensus Forecast Process	Statutory Requirement to Publish Revenue Estimates	When are Official Revenue Estimates Made (List by Month)	Years Projected Beyond Current Budget Cycle
Alabama	B	G,L	–	–	X	February	0
Alaska	R	–	–	–	X	April, December	10
Arizona	B,R	G,L	–	–	X	–	1
Arkansas	B	G	X	–	X	Apr. & Nov. of even years	2
California*	B	B,G	–	–	X	January, May	3
Colorado	B	L	–	–	X	Dec., March, June, Sept.	–
Connecticut	B	L	–	–	X	–	3
Delaware*	C	L	X	X	X	Sept., Dec., Mar., Apr., May, June	4
Florida*	R,G,L	C	X	X	X	Fall/winter & when needed	3
Georgia	B	G	X	–	X	January	5
Hawaii*	C	C	X	–	X	June, Sept., Jan., March	4
Idaho	B	B,L	–	–	–	January, August	1
Illinois*	B	B	–	–	X	July, Oct., Feb., April	–
Indiana*	B,C	B,C	X	X	X	December/April	2
Iowa	C	C	X	X	X	March/April, Oct., Dec.	1
Kansas	C	C	–	X	–	November, April	1
Kentucky*	C	C	X	X	X	December (odd)/early Jan(even)	4
Louisiana*	C	C	X	X	X	Oct., Jan., March, Aug.	1
Maine*	C	C	X	X	X	December, March	2
Maryland	C	C	–	X	X	December, March	4
Massachusetts	B,R	G,L	X	X	X	October, January, April	1
Michigan	B,R,L	B,R,L	X	X	X	January, May	1
Minnesota*	B	B	X	–	X	February, November	4
Mississippi	G,L	L	X	X	–	October	–
Missouri*	B,L	B,L	–	X	X	January	1
Montana*	B,R	L	X	–	X	November of even years	0
Nebraska	R,L,C	R,L,C	X	X	X	Feb,Apr,Oct (odd)/Feb,Oct (even)	2
Nevada	C	C	X	–	X	Dec. (Revised in May)	–
New Hampshire	B,G	L	X	–	X	–	1
New Jersey	B,R	G	X	–	X	February, May	1
New Mexico*	B,R,L	B,R,L	–	X	X	July, Oct., Dec., Feb.	3
New York*	B	G,L,O	X	X	X	April, July, Oct.,Jan.,Feb.	3
North Carolina	B,G,L	B,G,L	X	X	X	February (odd)/May (even)	4
North Dakota	B,R	B,R	X	X	X	July, Nov. (even)/March (odd)	–
Ohio	B	B,L	–	–	X	January/June (odd)	–
Oklahoma*	B,R,C	B,R,C	X	–	X	December, February, June	1
Oregon*	O	O	X	–	X	March, June, Sept., Dec.	4
Pennsylvania	B,R	B,R	X	–	X	May/June (Budget Enactment)	4
Rhode Island	C	C	X	X	X	November/May	–
South Carolina*	C	C	–	X	X	November , February	–
South Dakota	B	L,B	X	–	X	February	1
Tennessee	B	G	–	X	X	See Note	0
Texas	R	R	X	–	X	January/May (odd)	0
Utah*	B,R	B,G,L,R	X	X	X	–	1
Vermont*	B,L	B,L	–	X	X	January, July	–
Virginia*	B,R,C	G	X	X	X	December	4
Washington*	B,C	C	X	X	X	Feb. or March, June, Sept., Nov.	2
West Virginia*	B,R	G	X	–	X	January	4
Wisconsin	R	L	–	–	X	Nov.20 (even)	–
Wyoming	O	O	–	X	–	October, January	5
TOTAL			32	26	46		

* See Notes to Table 7

Codes: B = Budget Agency, R = Revenue Agency, C = Board/Commission, G = Governor, L = Legislature, O = Other

Notes to Table 7

California	Revenue estimates are made public in January and May.
Delaware	Quarterly estimates are done for September, December and March; monthly estimates are done for April, May and June.
Florida	Florida utilizes a Consensus Revenue Forecasting Conference for estimating revenue. The Conference is comprised of representatives from the Governor's Office of Planning and Budgeting, House and Senate Finance and Tax Committees, the Florida Department of Revenue and the Legislative Division of Economic and Demographic Research. The Consensus Estimate of Revenue Collections is based on current tax laws and current administrative procedures.
Hawaii	Statutes require that estimates "shall be considered"; differing revenue estimates by the governor or legislature may be used if "fact and reasons" are made public.
Illinois	Official revenue estimates are made in quarterly reports.
Indiana	Original forecast is made in December, revised in April of budget years, and updated in December of non-budget years.
Kentucky	Consensus forecast made by the date the Governor's recommended budget is due. Typically, December of odd-numbered years or early January of even-numbered years. Budget projections made by August 15 of each odd-numbered year for four years beyond the current budget cycle.
Louisiana	Louisiana utilizes a Revenue Estimating Conference (REC) to establish the official state General Funds available. The voting member "*…shall be the Governor, the president of the Senate, the speaker of the House of Representatives, or their respective designates, and a faculty member with the revenue forecasting expertise from a public or private university in the state…*" According to the Louisiana Revised Statutes (Title 39:26): *A. The Revenue Estimating Conference shall meet at least four times per year as follows: (1) By October fifteenth the conference shall establish an official forecast for the ensuing fiscal year which shall be utilized by the budget office in formulating the executive budget recommendations; (2) By January first the conference shall revise the official forecast for the ensuing fiscal year which shall be utilized in the preparation of the executive budget; (3) By the third Monday in March the conference shall revise the official forecast which shall be utilized by the legislature in its adoption of a state budget for the ensuing fiscal year; (4) By August fifteenth and subsequent to the final adjournment of each regular session the conference shall revise the official forecast for the fiscal year for which appropriations were made in the past regular session which shall incorporate all revenue impacts resulting from legislation enacted during the past regular session and which shall be utilized in the preparation of the state budget, as required by R.S. 39:56.*

Louisiana (cont'd)	B *The official forecast for the current fiscal year shall be reviewed, and revised if necessary, each time the Revenue Estimating Conference meets.* C. *At any time that at least two principals of the conference issue written notification that they are of the opinion that conditions warrant a possible revision of the official forecast for either the ensuing fiscal year or the current fiscal year, then a meeting of the conference shall be held for purposes of such consideration.*
Maine	No later than December 1 of each even-numbered year, the committee submits a report that presents the recommendations for the next two biennia. No later than March 1st and December 1st annually the committee shall submit a report that presents the recommendations for the current and ensuing fiscal biennia.
Minnesota	The governor's biennial budget submitted in each odd-month year includes revenue estimates for the current fiscal year and the next two biennia, or four additional fiscal year.
Missouri	Establishing a consensus revenue forecast with the legislature has been the practice most years since the mid 1980s, but is not required by statute. While the budget office revises the working revenue estimate, it is not usually considered the "official" estimate if a consensus was reached for that fiscal year. In some years, the budget office, Governor and legislature do revise the "official" estimate.
Montana	Legislature revises revenue estimate during session. There is no official estimate of revenues beyond the biennium. However they are done within the Governor's budget office (not the legislative branch) two years out and used informally.
New Mexico	Consensus revenue forecasting procedure involves the finance and revenue agencies as well as the legislature.
New York	If the Governor and the legislature fail to reach consensus, the Comptroller is required to issue a binding revenue forecast.
Oklahoma	Revenue estimates are made by various state agencies, including the State Tax Commission. Economic information is provided by various private and public entities. The State Finance Office reviews, consolidates, and presents the estimates to the State Equalization Board late in December and again in mid-February. The Board certifies an official estimate that is only revised afterward if laws affecting the revenue are passed by the state legislature. Such a revision would be made in June.
Oregon	The Office of Economic Analysis in the Department of Administrative Services prepares the estimates.
South Carolina	The first forecast is on or before November 10; the second forecast is on or before February 15. Additional changes may be made after the February forecast if the Board of Economic Advisors determines that economic conditions have changed since the February forecast.
Utah	Revenue estimates are informally reviewed with the Legislative Fiscal Analysts Office. Any major differences are researched and resolved.
Vermont	The Emergency Board, comprised of four legislative members, chaired by the Governor, determines revenue estimates based on separate estimates by executive and legislative branches.

Virginia	The Governor revises revenue estimates as required by law during the fiscal year. Revenue estimates are published annually.
Washington	Revenue forecasts for the state general revenue fund (and some related funds) are produced quarterly by the Economic and Revenue Forecast Council. The recommendation of the Council's nonpartisan staff is voted on by the Council members, consisting of representatives from the House, Senate, and executive branch. Other funds are not subject to this official process, and are estimated by agencies or interagency work groups. The Council adopts revenue estimates for the current biennium. Less formal estimates by central budget agency staff, and for other funds, may exceed that timeframe.
West Virginia	Revenue estimates made in January except year following gubernatorial election, then extended to February.

Table 8
State-Federal Liaison

State	Budget Office Analyzes Federal Legislation	Representative in Washington, D.C.	Official/Agency to Whom D.C. Office Reports
Alabama	X	X	Governor
Alaska	–	X	Governor
Arizona*	X	–	–
Arkansas	X	X	Governor
California*	X	X	Governor
Colorado	–	–	–
Connecticut	X	X	Governor
Delaware	X	X	Governor
Florida	X	X	Governor and Legislature
Georgia	X	X	Governor
Hawaii	X	–	–
Idaho*	–	–	–
Illinois	X	X	Governor
Indiana	X	X	Governor
Iowa	X	X	Governor
Kansas	X	–	–
Kentucky	X	X	Governor's Office
Louisiana	X	–	–
Maine	X	–	–
Maryland	X	X	Governor
Massachusetts*	X	X	Governor
Michigan*	X	X	Governor
Minnesota*	X	X	Governor's Office
Mississippi	X	X	Governor's Office
Missouri	X	–	–
Montana	X	–	–
Nebraska	X	–	–
Nevada	X	X	Governor
New Hampshire	–	–	–
New Jersey	X	X	Governor
New Mexico*	–	X	Governor
New York	X	X	Governor
North Carolina	X	X	Governor's Chief of Staff
North Dakota*	X	X	Governor
Ohio	X	X	Governor
Oklahoma*	X	–	–
Oregon	X	X	Governor's Office
Pennsylvania	X	X	Governor
Rhode Island	X	X	Governor's Office
South Carolina	–	X	Governor
South Dakota	X	X	Governor
Tennessee*	X	–	–
Texas	X	X	Governor
Utah	X	X	Governor's Chief of Staff
Vermont*	X	–	–
Virginia	X	X	Governor
Washington	X	X	Governor
West Virginia*	X	X	Governor
Wisconsin	X	X	Administration Secretary
Wyoming	X	–	–
TOTAL	44	35	

* See Notes to Table 8

Notes to Table 8

Arizona	The analysis of federal legislation is primarily conducted by the affected state agency. However, the budget office does monitor and analyze federal legislation that has a significant state fiscal impact (e.g. welfare reform, Medicaid reform, highway construction, etc.).
California	The analysis of federal legislation is primarily conducted by affected state agencies; however, the budget office does monitor and analyze federal legislation that has a significant state fiscal impact.
Idaho	Each agency is responsible for analyzing federal legislation, not the budget office.
Massachusetts	The analysis of federal legislation is primarily conducted by the state agencies, not the budget office.
Michigan	The analysis of federal legislation is primarily conducted by state agencies; the Budget Office monitors selected issues.
Minnesota	The analysis of federal legislation is primarily conducted by the state agencies; the budget office monitors selected issues.
New Mexico	The analysis of federal legislation impacting the state is primarily conducted by the state agencies, not the budget office. The budget office monitors the impact of enacted legislation on state operations.
North Dakota	The analysis of federal legislation is primarily conducted by the state agencies, not the budget office.
Oklahoma	The analysis of federal legislation is primarily conducted by the state agencies, not the budget office.
Tennessee	The analysis of federal legislation is primarily conducted by the state agencies, not the budget office.
Vermont	The analysis of federal legislation is primarily conducted by the state agencies.
West Virginia	The analysis of federal legislation is primarily conducted by state agencies; the budget office monitors select issues.

Requirements, Authorities, and Limitations

Introduction

This chapter addresses gubernatorial authority in the budget process, including veto authority, balanced budget requirements, limits on authorized debt and debt service, and tax and expenditure limitations.

Gubernatorial Budget Authority

The extent of a governor's authority in the budget process varies among states as outlined in Table 9. The governor may, without legislative approval, reorganize departments in 24 states, spend unanticipated federal funds in 30 states, and reduce enacted budgets in 38 states. Governors in 32 states have restrictions in the budget reductions that they can make without legislative approval. Restrictions may include limits on what functions may be reduced.

Gubernatorial veto authority is outlined in Table 10. In 44 states, the governor has line item veto authority and in 41 states, the governor has authority to veto an item within the appropriations bill. Fewer states give governors authority to change selected words or the meaning of words. Governors in 15 states can veto selected words and 4 states allow a governor's veto to change the meaning of words.

Balanced Budget Requirements

Virtually all states have some form of balanced budget requirement. These requirements are often statutory or constitutional in nature and range from requirements that the governor submit a balanced budget to requirements that a governor must sign a balanced budget. As shown in Table 11, governors in 44 states must submit a balanced budget, and in 41 states legislatures must pass balanced budgets.

Debt Limits

State debt is issued in order to finance capital projects that will serve to benefit taxpayers over a series of years. Table 12 details debt limits states have in place for both debt service and levels of authorized debt. In the case of debt service, many of the limits are tied to general fund revenues. The limits for authorized debt may include dollar values and also be tied to authority from the legislature or from voters. States may also have policies through debt management committees that deal with a range of debt instruments beyond general obligation authority.

Tax and Expenditure Limitations

Tax and expenditure limitations are prevalent in states with about two-thirds of states having some form of limit as shown in Table 13. The majority of these limits are constitutional or statutory. Many of the limits are tied to growth in personal income and population. In addition to tax and expenditure limits, 11 states have super majority requirements to pass a revenue increase.

Table 9
Gubernatorial Budget Authority and Responsibility

State	*Give Agencies Funding Level Request Targets*	*Agency Requests Published in Executive Budget*	*Reorganize Departments without Leg. Approval*	*Spend Unanticipated Funds without Leg. Approval*	*Reduce Enacted Budget without Leg. Approval*	*Restrictions on Budget Reductions without Leg. Approval*
Alabama*	–	X	–	X	X	X
Alaska	X	–	X	–	–	–
Arizona*	X	–	X	–	–	–
Arkansas	X	X	X	–	X	X
California*	–	X	X	X	–	–
Colorado*	X	–	–	–	X	–
Connecticut*	–	X	–	X	X	X
Delaware*	X	X	–	–	–	X
Florida*	–	X	–	X	X	X
Georgia*	X	X	X	X	X	X
Hawaii*	X	X	–	X	X	–
Idaho*	X	–	X	X	X	–
Illinois*	X	–	X	–	X	–
Indiana*	X	X	X	X	X	X
Iowa*	X	X	–	–	–	X
Kansas	X	X	–	–	–	–
Kentucky	X	X	X	X	X	–
Louisiana*	X	–	–	–	–	–
Maine*	X	–	–	X	X	X
Maryland*	X	–	X	X	X	X
Massachusetts*	X	–	X	–	X	X
Michigan*	X	X	X	X	–	X
Minnesota*	X	X	X	–	X	X
Mississippi*	X	–	–	X	X	X
Missouri*	–	X	X	–	X	–
Montana*	X	–	X	X	X	X
Nebraska	–	X	–	–	–	X
Nevada*	–	X	X	–	X	X
New Hampshire*	X	–	–	X	–	X
New Jersey*	X	X	–	X	X	X
New Mexico*	X	–	–	X	X	–
New York	X	–	–	X	X	X
North Carolina*	X	–	X	X	X	–
North Dakota*	X	X	–	X	X	X
Ohio*	–	–	–	X	X	–
Oklahoma*	X	–	X	–	X	–
Oregon*	X	X	–	–	X	X
Pennsylvania*	X	–	X	X	X	X
Rhode Island*	X	–	X	–	–	–
South Carolina*	X	X	–	–	X	X
South Dakota	–	X	X	–	X	–
Tennessee	X	–	X	–	–	X
Texas*	X	–	–	X	X	X
Utah*	X	–	–	X	X	–
Vermont*	X	–	X	X	X	X
Virginia*	X	–	–	X	X	X
Washington*	–	–	–	X	X	X
West Virginia*	X	X	–	X	X	X
Wisconsin*	X	X	X	X	X	X
Wyoming*	–	X	–	X	X	X
TOTAL	39	25	24	30	38	32

* See Notes to Table 9

Notes to Table 9

Alabama	There is language in the annual appropriation bills allowing agencies the ability to spend unanticipated federal funds. There is no authority, however, to allow the expenditure of unanticipated court settlements. The Governor has the ability to reduce the enacted budget without legislative approval if revenues are not anticipated to be sufficient to fund the enacted budget. This process is called "proration."
Arizona	Unless otherwise restricted by statute, the Governor has the authority to reorganize agencies that have directors the Governor has appointed. Expenditures of unanticipated federal funds are only allowable in cases where the legislature doesn't have appropriation authority over the federal fund source. Certain funds designated in statute as non-appropriated are discretionary.
California	Only approved agency requests are published in the budget. The governor has limited authority to reorganize departments. Certain situations require legislative approval. Legislative approval is not required to spend unanticipated funds; however, notification to the legislature is required to expend amounts over $400,000.
Colorado	Court settlements and federal funds, unless specified as subject to legislative appropriation, can be spent by the executive without legislative approval. Colorado agency requests are the executive budget. Legislative appropriations provide the spending authority cap. There is no requirement to spend up to the cap, however, if large reversions are witnessed it is unlikely that funding will remain at previously appropriated levels.
Connecticut	By law, budgets may be reduced by a maximum of one percent without legislative approval.
Delaware	The Director of the Office of Management and Budget by statute has the authority to control the rate of agency expenditures and in times of revenue downturn this authority has been used to ensure the state ends the year without a deficit. However, there is no explicit power granted within statute to unilaterally amend the enacted operating budget.
Florida	All agency heads are required by law to develop budget requests based upon their independent judgments of agency needs. The budget requests, however, should reflect the long-range financial outlook adopted by the joint legislation budget commission or specifically explain any variance from the long range outlook that may be contained in the budget request. The Governor and/or legislature may ask agencies to submit additional budgets according to established targets. The Governor's Office of Planning and Budgeting may approve minor reorganizations (bureau level and below) without legislative approval. The Legislative Budget Commission for the executive branch is authorized to resolve deficits under 1.5 percent of the fiscal year appropriation. Deficits over the 1.5 percent amount shall be resolved by the legislature. Any reduction to the final approved budget requires Legislature approval.

Georgia	The Governor, during the first six months of a fiscal year in which the current revenue estimate on which appropriations are based is expected to exceed actual revenues, is authorized to require state agencies to reserve such appropriations as specified by the government for budget reductions to be recommended to the General Assembly at its next session.
Hawaii	The Governor can reorganize departments if consistent with general or specific law. Unanticipated federal and trust funds, and certain special and revolving funds may be expended without legislative authorization, as provided by law.
Idaho	The Governor's authority to reduce budgets is temporary. The State Board of Examiners (Governor, Attorney General, and Secretary of State) has permanent appropriation reduction authority. Reorganize Department without Legislative approval- the budget office has the authority to approve spending of unanticipated funds if certain criteria are met.
Illinois	The Governor can reduce reserves in the enacted budget without legislative approval.
Indiana	May spend unanticipated federal funds without legislative approval, for instance. May only reduce budgets to protect from a deficit situation.
Iowa	The Governor can only reduce appropriations by an across-the-board reduction, only when the current budget is out of balance, and only to bring the budget into balance.
Louisiana	The current (Fiscal 2007-2008) preamble to the budget states in part: In the event that "…revenues should be less than the amount appropriated, the appropriation shall be reduced accordingly. To the extent that such funds were included in the budget on a matching basis with state funds, a corresponding decrease in the state matching funds may be made. Any federal funds which are classified as disaster or emergency may be expended prior to approval of a BA-7 by the Joint Legislative Committee on the Budget upon the secretary's certifying to the Governor that any delay would be detrimental to the state. The Joint Legislative Committee on the Budget shall be notified in writing of such declaration and shall meet to consider such action, but if it is found by the committee that such funds were not needed for an emergency expenditure, such approval may be withdrawn and any balance remaining shall not be expended." See Louisiana Revised Statutes Title 39:75.

Maine	If the Governor submits budget legislation that differs from the request submitted by the Judicial Department, or by the Legislative Council for the Office of Program Evaluation and Government Accountability (OPEGA), the Governor shall simultaneously submit a report to the joint standing committees of the Legislature having jurisdiction over appropriations and financial affairs and judiciary matters, or to the Legislative Council and OPEGA, explaining why the Governor's budget legislation differs from the budget submissions. Increases in Other Special Revenue funds accounts, internal service fund accounts and enterprise funds, except the State Lottery Fund and the Dirigo Health Enterprise Fund, may occur if failure to approve would have a detrimental impact on current programs, and as long as the funds are expended in accordance with the statutes that establish the accounts and for no other purpose. The expenditure of unanticipated federal funds may be authorized for a period not to exceed 12 calendar months unless such federal funds are approved by the Legislature. Whenever it appears to the Commissioner of Administrative and Financial Services that the anticipated income and other available funds of the State will not be sufficient to meet the expenditures authorized by the Legislature, the Governor may temporarily curtail allotments equitably so that expenditures will not exceed the anticipated income and other available funds. No allotment may be terminated. Any curtailment of allotments must, insofar as practicable, be made consistent with the intent of the Legislature in authorizing these expenditures.
Maryland	May increase special fund, federal fund, and higher education appropriations without legislative approval. With the approval of the Board of Public Works, the Governor may reduce by not more that 25 percent any appropriation that the Governor considers unnecessary. The Governor may not, however, reduce an appropriation to the legislative or judicial branches of government; for the payment of principal and interest on state debt; the funding for public schools (K-12); or the salary of a public officer during the term of office.
Massachusetts	Article 87 of the Constitution allows for the Governor to submit a reorganization bill which becomes law within 60 days unless rejected by the Legislature. Statute allows the Governor to reduce executive branch appropriations in the event of a revenue shortfall. Cannot apply to local aid appropriations.
Michigan	The Executive Budget is published. Agency requests are published to the extent that the requests are included in the Executive Budget. The Governor has Executive Order reorganization authority not subject to legislative review. However, the Governor's Executive Order reorganization may be forestalled if disapproved by both houses of the legislature within 60 days of issuance. Unanticipated funds may be expended up to a pre-established spending level only if stipulated in the appropriations bill. There are both constitutional and statutory restrictions on executive branch authority to make budget reductions, involving approval by both House and Senate Appropriations Committees.

Minnesota	All agency heads are directed by budget guidelines to develop realistic agency budget plans within base level targets. The Executive Budget includes all agency requests submitted by non-executive branch entities, but only those requests that have been approved as Governor's recommendations for Executive Branch agencies. In statute, the commissioner of administration has authority to transfer personnel, power or duties from one state agency that has been in existence for at least one year to improve efficiency and avoid duplication. The transfer must have prior appeal of the governor. The commissioner of administration shall no later than January 15 of each year submit to the legislature a bill making all statutory changes required by the reorganization order. The Commission of Finance, with the approval of the Governor, is authorized to reduce the enacted budget without legislative approval in accordance with M.S.16A.152 Subd.4. The authority to reduce enacted budget allotments without legislative authority is restricted to preventing a budget deficit.
Mississippi	No legislative approval is required for budget reductions. Statutory restriction is up to 5 percent of general fund and non-exempt special fund agencies as selected by state fiscal officer; cuts exceeding 5 percent must be across-the-board.
Missouri	The Governor may effect reorganizations by executive order which must be submitted within 30 days of the start of session. The reorganizations stand unless they are rejected by the legislature within 60 days of the issuance of the executive order. Agencies may spend unanticipated funds without further legislative approval if the appropriation authority is sufficient, or is estimated (designated by an "E" after the amount.) The budget office, with the approval of the Commissioner of Administration, may increase estimated appropriations. The Governor may withhold appropriations when actual revenues are below the forecast. The Governor may also control the rate of spending through allotments.
Montana	By statute, only Judicial Branch requests are published in the Executive Budget.
Nevada	Only the Legislature can approve reductions in K-12 spending.
New Hampshire	Budget reductions require the approval of Fiscal Committee.
New Jersey	Certain unanticipated federal funds can be spent, subject to the approval of the Director of the Division of Budget and Accounting. Only the legislature can de-appropriate funds for executive agencies, but the Governor can limit an enacted budget without legislative approval through lapsing unspent funds. In addition, the Governor has statutory authority to impound funds, as long as no legislative goals are ignored.
New Mexico	Unanticipated federal funds may be expended without legislative approval. Budgets supported by non-general fund sources may be reduced without legislative approval if such revenues do not materialize.
North Carolina	The Governor may spend unanticipated funds up to 3 percent of the certified budget without legislative approval. The Governor may reduce the enacted budget without legislative approval through an Executive Order in cases of a revenue shortfall or natural disaster.

North Dakota	The Emergency Commission (comprised of the Governor, Secretary of State, chairman of the House and Senate Appropriations Committees, and majority leaders in the House and Senate) can authorize spending of unanticipated federal funds and special funds without legislative approval. If revenues fall below forecast, the governor can administratively reduce spending from the fund. Reductions must be across the board.
Ohio	Ohio law permits the spending of unanticipated funds without legislative approval. However, the authority to spend these funds must generally be approved by the State Controlling Board whose voting members are also members of the General Assembly.
Oklahoma	Governor can reorganize departments without legislative approval, but this would require agreement of agency governing boards and/or CEO.
Oregon	The Department of Administrative Services has the authority to reduce budgets in the case of revenue shortfalls. Restrictions depend on the level of the appropriation. An entire appropriation cannot be eliminated without legislative approval. Some appropriations are at the program level, while others are at the agency level.
Pennsylvania	Agency budget requests are provided to the General Assembly's appropriations committee staffs at the time the Governor's budget is submitted in February; the request amounts are not printed in the budget. The Governor may reorganize within agencies only. The Governor may spend federal funds without legislative approval for natural disasters, civil disobedience, or in an emergency to avoid substantial human suffering. The Governor may reduce budgets selectively; he or she must provide the General Assembly with a 10 day notice of reduction to grants and subsidies.
Rhode Island	Upon the transfer of a department or agency to another department or agency, the Governor is authorized by means of Executive Order to transfer or allocate, in whole or in part, the appropriations and full-time equivalent personnel limits affected thereby.
South Carolina	The Budget and Control Board can authorize an across-the-board agency reduction when there is a revenue shortfall. When in session, the General Assembly has five statewide session days to take action to prevent the reduction.
Texas	Notification of unanticipated funds, such as federal funds and court settlements, must be made by the recipient state agency to the Legislative Budget Board (LBB). However, there is no requirement for explicit approval by the LBB. The Governor must reduce the entire line item, which may include funding for multiple programs. The Governor may only veto riders which make appropriations, not those which direct the use of appropriated amounts.
Utah	While the Governor may reduce the enacted budget without legislative approval, there is no statutory authority supporting this act.
Vermont	If executive order reorganization contravenes current law, it becomes law unless disapproved by the legislature within 90 days. Reductions based on revenue shortfalls of greater than 1 percent require legislative approval.

Virginia	The Governor can spend unanticipated non-General Funds (fees and federal funds) without legislative approval. The Governor cannot reduce appropriations without legislative approval, but can withhold allotments. Budget reductions without legislative approval are limited to a maximum reduction of not more than a cumulative 15 percent.
Washington	The Governor can authorize agency expenditures of unanticipated federal and private/local revenues without legislative appropriation as long as the funds are dedicated to a specific purpose consistent with legislative intent. Legislative staff review these requests prior to executive approval. The Governor can only reduce legislatively-authorized spending levels in a case where there is a projected cash deficit in a specific account. These reductions must be made across-the-board in appropriations from the account.
West Virginia	Appropriated Special Revenue accounts and Federal Fund accounts may be increased by the Governor as authorized by the West Virginia code. Special Revenue: W.Va. Code §11B-2-18 authorized the Governor to increase the spending authority for accounts which are funded "from collections" (Special Revenue) provided the amount actually collected exceeds the amount authorized for expenditure by the Legislature. The spending officer must submit a plan of expenditure showing the purpose for which the funds are to be expended and a justification statement showing the reasons why the additional expenditure is necessary and desirable. If the Governor approves the plan of expenditure and justification statement and is satisfied the expenditure is required to defray the additional cost of the service or activity of the spending unit, the Governor may authorize the use of the additional funds. If the Governor intends to authorize the additional spending, notification of the intent is provided to the President of the Senate, the Speaker of the House, and the Chairmen of the Senate and House Finance Committees providing them a three week opportunity for review and concurrence. If there are any questions or issues regarding the need for additional spending authority, all parties work together to reach a mutual agreement on the issue. If the agreement is to proceed with the authorization, notices of such authorization are sent to the State Auditor, the State Treasurer, and the Legislative Auditor. Federal Revenue: W.Va. Code §4-11-5 authorized the Governor to increase the spending authority for federal accounts. If additional Federal Funds become available to the spending unit while the Legislature is not in session and the availability of such funds could not reasonably have been anticipated and included in the budget approved by the Legislature, the Governor may authorize, in writing, the expenditure of such funds in the same manner as Special Revenue Funds described above. However, the Governor may not authorize expenditure of such funds received for the creation of a new program or for a significant alteration of an existing program. A mere new source of funding of federal moneys for a program that has been approved by legislation is not considered a new program or a significant alteration of an existing program, and the Governor may authorize the expenditure of such funds. The Governor submits to the Legislative Auditor two copies of a statement describing the proposed expenditure of such funds in the same manner as it would be described in the state budget and explain why the availability of such Federal Funds and why the necessity of their expenditure could not have been anticipated in time for such expenditures to have been approved as part of the adopted budget. If the funds are available from non-appropriated revenue, sources, the Governor can authorize spending by budget expenditure schedule amendment. §11B-2-20. Reduction of appropriations powers of Governor; Revenue Shortfall Reserve Fund and permissible expenditures there from: (a) Notwithstanding any provision of this section, the Governor may reduce appropriations according to any of the methods set forth in sections twenty-one and twenty-two of this article. The Governor may, in lieu of imposing a reduction in appropriations, request an appropriation by the Legislature from the Revenue Shortfall Fund established in this section. §11B-2-21.

West Virginia (cont'd)	Reduction of appropriations – Reduction of appropriations from general revenue: If the Governor determines that the amounts, or parts thereof, appropriated from the general revenue cannot be expended without creating an overdraft of deficit in the General Fund, he or she may instruct the Secretary to reduce all appropriations of the general revenue in a degree as necessary to prevent an overdraft or deficit in the General Fund. §11B-2-22. Reduction of appropriations-Reduction of appropriations from other funds: (a) The Governor, in the manner set forth in section 21 of the article, may reduce appropriations from: (1) Funds supported by designated taxes or fees; and (20) Fees or other collections set aside for the support of designated activities or services. (b) Each fund and each fee or collection account shall be treated separately.
Wisconsin	Agency requests are published in an Executive Branch document in November of even-numbered years. Unanticipated funds can be spent without legislative approval in limited situations. GPR operating budgets of Executive Branch agencies can be reduced without legislative approval.
Wyoming	Restrictions on budget reductions without legislative approval: 10 percent of the total for programs, 5 percent of the total for agencies.

Table 10

Gubernatorial Veto Authority

State	*No Veto Power*	*Line Item Veto*	*Item Veto of Appropriations*	*Item Veto of Selected Words*	*Item Veto to Change Meaning of Words*
Alabama	–	X	X	X	–
Alaska	–	X	X	–	–
Arizona*	–	X	X	–	–
Arkansas	–	X	X	X	–
California*	–	X	X	X	–
Colorado	–	X	–	–	–
Connecticut	–	X	X	–	–
Delaware	–	X	X	–	–
Florida	–	X	X	–	–
Georgia	–	X	X	X	–
Hawaii*	–	X	X	–	–
Idaho	–	X	X	–	–
Illinois	–	X	X	X	X
Indiana	–	–	–	–	–
Iowa	–	X	X	–	–
Kansas	–	X	X	–	–
Kentucky*	–	X	X	X	–
Louisiana*	–	X	X	–	–
Maine	–	X	X	–	–
Maryland*	–	X	X	–	–
Massachusetts	–	X	X	X	–
Michigan*	–	X	X	–	–
Minnesota	–	X	X	–	–
Mississippi	–	X	X	–	–
Missouri*	–	X	X	X	–
Montana	–	X	X	–	–
Nebraska	–	X	X	–	–
Nevada	–	–	–	–	–
New Hampshire	–	–	–	–	–
New Jersey	–	X	X	X	X
New Mexico*	–	X	X	X	–
New York*	–	X	X	–	–
North Carolina*	–	–	–	–	–
North Dakota	–	X	–	–	–
Ohio*	–	X	X	X	–
Oklahoma	–	X	X	–	–
Oregon	–	X	X	–	–
Pennsylvania	–	X	X	X	–
Rhode Island	–	–	–	–	–
South Carolina	–	X	X	–	–
South Dakota	–	X	X	–	–
Tennessee	–	X	X	–	–
Texas	–	X	X	–	–
Utah	–	X	–	–	–
Vermont	–	–	–	–	–
Virginia*	–	X	X	–	–
Washington	–	X	X	–	–
West Virginia	–	X	X	X	–
Wisconsin	–	X	X	X	X
Wyoming*	–	X	X	X	X
TOTAL	0	44	41	15	4

* See Notes to Table 10

Notes to Table 10

Arizona	The Governor cannot veto an item of appropriation unless it is in legislation that contains more than one appropriation. If the legislation contains only one appropriation, then the Governor must veto the entire legislation.
California	Item veto of selected words only permitted in extenuating circumstances, such as an issue involving separation of powers in the branches of government.
Hawaii	Governor may veto judicial and legislative appropriations bills only in their entirety.
Kentucky	Constitutional authority regarding item vetoes to change the meaning of words is unclear because this issue has never been litigated.
Louisiana	Line item vetoes permitted only for appropriations bills.
Maryland	The budget bill, when and as passed by both houses, shall be law immediately without further action by the Governor. The legislature may not add to the budget bill as proposed by the Governor, except in the legislative and judicial branches. The Governor, however, may veto items included in supplementary appropriations bills.
Michigan	The Michigan Constitution provides "the Governor may disapprove any distinct item or item appropriating moneys in any appropriations bill". An item in an appropriations bill contains the subject and the amount of an appropriation. The appropriation bill may contain one or more items. The line item may be a single line or contained in a numbered paragraph of an appropriations bill. The item must set apart a specific portion of money. (Attorney General Opinion No. 6399, November 13, 1986). In addition, language of an appropriations bill that does not specify the exact amount of the appropriations bill that does not specify the exact amount of the appropriation for a particular purpose is a valid exercise of the Governor's veto authority if the language sets apart a specific portion of the money to be ascertained (i.e. calculated) on a date prior to payment as provided by law. (Attorney General Opinion No. 6929, December 30, 1996).
Missouri	The Governor may veto unconstitutional language. The Governor cannot veto language to change the purpose of an appropriation.
New Mexico	The Governor can veto selected lines and items in any bill carrying an appropriation. The Governor cannot partially veto non-appropriation legislation but must sign, veto, or pocket veto the entire bill.
New York	Any appropriation added to the Governor's budget by the legislature is subject to line-item veto.
North Carolina	The Governor has the authority to veto the entire budget, but no line-item or selected word veto authority.
Ohio	Line item veto in appropriations act only. Item veto of selected words is only available to the Governor in appropriations acts.
Virginia	The Governor may return a bill without limit for recommended amendments for amounts and language. For purposes of a veto, a line item is defined as an indivisible sum of money that may or may not coincide with the way in which items are displayed in an appropriation act.
Wyoming	The Governor has the authority to veto all bills with appropriations.

Table 11
Balanced Budget Requirements

State	Governor Must Submit Balanced Budget	Nature of Requirement	Legislature Must Pass Balanced Budget	Nature of Requirement	Governor Must Sign Balanced Budget	Nature of Requirement	May Carry Over Deficit
Alabama	X	C,S	X	S	–	–	–
Alaska	X	S	X	S	X	S	–
Arizona	X	C,S	X	C,S	X	C,S	–
Arkansas	X	S	–	–	X	S	–
California*	X	C	X	C	X	C	X
Colorado*	X	C	X	C	X	C	–
Connecticut	X	S	X	C,S	X	C	–
Delaware	X	C,S	X	C,S	X	C,S	–
Florida	X	C,S	X	C,S	X	C,S	–
Georgia	X	C	X	C	X	C	–
Hawaii*	X	C,S	–	–	X	C,S	–
Idaho*	–	–	X	C	–	–	–
Illinois	X	C	X	C	X	S	–
Indiana*	–	–	–	–	–	–	X
Iowa	X	C,S	X	S	X	S	–
Kansas	X	S	X	C,S	–	–	–
Kentucky	X	S	X	C	X	C,S	–
Louisiana*	X	C,S	X	C,S	X	C,S	X
Maine	X	C,S	X	C	X	C,S	–
Maryland*	X	C	X	C	–	C	–
Massachusetts	X	C,S	X	C,S	X	C,S	–
Michigan	X	C,S	X	C	X	C,S	X
Minnesota*	X	C,S	X	C,S	X	C,S	–
Mississippi	X	S	X	S	–	–	–
Missouri	X	C,S	–	–	X	C	–
Montana	X	S	X	C	–	–	–
Nebraska	X	C	X	S	–	–	–
Nevada	X	S	X	C	–	–	–
New Hampshire	X	S	–	–	–	–	–
New Jersey	X	C	X	C	X	C	–
New Mexico	X	C	X	C	X	C	–
New York	X	C	X	S	X	–	–
North Carolina	X	C,S	X	S	–	–	–
North Dakota	X	C	X	C	X	C	–
Ohio	X	C	X	C	X	C	–
Oklahoma*	X	S	X	C	X	C	–
Oregon	X	C	X	C	X	C	–
Pennsylvania	X	C,S	–	–	X	C,S	–
Rhode Island	X	C	X	C	X	S	–
South Carolina	X	C	X	C	X	C	–
South Dakota	X	C	X	C	X	C	–
Tennessee	X	C	X	C	X	C	–
Texas	–	–	X	C,S	X	C	–
Utah	X	C	X	C,S	X	–	–
Vermont*	–	–	–	–	–	–	X
Virginia*	–	–	–	–	X	C	–
Washington*	X	S	–	–	–	–	X
West Virginia	–	–	X	C	X	C	–
Wisconsin	X	C	X	C	X	C,S	X
Wyoming	X	C	X	C	X	C	–
TOTAL	44		41		37		7

* See Notes to Table 11

Codes: C = Constitutional S = Statutory

Notes to Table 11

California	May carry over deficit from current year to budget year. However, the budget for any year must be balanced when enacted.
Colorado	In Colorado, the Governor cannot sign a budget that is not balanced.
Hawaii	A fiscal year may end with expenditures exceeding revenues for that fiscal year, if available carryover balances from prior years are sufficient to offset the deficit and result in a positive net ending balance for the fiscal year.
Idaho	The Governor is not required to submit a balanced budget, but it would be politically unwise not to do so. The constitution requires that the legislature pass a balanced budget. The Governor, as the chief budget officer of the state, has always insured that expenditures do not exceed revenues.
Indiana	State may carry over annual deficits, but cannot assume debt (per the Indiana Constitution).
Louisiana	Agencies cannot knowingly spend into a deficit position. However, should this occur, there are several procedures available to rectify the situation. The Louisiana Revised Statutes Title 39:76 (Elimination of year-end deficits) states, *"If a deficit exists in any fund at the end of the fiscal year, that deficit shall be eliminated no later than the end of the next fiscal year."* The preamble of the general appropriations bill states, *"The state treasurer is hereby authorized and directed to use any available funds on deposit in the state treasury to complete the payment of General Fund appropriations for the Fiscal Year 2006-2007, and to pay a deficit arising there from out of any revenues accruing to the credit of the state General Fund during the Fiscal Year 2007-2008, to the extent such deficits are approved by the legislature."* The preamble also reiterates and authorizes the governor pursuant to Article IV, Section 5(G)(2) and Article VII, Section 10(F) of the constitution that, *"if at any time during Fiscal Year 2007-2008 the official budget status report indicates that appropriations will exceed the official revenue forecast, the governor shall have full power to reduce appropriations in accordance with R.S. 39:75. (Avoidance of budget deficits) The governor shall have the authority within any month of the fiscal year to direct the commissioner of administration to disapprove warrants drawn upon the state treasury for appropriations contained in the Act which are in excess of amounts approved by the governor in accordance with R.S. 39:74. (Avoidance of cash flow deficits) The governor may also, and in addition to the other powers set forth herein, issue executive orders in a combination of any of the foregoing means for the purpose of preventing the occurrence of a deficit."*
Maryland	The budget bill, when and as passed by both houses, shall be a law immediately without further action by the Governor.
Minnesota	The state constitution limits the use of public debt. The limit implicitly requires the state to have a balanced operating budget. M.S. 16A.11 Subd. 2 requires the Governor's budget recommendations to show the balanced relation between the total proposed expenditures and the total anticipated income.

Oklahoma	The legislature could pass and the Governor could sign a budget where appropriations exceed cash and estimated revenues, but constitutional and statutory provisions reduce the appropriations so that the budget is balanced.
Vermont	In practice, a deficit has not been carried over.
Virginia	The balanced budget requirement applies only to budget execution. The Governor is required to insure that actual expenditures do not exceed actual revenues by the end of the appropriation period. The Governor must execute, not sign, a balanced budget.
Washington	Although the legal requirement for a balanced budget only applies to the Governor, the legislature has always passed a balanced budget using the official General Fund forecast. State law forbids expenditures without supporting revenues. An agency may receive permission to carry over a temporary cash deficit, however longer term deficits would result in an expenditure authority reduction by the Governor, or a legislative budget change to bring the fund back into balance.

Table 12
Debt Limits

State	*Policy to Limit Debt Service*	*Policy to Limit Authorized Debt*
Alabama	No	Statutory limits.
Alaska	Based on oil revenues	No
Arizona	Yes	General obligation debt limit of $350,000.
Arkansas	General obligation debt approved by voters	No/ Statutory limits can exist.
California	No	No
Colorado	No general obligation debt allowed without voter approval.	No general obligation debt allowed without voter approval.
Connecticut	No	Debt limited to 1.6 times general fund tax receipts in last year.
Delaware*	Yes	New authorizations limited to 5 percent of revenues in given year.
Florida	7 percent of General Fund revenues	Debt pledging the full faith and credit of the state may not exceed 50 percent of the tax revenues for the preceding 2 years.
Georgia	10 percent of general fund revenues.	State has formal debt management plan with 5 year projection cycle.
Hawaii	18.5 percent average of general fund revenues in past 3 years.	Total amount of principal & interest not to exceed debt limit.
Idaho*	Aggregate general obligation debt limit is $2 million, except in cases of war or insurrection.	Aggregate general obligation debt limit is $2 million, except in cases of war or insurrection.
Illinois	7 percent of previous year's operating and capital appropriations	Authorization for general obligation debt set by statutes.
Indiana	No	No general obligation debt allowed.
Iowa	Constitutional Limit	General obligation bond limit of $250,000.
Kansas	No	$1 million general obligation debt limit without voter approval
Kentucky	Yes	General obligation bond limit of $500,000.
Louisiana*	6 percent of the Revenue Estimating Conference forecast for taxes, licenses, and fees.	Limited to the amount that can be incurred without its service exceeding the debt service limit of 6 percent.
Maine	No	Tax anticipation notes limitation of 10 percent of budgeted General Fund and Highway Fund revenues, but no policy to limit authorized debt.
Maryland	8 percent of available revenues.	Net tax-supported debt not to exceed 3.2 percent of personal income.
Massachusetts*	Yes	Yes
Michigan	No	Cap on bonds.
Minnesota*	–	–
Mississippi	5-8 percent	1.5 times largest revenue preceding 4 years.
Missouri*	No	State constitution and statute.
Montana	No	No
Nebraska*	Yes	Yes
Nevada	No	2 percent of assessed value of property.
New Hampshire	No-Informal	10 percent of general fund revenue.
New Jersey	No	Voter approval required once authorized debt amount exceeds one percent of total appropriations.
New Mexico*	Yes	Yes
New York	Yes-less than 5 percent of overall budget	State constitution on general obligation bonds and statutory limits on authority issued. Additionally, state statutes pertaining to authority-issued debt require that total debt must be less than 4 percent of state personal income, and that new debt must utilize level debt service for the projects' useful lives, but in no event linger more than 30 years.
North Carolina	No	Debt Affordability Advisory Committee Recommendations (non-binding)
North Dakota	10 percent of 1 cent sales tax	General obligation bond limit of $10,000,000
Ohio	5 percent of annual general fund expenditures.	State constitution and statutes
Oklahoma	No	No
Oregon*	No	Both statutory and constitutional limits
Pennsylvania	Debt Service guideline is not to exceed 5 percent of revenue.	Debt is limited to 1.75 percent of average tax revenue for the previous 5 years
Rhode Island*	Limit debt to 7.5 percent of general revenues.	Limit debt to 5 to 6 percent of personal income
South Carolina*	4 to 7 percent of General Fund revenues (prior year)	Function of debt service
South Dakota	No	$100,000 limit on general obligation debt
Tennessee	Yes	150 percent of revenues from previous year
Texas	Limit of 5 percent general fund revenues for previous 3 years.	Limit of 5 percent general fund revenues for previous 3 years
Utah	No	1.5 percent of total fair market value of taxable property. Also, statutory debt limit, which is 45 percent of the fiscal year appropriations limitation
Vermont*	Yes	Debt Affordability Committee reviews debt
Virginia	5 percent of taxable revenue	1.15 percent times average annual revenues
Washington	yes, 7 percent of state general fund revenues	Legislative approval.
West Virginia*	No	Legislative authorization
Wisconsin	3 to 4 percent of revenues.	Yes
Wyoming	1 percent of assessed value of taxable property.	1 percent of assessed value of taxable property

* See Notes to Table 12

Notes to Table 12

Delaware	No tax supported obligation of the state and no Transportation Trust Fund debt obligation of the Delaware Transportation Authority may be incurred if the aggregate maximum annual payments on all such outstanding obligations will exceed 15 percent of the estimated aggregate General Fund revenue from all sources plus estimated Transportation Trust Fund revenue. No obligation to which the state's full faith and credit is pledged may be incurred if the maximum annual debt service payable in any fiscal year on all such outstanding obligations will exceed the state's cumulative cash balances for the fiscal year following the fiscal year in which such obligation is incurred.
Idaho	The legislature may approve individual bond projects as long as they are paid off within 20 years and have been approved by a majority of the voters at a general election. In 1974, the legislature created a quasi-state entity called the Idaho State Building Authority, which is empowered to issue bonds for individual projects authorized by the state legislature.
Louisiana	See Louisiana Constitution: Article 7, Section 6(F) (1)
Massachusetts	Statute limits debt service to no more than 10 percent of overall appropriations. Direct debt is limited to 105 percent of the prior year's limit by statue, or $15.6 billion in fiscal 2008. An administrative policy limits additional bond spending to $1.5 billion in fiscal 2008.
Minnesota	Minnesota debt management policy guidelines: 1)The general fund appropriation for debt service shall not exceed 3 percent of non-dedicated revenues. 2) General obligation debt shall not exceed 2.5 percent of state personal income. 3) State agency debt shall not exceed 3.5 percent of state personal income. 4) The total amount of state general obligation debt, moral obligation debt, state bond guarantees, equipment capital leases, and real estate leases are not to exceed 5 percent of state personal income. 5) Forty percent of general obligation debt shall be due within five years and 70 percent within ten years.
Missouri	The Constitution requires that general obligation debt be approved by the voters. The legislature must authorize issuance of general obligation bonds, and must appropriate the first year's principal and interest payments before any bond sales. The statutes limit the amount of revenue bonds that may be sold, and the legislature must appropriate the first year's principal and interest payments before any bond sales.
Nebraska	The state constitution contains language that limits the authority to incur debt to the following activities and limits: Incur debt to meet deficits or a failure in revenue (<$10,000); Incur debt to repel invasion, suppression of insurrection, and defend the state in war (>$100,000); Incur debt for highways and water retention and impoundment structures (no limit).

New Mexico

Severance Tax Bonds (Revenue Bonds): The state is prohibited from issuing severance tax bonds unless the aggregate amount of total severance tax bonds outstanding can be serviced with no more that 50% of the annual revenue into the Severance Tax Bonding Fund in the previous fiscal year. The state is prohibited from issuing supplemental severance tax bonds unless the aggregate amount of total severance tax bonds and supplemental severance tax bonds can be serviced with no more that 62.5% of the annual revenue into the bonding fund in the previous fiscal year. In addition, short-term supplemental severance tax funding notes may be issued if debt service on such supplemental notes, when added to all other severance tax debt service for the fiscal year does not exceed 95% of the deposits into the Severance Tax Bonding Fund in the previous year. There is no debt ceiling for the severance tax bonding programs.

General Obligation Bonds: The debt ceiling is one percent of the assessed property valuation, subject to property tax. There is no policy to limit annual debt service on the General Obligation program.

Oregon

State formal policy to limit General Fund debt service to 5 percent of General Fund revenues is non-binding (advisory). Lottery Bond debt service is limited by covenants with bondholders (indentures). Constitutional and statutory provisions limit outstanding debt by program. Biennial legislation limits new issues by program for a given budget period. Various programs have additional restrictions (e.g. debt is "self-supporting"). State Treasurer must approve amount of each transaction.

Rhode Island

Additional general obligation long-term borrowing is allowed if approved by the voters. The short-term borrowing limit is set constitutionally by formula and is further limited by statute.

South Carolina

The Constitution limits debt to 5 percent of the prior year's General Fund revenues. However, this may be reduced to 4 percent or increased up to 7 percent by 2/3 vote of both Houses. The current limit is 6 percent.

Vermont

Policy of the Capital Debt Affordability Advisory Committee is to limit debt service to not exceed 6 percent of state General Fund and Transportation Fund revenue. The Capital Debt Affordability Advisory Committee recommends to the Governor and the legislature the maximum annual bond issuance. Debt service is appropriated annually.

West Virginia

The Constitution allows short-term debt; statute sets the debt limit. Also bonds may not be issued or refunded by the state or any of its agencies, boards or commissions without the express written direction of the Governor if (1) the ultimate user of the proceeds of the bonds is the State or any of its agencies, board, commission or departments, or (2) the issuance or refunding of the bonds implicated the State's credit rating. An annual review of the size and condition of the State's tax-supported debt and a report submitted to the Governor and the Legislature with an estimate of the maximum amount of new tax-supported debt that prudently may be authorized for the next fiscal year together with a report explaining the basis for the estimate.

Table 13
Tax and Expenditure Limitations

State	Tax and Expenditure Limitation (TEL)	Year TEL was enacted	TEL created by voter initiative	TEL Constitutional or Statutory	Votes Required to Pass Revenue Increase
Alabama	–	–	–	–	majority
Alaska	Appropriation limited to growth of population and inflation since 7/1/81	1982	–	C	majority
Arizona	Appropriations limited to 7.41 percent of personal income	1978	–	C	2/3 elected
Arkansas	Extraordinary vote required	1934	X	C	3/4 elected
California	Appropriation limited to personal income growth and population	1979	X	C	2/3 elected
Colorado	General Fund appropriation growth limited to 6 percent of prior year's appropriation	1992	–	S,C	majority
	General & Cash Fund revenues limited to growth of population and inflation	1993	X	C	–
Connecticut*	Appropriations limited to greater of personal income growth or inflation	1992	X	C,S	majority
Delaware*	Appropriations limited to 98 percent of estimated revenue	1978	–	C	3/5 elected
Florida	Revenue limited to 5 year average of personal income growth	1994	–	C	2/3 elected
Georgia	–	–	–	–	majority
Hawaii	Appropriation limited to 3 year average of personal income growth	1980	–	C,S	majority
Idaho	Ongoing appropriations limited to 5.33 percent of personal income	1980	–	–	majority
Illinois	Appropriations limited to estimated available funds	–	–	–	majority
Indiana*	State Spending Cap	2005	–	S	majority
Iowa	Appropriations limited to 99 percent of adjusted general fund receipts	1992	–	S	majority
Kansas	–	–	–	–	majority
Kentucky*	–	–	–	–	majority
Louisiana	Appropriation limited to 3 year average of state personal income growth Revenue limited to a ratio of personal income in 1979	1991	X	C	2/3 elected
Maine	Base year appropriation multiplied by one plus average real personal income growth, but no more than 2.75 percent, plus average population growth, or multiplied by average real personal income growth plus forecasted inflation plus average population growth, depending on state ranking of state and local tax burdens compared to other states.	2005	–	S	majority
Maryland	Legislature sets a spending affordability limit each year	–	–	–	majority
Massachusetts	Revenue limited to growth in wages and salaries	1986	–	S	majority
Michigan*	Revenue limited to 9.49 percent of prior year's personal income. Expenditures in any fiscal year limited to state revenue limit, federal aid, and previous fiscal year surplus.	1978	X	C	majority
Minnesota	–	–	–	–	majority
Mississippi	Appropriations limited to 98 percent of projected revenue	1992	–	S	3/5 elected
Missouri*	Revenue limited to 5.64 percent of prior years personal income	–	–	C	majority
Montana	None–current statute 17–8–106 has been deemed invalid by Attorney	–	–	–	majority
Nebraska	–	–	–	–	majority
Nevada	Expenditures limited to growth of population and inflation	1979	–	S	3/5 elected
New Hampshire	–	–	–	–	majority
New Jersey*	Appropriations for Direct State Services limited to personal income growth	1990	–	S	majority
New Mexico		–	–	S	majority
New York	–	–	–	–	majority
North Carolina	Appropriations limited to 7 percent of state personal income	–	–	–	majority
North Dakota	–	–	–	–	majority
Ohio	Appropriations growth limited to 3.5 percent or inflation plus population growth	2006	–	S	majority
Oklahoma*	Appropriations limited to 95 percent of certified revenue	1941	X	C	3/4 elected
Oregon*	Appropriations limited to personal income growth	2001	–	S	3/5 elected
Pennsylvania	–	–	–	–	majority elected
Rhode Island*	Appropriations limited to 97.8 percent of projected revenue	2006	X	C,S	majority
South Carolina	Appropriations limited to personal income growth	1985	–	C,S	majority
South Dakota	–	–	–	–	2/3 elected
Tennessee	Appropriations limited to personal income growth	1979	–	C	majority
Texas	Appropriations limited to personal income growth	1942	X	C,S	majority
Utah	Appropriations limited to growth in population, inflation, and personal income	1989	–	S	majority
Vermont	–	–	–	–	majority
Virginia*	–	–	–	–	majority
Washington*	State general fund/related fund expenditures limited to 10–year average growth of personal income	1993, 2005	X	S	majority
West Virginia	–	–	–	–	majority
Wisconsin	Noneducation spending limited to growth in personal income.	–	–	–	majority
Wyoming	–	–	–	–	majority

* See Notes to Table 13

Codes: C = Constitutional S = Statutory

Notes to Table 13

Connecticut	The statutory TEL was effective in Fiscal 1992. A constitutional amendment was approved by voters and ratified in November 1992.
Delaware	The 98 percent limitation on appropriations was enacted into statute in 1978. The second leg of the constitutional amendment to make this a part of the Delaware Constitution was passed in 1980.
Indiana	Appropriations limited to state spending cap: spending limit for the previous year increased by the six year average growth in Indiana non-farm personal income.
Kentucky	In an odd-numbered year session, when the biennial budget is not considered, any revenue or appropriation measure must receive a 3/5 vote of all members.
Michigan	The Michigan Constitution limits the total amount of taxes imposed by the legislature in any fiscal year. This revenue limit may be increased in one of two ways: 1) voter-approved amendment to the state constitution, or 2) gubernatorial request to the legislature to declare an emergency, its nature, dollar amount, and method of funding, and the legislature declares an emergency consistent with this information by a two-thirds vote in each house.
Missouri	In addition to the revenue limit of 5.64 percent of the prior year's personal income, taxes may not be increased by the legislature more than one percent of total state revenue- about $82 million in 2007. Amounts above this level must be approved by a majority vote of the people. The revenue limit was enacted in 1980 and the tax limit in 1996. The revenue limit was created by voter initiative; the tax limit was placed on the ballot by the legislature. Both limits are constitutional.
New Jersey	The State Appropriations Limitation Act (P.L. 1990, c.94), known as the CAP Law, limits the growth in appropriations for Direct State Services (DSS), the portion of the state budget which funds the operation of state government. All other portions of the state budget are exempt from this limitation. In order to exceed this maximum appropriations limit, the Legislature is required to approve this action with a two-thirds vote of all members of each of the two legislative bodies. For all other portions of the state budget, and for appropriations actions that are within the CAP Law limits, the legislature needs a majority vote for approval of revenue increases.
Oklahoma	Growth in appropriations is also limited to 12 percent above the previous year's appropriations, adjusted for inflation and adjusted for funds not previously appropriated.
Oregon	The 2001 limitation replaced an older limitation that was passed in 1979.
Rhode Island	The provisions in Rhode Island which limit the expenditure of resources relate more to the funding of the Budget Reserve Fund than a true TEL. In fiscal 2007, the state can only appropriate 98 percent of revenues. The limitation by statute will decrease by 0.2 percent each year until fiscal 2013 when the state can only spend 97 percent of revenues. The balance is deposited into the Budget Reserve Fund, capped at 3 percent of resources currently. The Budget Reserve Fund will also increase by 2013 to 5 percent of resources. Any remainder is appropriated for capital projects in the Rhode Island Capital Fund.
Virginia	Two-thirds of members present includes a majority of the elected members.
Washington	The state's expenditure limit was originally created by a voter initiative passed in 1993. This statute was amended by the Legislature in 2005 to include five more funds (rather than just the state General Fund), and to rely on a calculation of personal income growth rather than population/inflation growth.

Budgeting Tools and Techniques

Introduction

The tables in this chapter provide a variety of information on budgeting tools and techniques. The first table (Table 14) provides information on state budgeting procedures such as program budgeting and also if a state has continuous or permanent appropriations and provisions for late budgets. The next set of tables provides information on collecting and reporting performance measures and online information (Tables 15-18). Tables 19 through 21 provide information on budget stabilization or rainy day funds, funds for disaster relief, and how states treat surpluses in the general fund. Intergovernmental mandates, including state requirements to fund local mandates, are detailed in Table 22. Financial management systems, including the types of functions included, who has access to the system, and who approves agency requests for information technology spending is found in Table 23. A listing of state budget agency websites can be found in Table 24.

Budgeting Approaches and Performance Measures

States use a combination of approaches to develop the budget, including incremental, program budgeting, zero-based or modified zero-based budgeting, and performance budgeting. The most frequently used budget approach is program budgeting with 43 states indicating that this is an approach they use. After program budgeting, incremental budgeting is the most frequent approach. Many of the approaches such as performance budgeting are done in conjunction with other approaches such as program or incremental budgeting.

Other budgeting procedures outlined in Table 14 include whether a state appropriates funds to public universities, if a state has a permanent or continuous appropriation, and if a state has statutory procedures for when a budget is not passed at the beginning of the fiscal year.

Tables 15 through 18 provide detailed information on collecting and reporting state performance measures as well as the information states have online, including budget instructions and performance measure websites. Often performance measures are reported throughout the budget document and in 39 states performance measures are also part of the agency budget request. All states have budget documents online, while 45 states have budget instructions online, and 42 states have agency performance measures online.

Budget Stabilization or Rainy Day Funds, Disaster Funds, and Use of General Fund Surplus

Virtually all states have some form of a budget stabilization fund, also known as a rainy day fund, as shown in Table 19. These funds are often capped in size and if capped the limits are often tied to general fund revenue. Procedures to expend funds also differ across states with some requiring a majority vote by the legislature and others requiring super majority votes to access the funds.

In addition to budget stabilization funds, most states have funds for natural or man-made disasters. These funds range in size and are reserved for use in a natural disaster or a public safety need. Most states allow the balances in these funds to carry forward to the next fiscal year.

In about two-thirds of the states, a surplus will be transferred to the general fund while in eight states, surpluses are refunded to taxpayers and in nine states the amounts are earmarked. Over two-thirds of the states estimate the costs of federal mandates and also the local cost for state mandates. In 22 states, local governments are reimbursed for mandated costs.

Financial Management Technology

As shown in Table 23, almost all states have some form of integrated financial management systems. States go through lengthy processes to update systems and to include more functions. The most frequent function of these integrated systems is accounting, followed by payroll, personnel, and budget.

Table 14
Budgeting Procedures

State	Budget Approach: Program	Incremental	Zero or Modified Zero- Base	Performance Budgeting	State Appropriates Federal Funds	State Appropriates All Non– Federal Funds	State Appropriates All Funds to Public Universities	State Has Permanent/ Continuous Appropriations	Budget Reflects GAAP	Statutory Procedures if No Budget Passed by Beginning of Fiscal Year
Alabama	X	X	–	–	X	X	–	X	–	–
Alaska	–	X	–	X	X	X	–	–	X	–
Arizona*	X	X	–	–	X	–	–	X	–	–
Arkansas	–	X	–	–	X	X	–	–	X	–
California*	X	X	X	–	X	X	–	X	–	X
Colorado*	X	X	X	–	X	X	–	X	–	–
Connecticut*	X	X	–	–	–	––	–	–	–	–
Delaware	X	X	X	–	–	–	–	–	–	–
Florida	X	X	X	X	X	X	–	–	–	–
Georgia	X	–	X	X	X	X	–	–	X	
Hawaii	X	X	–	X	X	–	–	–	–	–
Idaho*	X	–	–	–	X	X	–	X	–	–
Illinois	X	X	–	–	X	–	–	X	X	–
Indiana	–	X	–	X	X	–	–	X	–	–
Iowa	X	–	X	X	X	X	X	–	X	–
Kansas	X	X	–	–	X	X	–	X	–	–
Kentucky*	X	X	–	–	X	X	X	–	–	–
Louisiana	X	–	–	X	X	X	–	–	–	–
Maine	–	X	X		X	X	–	–	–	–
Maryland*	X	X	X	X	X	X	X	–	–	X
Massachusetts*	X	X	–	–	X	X	–	X	–	X
Michigan*	X	X	X	X	X	X	X	–	X	X
Minnesota*	X	X	–	X	X	X	X	X	–	–
Mississippi	X	X	–	–	X	X	–	–	X	–
Missouri*	–	X	X	X	X	X	–	–	–	–
Montana	X	X	X	X	X	–	–	X	X	–
Nebraska*	X	X	–	X	X	X	X	–	–	–
Nevada	X	X	–	–	X	X	–	–	–	–
New Hampshire	–	X	–	X	X	X	–	X	–	–
New Jersey*	X	–	–	–	X	X	–	–	X	–
New Mexico*	X	X	–	X	–	X	–	–	X	–
New York	X	X	–	–	X	X	X	–	X	–
North Carolina	X	X	–	X	X	–	–	–	X	–
North Dakota	X	X	X	–	X	–	–	X	–	–
Ohio*	X	–	X	–	X	–	–	–	X	–
Oklahoma*	X	X	X	X	–	X	–	X	–	
Oregon*	X	–	X	X	X	X	X	–	–	–
Pennsylvania*	X	–	–	–	X	X	–	–	–	–
Rhode Island*	X	X	–	–	X	X	X	–	X	X
South Carolina*	X	X	X	X	X	–	–	–	–	–
South Dakota	X	X	–	–	X	X	X	X	–	–
Tennessee*	X	X	–	–	X	X	–	–	–	–
Texas*	X	–	–	X	X	X	–	–	–	–
Utah	X	X	–		X	X	–	–	X	–
Vermont*	X	X	–	X	X	X	–	–	–	–
Virginia	X	X	–	X	X	X	X	–	–	–
Washington	–	X	–	X	X	–	–	–	X	–
West Virginia*	X	X	–	–	X	–	–	–	–	–
Wisconsin*	X	X	–	X	X	X	X	X	–	X
Wyoming	X	X	X	X	X	X	–	X	X	–
TOTAL	43	41	17	25	46	37	12	17	17	6

* See Notes to Table 14

Notes to Table 14

Arizona	TANF, CCDP, and Work Incentive Act federal funds are subject to legislative appropriation. Title XIX federal funds are restricted by legislative expenditure authority. All other material federal fund expenditures are not subject to legislative appropriation. All state funds are subject to legislative appropriation. Some funds are subject to annual/biennial appropriation by the legislature, while other are based on continuing appropriation authority that has been granted in the enabling legislation. Additionally, there are a limited number of appropriations that are based on permanent statutory provisions.
California	The state does not appropriate mandatory student fees or other revenue collected by the public universities for self-supporting activities such as dormitories, food service, and parking fees. The state appropriates funds predominantly through the annual budget bill but has selected permanent/continuous appropriations. The state prepares the annual budget on a legal basis. There are no general provisions to continue or temporarily establish spending authority when the state budget is not enacted in a timely manner. However, most payments continue per other spending authority such as federal mandates, some multiple year appropriations, Constitutionally-required school apportionments, court cases, and payments required in accordance with the Fair Labor Standards Act.
Colorado	While Colorado uses performance measures to report the outcomes associated with the budget, it does not use performance budgeting in the strict sense of the definition. Only federal funds which are subject to appropriation are appropriated (e.g., TANF). However, the General Assembly typically attempts to reflect all federal funds in the annual budget bill ("Long Bill"); these are largely shown for informational purposes. Some appropriations are by continuous appropriation. Some are not. It depends on the statute which authorized the appropriation/fund. CAFRS 0607 page 140 shows why the budget does not reflect GAAP. Treatment of pay date referral and Medicaid deferral. No procedure for situation in which budget is not passed by the end of the fiscal year as this does not occur.
Connecticut	GAAP will be reflected affective with the 2009-2011 budget.
Idaho	Separate generally accepted accounting principles (GAAP) financial statements are published annually.
Kentucky	State only has continuing appropriations where specific legal authority exists.
Maryland	No statutory procedures targeted to fiscal year, but constitutional provisions extending the session go into effect if the budget is not enacted by the 83rd day of the 90-day session. If the budget is not enacted by the 90th day of the session, the session is extended and no other items may be considered until the budget is enacted.
Massachusetts	There are permanent off-budget transfers for state pension contributions, mass transit and local schools. The state does not appropriate university fees. In years when the budget is not in place on July 1, an interim budget is passed to allow for general expenditures.

Michigan	All agencies are required to identify performance indicators that measure achievement of program outcomes consistent with the agency mission. Measurements are selectively monitored by the legislature. The State Budget Office utilizes program outcomes to evaluate requests for funding changes as part of the annual Executive Budget process. There are several restricted revolving funds (e.g., liquor purchase, prison industries) and trust funds (e.g., pension trust funds) that are not appropriated. All payments from the state treasury must be appropriated pursuant to constitutional mandate. Agencies must discontinue spending for the new fiscal year until budget authority is signed by the Governor.
Minnesota	The state constitution requires that "no money be paid out of treasury…except in pursuance of an appropriation by law". Amounts collected in Federal and certain dedicated funds are appropriated via general statutory provisions, rather than by direct items of appropriation. Continuing appropriations are used for capital projects and certain other appropriations that are available until expended. The state of Minnesota experienced a partial government shutdown for the first eight days of July in 2005. Prior to the shutdown, a district court order authorized appropriations for the continuation of critical state functions. During the shutdown, a temporary spending bill was passed authorizing continuing appropriations for amounts necessary to continue operations at the fiscal 2005 base level of spending until final bills were passed on July 14, 2005.
Missouri	The state does not appropriate tuition, fees, or other revenues of higher education institutions. Pursuant to the constitution, state debt and appropriations to the transportation department stand appropriated. Separate GAAP financial statements are published annually. The Governor may call a special session. Except for appropriations that stand appropriated, no funds may be paid from the treasury without an appropriation.
Nebraska	The state does not appropriate Trust and Distributive Funds. The budget approach utilized by the Executive Branch is strategic and places increasing emphasis on performance measures and results. Legislature utilizes the incremental approach.
New Jersey	The State's budget approach includes long-range and strategic planning goals and target-based analysis. The basis of budgeting in New Jersey is in accordance with GAAP, with certain exceptions. Goods and services delivered during a fiscal period are accrued as expenditures if not actually paid for by year end. This is not in strict accordance with GAAP, since it includes encumbrances which under GAAP are reservations of fund balances. Also, under GAAP certain grants and other financial programs are required to be recorded as revenues and expenditures but are not part of the budget.
New Mexico	State appropriates certain block grant funds (TANF and WIA), but none of the other federal funds are required to be appropriated. Estimated federal funds are included in the General Appropriation Act for information purposes only.
Ohio	Modified zero-based and program budgeting are used. Separate GAAP financial statements are published annually. If the state budget is not passed by June 30th, typically the General Assembly passes interim budgets until such time as the complete budget is approved.
Oklahoma	All funds are appropriated by constitutional requirement. Some are annually appropriated by the legislature, and some are based on "continuing" appropriations authority enacted by the legislature.

Oregon	The budget office uses modified zero based and program budgeting; work continues to incorporate performance measures into budgeting. There are no permanent statutory procedures if no budget is passed by the beginning of the new biennium. A continuing resolution bill must be passed by the legislature before the end of the biennium to authorize continued expenditures.
Pennsylvania	General Fund state and federal funds as well as certain special funds are appropriated; federal sub-grants and other special funds are executively authorized. No permanent appropriations for the Executive branch, although some appropriations are given a continuing status for two or three years. Appropriations for the legislature are made annually and are continuing with no restriction on time. GAAP statements are published separately by a bureau within the agency.
Rhode Island	Amounts equal to prior fiscal year appropriation shall be automatically available for expenditure, subject to monthly or quarterly allotments as determined by the Budget Officer. Expenditures for general obligation bond indebtedness shall be made regardless of budget passage.
South Carolina	No statutory procedure if the budget is not passed by the beginning of the fiscal year. However, the Governor has the authority to call a special session of the General Assembly after the end of the legislative session, if necessary.
Tennessee	Separate GAAP financial statements are published annually.
Texas	The state has a goal-based budget approach.
Vermont	Statute requires that "indicators to measure output and outcome" be included in the Executive budget submission.
West Virginia	If the budget has not passed the Legislature three days before the expiration of its regular 60-day session, the Governor shall issue a proclamation extending the regular session for such further period as may, in his or her judgment, be necessary for the passage of the budget. The extended session begins immediately following the expiration of the regular 60-day session. During the extended session, no bills or matters other than the budget may be considered, except a bill to provide for the cost of the extended session.
Wisconsin	If the biennial budget is not effective by July 1 in odd years, the prior year's appropriation levels continue until the budget is enacted.

Table 15
Collecting Performance Measures

State	*Statewide Quality of Life Measures*	*Program Level Performance Measures*	***Agencies that Formally Participate in Performance Measurement System:*** *Executive Branch Agencies*	*Legislative Branch Agencies*	*Judicial Branch Agencies*	*Independent Agencies*	*Other*
Alabama	–	X	X	X	X	X	–
Alaska	–	X	X	–	–	–	–
Arizona	X	X	X	–	–	–	–
Arkansas	–	–	–	–	–	–	–
California	–	–	–	–	–	–	–
Colorado*	–	X	X	–	–	–	–
Connecticut	–	X	X	X	X	X	–
Delaware*	–	X	X	X	X	X	X
Florida*	X	X	X	X	X	X	–
Georgia	–	X	X	–	–	X	–
Hawaii	X	X	X	–	–	–	–
Idaho*	–	X	X	X	–	–	–
Illinois	–	X	X	–	–	X	–
Indiana	X	X	X	–	–	X	–
Iowa	X	X	X	–	X	X	–
Kansas	–	X	X	–	–	–	–
Kentucky	X	X	X	X	–	X	–
Louisiana	X	X	X	–	–	–	–
Maine	–	–	–	–	–	–	–
Maryland	X	X	X	–	–	X	–
Massachusetts*	X	X	X	–	–	–	–
Michigan	X	X	X	–	X	–	–
Minnesota*	–	X	X	–	–	X	–
Mississippi	–	X	X	X	X	X	–
Missouri*	X	X	X	–	–	–	–
Montana	–	X	X	–	–	–	–
Nebraska	–	–	X	X	X	X	–
Nevada	–	X	X	–	–	–	–
New Hampshire	–	–	X	–	–	–	–
New Jersey	X	X	X	–	–	X	–
New Mexico	–	X	X	X	X	X	–
New York*	–	X	X	–	–	–	–
North Carolina	X	X	X	X	X	X	X
North Dakota	–	–	–	–	–	–	–
Ohio	–	–	–	–	–	–	–
Oklahoma	X	X	X	–	–	–	–
Oregon	X	X	X	–	X	–	–
Pennsylvania	–	X	X	–	–	–	–
Rhode Island	–	X	X	–	X	X	–
South Carolina	–	X	X	–	–	X	–
South Dakota	–	X	X	X	X	X	–
Tennessee	–	–	X	–	–	X	–
Texas	X	–	X	X	–	–	–
Utah	X	–	X	–	–	X	–
Vermont*	–	X	X	–	–	–	–
Virginia*	X	X	X	–	–	X	–
Washington	X	X	X	–	–	X	–
West Virginia	–	X	X	X	–	X	–
Wisconsin	–	X	X	X	–	–	–
Wyoming	X	X	X	–	–	X	–
TOTAL	20	40	45	14	13	25	2

* See Notes to Table 15

Notes to Table 15

Colorado	Program-level performance measures via the executive agencies.
Delaware	Other agencies with formal performance measurement systems include the Attorney General, Public Defender, Board of Parole, State Treasurer's Office, Auditor of Accounts, and the Insurance Commissioner.
Florida	Agencies are required to identify priority goals with associated objectives and performance outcome measures. These are reported in the agency's long-range program plans, but not in the legislative budget requests or the General Appropriations Act. Agencies, including cabinet agencies, must prioritize their programs, goals and objectives with agency head approval. Therefore, the performance outcomes associated with the agency's goals and objectives are secretarial and/or cabinet level measures. Some measures, particularly administrative measures (e.g. executive direction and support) are used by all agencies. In Florida, programs are measured through the services and associated activities which comprise the programs. Some of the performance measures may also be categorized as quality of life measures.
Idaho	The only legislative branch agency to submit a Performance Measurement report was the Legislative Service Office- Office of Performance Evaluations.
Massachusetts	In 2007-08, the Governor of Massachusetts is actively developing a performance management system to collect performance data at the statewide and program level in nine high-priority result areas. The Governor reviews data for each of these result areas quarterly and also holds performance meetings with his Cabinet Secretaries on a selected few of these results each quarter.
Minnesota	Minnesota's *Department Results* wed-based publication highlights the core goals and performance measures of the twenty-five cabinet departments plus one other agency (Explore Minnesota Tourism). A number of agencies also produce a more detailed performance report. Because the Legislative and Judicial Branches are constitutionally separate and operate independent of the Executive Branch, any performance measurement system utilized is not within Executive Branch purview.
Missouri	The Governor has outlined a number of priorities which the 16 Executive Branch departments report on quarterly. Included in these priorities are several related to statewide quality of life, including overall measures of the state's economic health, measures of the quality of the state's transportation system, measures of educational performance, and measures of the cost of health care for Missourians. Some statewide quality of life measures are also included in the executive branch agency strategic plans. Agency budget requests include program description forms for each core budget. In these forms, agencies report on the effectiveness, efficiency, customer satisfaction, and number of clients served for their core programs. Program-level measures are also included in the executive branch agency strategic plans.
New York	New York's financial planning and budget process incorporates program-level performance measures.
Vermont	Statute requires that "indicators to measure output and outcome" be included in the Executive budget submission.
Virginia	The Commonwealth requires service area measures, which may or may not also be program-level measures

Table 16
Reporting Performance Measures

State	*Method of Reporting Performance Measures and Actual Performance Data*	*Performance Measures Required as Part of Each Agency Budget Request*	*Performance Measures Formally Reviewed or Audited on Regular Basis*	*Performance Measure Reviews or Audits Included in Formal Report*
Alabama*	SA	X	X	X
Alaska	T,O	X	X	–
Arizona	TA,SA	X	X	–
Arkansas	–	–	–	–
California	–	–	–	–
Colorado*	BD	X	X	–
Connecticut	T	X	X	X
Delaware*	BD	X	–	–
Florida*	TA,SA	–	X	X
Georgia	T	X	–	–
Hawaii*	T,SA	X	X	–
Idaho*	SA	X	X	–
Illinois	T,SA	X	X	–
Indiana*	BD,SA,O	X	X	X
Iowa	T	X	–	–
Kansas	BD	–	–	–
Kentucky*	T,O	X	–	–
Louisiana*	T,O	X	X	X
Maine	–	–	–	–
Maryland*	T	–	–	–
Massachusetts*	O	–	X	–
Michigan*	T,O	X	–	–
Minnesota*	T,SA,O	X	X	–
Mississippi	BD,TA	X	–	–
Missouri*	T,BD,O	–	–	–
Montana	T,O	X	–	–
Nebraska	T	X	–	–
Nevada*	T	X	–	–
New Hampshire	T	X	–	–
New Jersey	T,SA,O	X	–	–
New Mexico*	BD,TA,SA,O	X	X	X
New York*	T	–	–	–
North Carolina*	T	X	X	–
North Dakota	T,SA	–	–	–
Ohio	–	–	–	–
Oklahoma	T	X	X	X
Oregon*	SA,O	X	X	–
Pennsylvania	T,SA	X	X	–
Rhode Island*	BD/T	X	X	–
South Carolina*	SA	X	–	–
South Dakota	BD	X	–	–
Tennessee	T	X	X	X
Texas	T,TA	X	X	X
Utah*	SA	X	X	X
Vermont*	T	X	–	–
Virginia*	BD,O	X	X	X
Washington*	T,O	X	X	X
West Virginia	T	X	–	–
Wisconsin	T	X	X	X
Wyoming*	T,SA	X	X	X
TOTAL		39	26	14

* See Notes to Table 16

Codes: BD = In one section of the Budget Document; T = Throughout the Budget Document; TA = Through the Appropriations Act; SA = Stand-alone, separate document; O = Other

Table 16
Reporting Performance Measures, continued

State	*Performance Budgeting Training Regularly Provided to Non–Budget Agency Staff*	*Responsibility for Managing Collection and Reporting of Performance Measures*	*Responsibility for Determining Which Performance Measures Are Reported*
Alabama*	X	O	O
Alaska	–	BA,O	BA,L
Arkansas	X	BA,O	BA,L
Arkansas	–	–	–
California	–	–	–
Colorado*	–	BA/G	BA/G
Connecticut	–	BA	BA,L
Delaware*	X	BA	BA,L
Florida*	–	BA	L,BA,G
Georgia	X	BA	BA
Hawaii*	–	BA	BA
Idaho*	–	BA	L
Illinois	–	BA	BA,G
Indiana*	–	O	O/G
Iowa	X	BA	BA
Kansas	–	BA	BA,O
Kentucky*	–	O	O
Louisiana*	–	O	BA/O
Maine	–	–	–
Maryland*	–	BA	BA
Massachusetts*	–	BA, G	G
Michigan*	–	G,O	G,O
Minnesota*	–	BA,O	BA,O
Mississippi	–	G,L	G,L
Missouri*	–	BA,O	G,L,O
Montana	–	BA	BA,G
Nebraska	–	BA	–
Nevada*	–	BA	BA,O
New Hampshire	–	–	–
New Jersey	–	BA	BA
New Mexico*	–	BA	BA,L
New York*	–	BA/G	BA/G
North Carolina*	X	G	G
North Dakota	–	–	–
Ohio	–	–	–
Oklahoma	–	BA	O
Oregon*	X	BA	BA,L
Pennsylvania	X	BA	BA
Rhode Island*	–	BA/O	BA/O
South Carolina*	–	BA	O (Agencies)
South Dakota	–	BA	BA
Tennessee	–	BA	O
Texas	–	BA	G,BA
Utah*	–	BA,G	O
Vermont*	–	BA	BA,O
Virginia*	X	O	G
Washington*	X	BA,O	BA,O
West Virginia	–	BA	O
Wisconsin	–	BA	BA
Wyoming*	X	G,O	G,O

* See Notes to Table 16

Codes: BA = Budget Agency G = Governor's Office
L = Legislature O = Other

Notes to Table 16

Alabama	The Examiners of Public Accounts, a legislative entity, will formally review and audit performance measures every other year. 'Other' on the second page of the table refers to the Executive Planning Office.
Colorado	Performance measures are formally reviewed annually. The executive department collects the data and reports it pursuant to instructions and guidance provided by the Governor's Office.
Delaware	Performance measures are reported in volume one of the Governor's recommended budget book. A formal review of performance measures is performed on an annual basis at the budget office hearings in November and at the Joint Finance Committee Members hearings in February and March.
Florida	The legislature lists some performance measures in the General Appropriations Act and may also include performance measures and associated performance standards in the implementing legislation. All legislatively approved performance measures and standards are reported in the agencies' annual long-range program plans (LRPP). For the most part, each agency's performance measures are unique to the agency. Therefore, the number of performance measures is different for each agency. For all agencies combined, there are several hundred performance measures. Any revision to existing activities, including alignment of activities to performance measures, may be obtained by submitting a request to the Executive Office of the Governor for review and approval subject to established review and objection procedures.
Hawaii	Performance measures are formally reviewed biennially.
Idaho	Performance Measures are required to be submitted at the same time as the budget request but as a separate document. Each agency is to present the information orally to its corresponding Senate or House of Representatives germane committee each year.
Indiana	The Office of Management and Budget is responsible for managing the collection and reporting of performance measures. Performance Measures are formally reviewed or audited quarterly.
Kentucky	Statewide and cabinet-level measures are reported through the strategic planning process. Agency and program-level performance measures are reported in agency budget request process via electronic means.

Louisiana	Measures are reported through the Louisiana Performance Accountability System (LaPAS). Operational plans are reported in hard copy form, LaPAS is submitted via the internet. Performance measures are required in agency budget requests as needed, including indications of input, output, outcome, efficiency, and quality. Agencies are randomly audited by the Legislative Auditor's office with the results published. Performance audits are designed to address specific objectives regarding economy, efficiency, and effectiveness of programs, functions, or activities of state agencies. The division, based in Baton Rouge, employs individuals who have advanced degrees in a variety of backgrounds, including accounting, public administration, law, etc. The Louisiana Performance Audit Program is established under Louisiana Revised Statutes 24:522 to provide the legislature with evaluation and audit of the functions and activities of the agencies of state governments as well as directing branch departments over a seven-year period. It is also possible for the office to bring audit topics to the Legislative Audit Advisory Council for approval. In addition, the Legislature may request they conduct a performance audit on a particular agency or in response to a particular issue or problem. Other on the second page of the table refers to the Office of Planning and Budget.
Maryland	Measures are required for each program. The number depends on the components of an agency's strategic plan.
Massachusetts	Performance data is currently used for the Governor's internal management of executive branch agencies. The Governor and his Cabinet receive quarterly reports based on all performance data for policy development purposes, and each quarter the Governor chairs regular performance meetings with Cabinet members on a small subset of the Governor's high-priority policy areas.
Michigan	Measures are reported through annual reports, press releases, newsletters, reports to citizens, stakeholders, elected officials and to the Governor, and through Michigan's Comprehensive Annual Financial Report. Michigan's Cabinet Action Plan (CAP) outlines statewide initiatives across six long-term issue areas: education, economy, better government, health, environment, and homeland security. The CAP covers all agencies and is aligned with individual department business plans and initiatives. State agencies manage and report performance information. The Governor's office determines performance measures used for broad policy vision; state agencies determine performance measures geared toward individual programs.
Minnesota	The Department of Finance requires all agencies to include measures of the effectiveness of their programs and operations within agency budget documents and change level requests. Additionally, goals and performance measures for each department are presented on the *Department Results* website. This information, which is updated at least annually or when new information becomes available, is the responsibility of the Department of Administration. In some instances a commission or task force may play a key role in managing performance goals and measures for a particular policy area, for example in the *Governor's Health Care Cabinet*.

Missouri	The State Auditor conducts performance audits; however, these are on an ad hoc rather than regular basis. The chair of the Budget House Committee, the chair of the Senate Appropriations Committee, and the Director of the Division of Budget and Planning decide on the conduct of random performance-based reviews. State statute allows the Governor and requires the legislature to consider performance measures for the last three years when considering appropriations for funding, but there is no formal process for the review. Statute also requires the House Budget Committee and Senate Appropriations Committee to formally review cost/benefit analyses for tax credits and other tax preferences each year. The Governor's Office asks departments to report quarterly on their progress on administration priorities. Executive branch agencies are responsible for determining what measures to include in their strategic plans. The Governor's office determines the administration priorities and asks departments to report quarterly on their progress on those priorities. The House of Representatives" Appropriations Committees review agency program performance measures and provide input regarding measures that should be included.
Nevada	Agency is responsible for determining which performance measures are reported on.
New Mexico	By statute, performance measures are reviewed annually and changes are proposed and implemented upon review by the Department of Finance and Administration. Measures are contained in a database created to hold performance data. By law, agencies are required to submit at least two measures per program. Agencies are not given a limit on the number of program and/or measures they can have.
New York	Agencies are encouraged to include performance measures in their budget requests.
North Carolina	Performance Measures are formally reviewed or audited annually.
Oregon	Performance measures reviewed by budget staff, the Legislative Fiscal Office, and Ways and Means Committee every other year. Some training is provided at quarterly Performance Measure roundtables. A staff person has recently been added to the budget office to provide training and assistance to agencies.
Rhode Island	Performance measures are reported with program budgets and in a separate appendix. Formal reviews of performance measures are conducted annually as part of the agency presentation to the budget staff and the Budget Director. Measures are also subject to potential Bureau of Audits review. Responsibility managing the collection and reporting of performance measures as well as for determining which performance measures are used is shared between the Budget Office and the Division of Planning.
South Carolina	Performance measures are reviewed by the House Ways and Means Committee's subcommittees as part of the annual budget deliberations.
Utah	The budget agency is located in the Governor's Office.
Vermont	Statute requires that "indicators to measure output and outcome" be included in the Executive budget submission. Some indicators have been selected in collaboration with the Budget Agency; others are chosen by the various Departments.

Virginia	Virginia has an on-line system of reporting performance measures. Budget office provides participating agencies with formal instructions for quarterly updates to the strategic plans and annual training is provided to non-budget agency staff on preparation of strategic plans.
Washington	The central budget office website displays estimated/actual performance for most agencies, as well as the measures assumed in the Governor's budget proposal. A separate website displays the service effectiveness measures addressed in the Government Management and Accountability Program (GMAP) reports to the Governor. http://www.accountability.wa.gov/reports/default.asp
Wyoming	Performance Measures are formally reviewed or audited annually.

Table 17
Budget Information Online

State	Budget Instructions Available Online	Budget Document Available Online	Statewide Quality of Life Measures Available Online	Agency Performance Measures Available Online
Alabama	X	X	-	X
Alaska	-	X	-	X
Arizona	X	X	-	X
Arkansas	X	X	-	-
California	X	X	-	-
Colorado	X	X	-	X
Connecticut	X	X	-	X
Delaware	X	X	-	X
Florida	X	X	-	X
Georgia	X	X	-	X
Hawaii	X	X	X	X
Idaho	X	X	-	X
Illinois*	-	X	-	X
Indiana	X	X	X	X
Iowa	X	X	X	X
Kansas	X	X	-	X
Kentucky	X	X	X	-
Louisiana	X	X	-	X
Maine	X	X	-	-
Maryland	X	X	X	X
Massachusetts	X	X	-	-
Michigan*	X	X	X	X
Minnesota	X	X	-	X
Mississippi*	X	X	-	X
Missouri*	X	X	X	X
Montana	X	X	-	X
Nebraska	X	X	-	X
Nevada	X	X	-	X
New Hampshire	-	X	-	-
New Jersey*	-	X	X	X
New Mexico*	X	X	-	X
New York	X	X	-	X
North Carolina	X	X	-	X
North Dakota	X	X	-	X
Ohio	X	X	-	-
Oklahoma	X	X	X	X
Oregon	X	X	X	X
Pennsylvania	X	X	-	X
Rhode Island	X	X	-	X
South Carolina	X	X	-	X
South Dakota	X	X	X	X
Tennessee	X	X	-	X
Texas	X	X	-	X
Utah	X	X	-	-
Vermont*	-	X	-	X
Virginia	X	X	X	X
Washington	X	X	X	X
West Virginia	X	X	-	X
Wisconsin	X	X	-	X
Wyoming	X	X	X	X
TOTAL	45	50	14	42

* See Notes to Table 17

Notes to Table 17

Illinois	Agency performance measures are available online as part of the Public Accountability reports.
Michigan	Budget instructions are available online for all state agencies.
Mississippi	Performance measures are available online for some agencies.
Missouri	There are statewide quality of life measures included in some agency strategic plans (all are on the internet) and other agency online reports. Examples include educational performance measures, measures of the quality of the state's transportation system, measures of the quality of the state's natural resources, measures of the state's economic health, and measures of health and safety.
New Jersey	Budget instructions are provided to the departments electronically on CDs.
New Mexico	Budget instructions and executive recommendations are currently posted online. Performance measure results for the prior period and recommendations for the upcoming budget period are included in the recommendations published.
Vermont	The Executive budget document, which is online, includes performance measures in the body of program presentations.

Table 18

Performance Measures Websites

State	*Website*
Alabama	http://www.smart.alabama.gov
Alaska	http://www.gov.state.ak.us/omb/results
Arizona	http://www.ospb.state.az.us
Arkansas	–
California	–
Colorado*	http://www.state.co.us/ospb
Connecticut*	http://www.opm.state.ct.us/budget/20082009BudgetBooks/BudgetHome.htm
Delaware	–
Florida*	http://www.oppaga.state.fl.us/reports/pdf/2006-07_Measures.pdf
Georgia	–
Hawaii	http://www.hawaii.gov/budget/memos/program%20structure/
Idaho	http://dfm.idaho.gov
Illinois	http://www.loc.state.il.us/office/PAP/reports.cfm
Indiana	http://www.results.in.gov
Iowa	http://www.resultsiowa.org
Kansas	http://budget.ks.gov
Kentucky	–
Louisiana	http://www.doa.louisiana.gov/opb/LAPAS/LAPAS.HTM
Maine	–
Maryland	http://www.dbm.state.md.us
Massachusetts*	–
Michigan	http://www.michigan.gov/cabinetplan
Minnesota	http://www.departmentresults.state.mn.us/
Mississippi	http://billstatus.ls.state.ms.us
Missouri*	–
Montana	–
Nebraska	http://www.budget.ne.gov
Nevada	–
New Hampshire	–
New Jersey*	–
New Mexico	http://budget.nmdfa.state.nm.us
New York*	http://www.budget.state.ny.us
North Carolina	http://www.osbm.state.nc.us/
North Dakota	http://www.nd.gov/fiscal/
Ohio	–
Oklahoma	http://ok.gov/OSF
Oregon	http://www.oregon.gov/DAS/OPB
Pennsylvania	http://www.state.pa.us/papower/lib/papower/attachments/2006_07_govperformancerept_web.pdf
Rhode Island	http://www.budget.ri.gov
South Carolina	http://www.budget.sc.gov/osb-accountability-planning.phtm
South Dakota	http://www.state.sd.us/bfm/budget/rec08/index.htm
Tennessee	http://tennessee.gov/finance/bud/archive.html
Texas	http://www.lbb.state.tx.us
Utah*	TBA
Vermont*	–
Virginia	http://vaperforms.virginia.gov
Washington	http://ofm.wa.gov/performance/default.asp
West Virginia	http://www.wvbudget.gov
Wisconsin	http://www.doa.state.wi.us/debf/execbudget.asp?locid+3
Wyoming	–

* See Notes to Table 18

Notes to Table 18

Colorado	Contained within the respective agencies' budget requests.
Connecticut	The website is included in budget documents.
Florida	All legislatively-approved performance measures and standards are reported in the agencies' annual long-range program plans (LRPP). For the most part, each agency's performance measures are unique to the agency. The agency performance measures can be found in the agency's LRPP located on the website of each individual agency.
Massachusetts	After the performance management system is fully implemented, performance measures will be made available publicly via the Governor's website. As of the printing of this report, the system remains in the development phase and the performance management section of the website is still under construction.
Missouri	Missouri no longer has a statewide performance measures website. Agency performance measures are included in the budget requests (htt://www.oa.mo.gov/bp/budregs2008all.htm) and in departmental strategic plans which may be located from departments' home pages. Those sites can be reached from http://www.mo.gov/mo/govoffices.htm.
New Jersey	Many of the performance measures reported in the Governor's Budget can be found on-line.
New York	Performance measures can be found within Executive Budget Agency Presentations.
Utah	Performance measures website to be announced later- currently being constructed.
Vermont	The Executive budget document, which is online, includes performance measures in the body of program presentations. See Budget Office website address in Table 24.

Table 19

Budget Stabilization or "Rainy Day" Fund

State	*Fund Name*	*Determination of Fund Size*	*Procedure for Expenditure*
Alabama	Education Trust Fund - Proration Prevention Account	20 percent of Education Trust Fund from preceding Fiscal Year as beginning balance in current fiscal year, up to $75 million.	1) Extent necessary to avoid across-the-board cuts by certification of the Governor. 2) 2/3 vote of the Legislature in each chamber.
Alaska	Budget Reserve Account Constitutional Budget Reserve Fund	Unexpended balance and appropriations Oil and Gas litigation/disputes settlements	Appropriation 3/4 vote of legislature
Arizona	Budget Stabilization Fund	7 percent of current year General Fund revenue	1) By formula with majority legislative appropriation. 2) Non-formula with 2/3 legislative approval
	Medical Services Stabilization Fund	No limit.	Upon notice of a deficiency, the Joint Legislative Budget Committee may recommend that a withdrawal be made.
Arkansas	Arkansas Rainy Day Fund	Statutory	Distributes money (when available) to various Fund Accounts
California	Special Fund for Econ. Uncertainties Budget Stabilization Account	Appropriation by Legislature Proposition 58/2004	Appropriation by Legislature Appropriation by Legislature
Colorado	4.0 Percent General Fund Reserve	Statutory 4.0 percent of General Fund appropriations	Section 24-75-201.1 C.R.S
	TABOR Reserve	Constitutional 3.0 percent of General Fund and Cash Fund revenues	Article 10, Section 20 of the Colorado Constitution provides criteria for use
Connecticut	Budget Reserve Fund	10 percent of net General Fund appropriations	Fund deficit after the books have been closed.
Delaware	Budget Reserve Account	Excess unencumbered funds, no greater than 5 percent of gross General Fund revenues	3/5 vote of legislature for unanticipated deficit or revenue reduction resulting from legislative action
Florida	Budget Stabilization Fund	5 percent of the last completed fiscal year's net revenue collections for the General Revenue Fund; the principal balance shall not exceed 10 percent of the last completed fiscal year's net revenue collections for the General Revenue Fund.	Used to cover revenue shortfalls or Governor-declared emergencies.
Georgia*	Revenue Shortfall Reserve	10 percent limit of prior year net revenue	Revenue shortfall during current year.
Hawaii	Emergency & Budget Reserve Fund	No limit. Receives 24.5 percent of tobacco settlement	2/3 vote of Legislature
Idaho	Budget Stabilization Fund	If General Fund grew more than 4 percent in the previous Fiscal Year, 1 percent is transferred to the Budget Stabilization Fund. The Budget Stabilization Fund is capped at 5 percent of the General fund.	Legislative Action. The State Board of Examiners may take money from the BSF at the end of the fiscal year if they determine that there will be insufficient General Fund revenue to cover that year's appropriations.
Illinois	Budget Stabilization Fund		Comptroller can direct transfers to General Fund
Indiana	Counter-Cyclical Revenue	Cap is 7 percent of General Fund state revenue	Statutory formula
Iowa	Cash Reserve Fund	7.5 percent of net General Fund Revenue	Simple majority of General Assembly for 40 percent of the fund. 3/5 majority of General Assembly for 60 percent of the fund.
	Economic Emergency Fund	2.5 percent of net General Fund Revenue	Simple majority of General Assembly
Kansas*	-	-	-
Kentucky*	Budget Reserve Trust Fund	Goal of 5 percent of General Fund Budget	Budget Reduction Plan -- statute, and Appropriations Act authority
Louisiana	Budget Stabilization Fund	Revenues exceeding $850 million from production and exploration of minerals and 25 percent of nonrecurring revenue, which includes General Fund balances. Capped at 4 percent of state revenues, less federal disaster assistance.	1/3 of fund with legislative approval

Table 19
Budget Stabilization or "Rainy Day" Fund, continued

State	*Fund Name*	*Determination of Fund Size*	*Procedure for Expenditure*
Maine	Budget Stabilization Fund	Amounts in the stabilization fund may not exceed 12 percent of total General Fund revenues in the immediately preceding state fiscal year and, except when General Fund resources will not be sufficient to meet General Fund expenditures, may not be reduced below 1 percent of total General Fund revenue in the immediately preceding state fiscal year.	Amounts in the stabilization fund may be expended only to offset a General Fund revenue shortfall, except that amounts in the fund may be invested as provided by law with the earnings credited to the fund. Investment earnings that would cause the balance to exceed the 12 percent limit are transferred to the Retirement Allowance Fund. The Governor may also allocate funds from the stabilization fund as needed to pay certain death benefits pursuant to statute.
Maryland	Revenue Stabilization Fund	Statutory- 5 percent of estimated General Fund revenues for that fiscal year.	Act of the General Assembly or authorized specifically in Budget Bill
Massachusetts	Commonwealth Stabilization Fund	Statutory- 15 percent of budgeted revenues	Appropriation
Michigan	Countercyclical Budget and Economic Stabilization Fund	Cap set at 10 percent combined General Fund / General Purpose and School Aid Fund fiscal year revenues	Statutory formula
Minnesota	Budget Reserve	Set in Statute at $622 million	Commissioner of Finance with the approval of the Governor and after consulting Legislative Advisory Commission.
	Cash Flow Account	Set in statute at $350 million	Used if needed to meet cash flow deficiencies resulting from uneven distribution of revenue collections and required expenditures during a fiscal year. Legislative action is required to reduce amounts.
Mississippi*	Working Cash Stabilization Reserve Fund	7.5 percent of the General Fund Appropriations	Appropriation
Missouri	Budget Reserve Fund	Minimum 7.5 percent of net general revenue used for cash flow and rainy day fund. Can go as high as 10 percent with legislative approval.	Governor determines shortfall or disaster, subject to legislative approval by a 2/3 vote
Montana	-	-	-
Nebraska	Cash Reserve Fund	Statute	Statute
Nevada	Fund to Stabilize the Operation of State Government	40 percent of unrestricted fund balance that remains after subtracting 10 percent of ongoing appropriations. Maximum balance: 15 percent of General Fund operating appropriations	Statute
New Hampshire	Revenue Stabilization	5 percent by statute	Statute
New Jersey	Surplus Revenue Fund	50 percent of amount by which actual General Fund revenue exceeds anticipated revenues added to the fund, subject to statutory adjustments.	The Governor certifies to the Legislature that revenues are estimated to be less than certified. The Legislature appropriates the funds. Also, if the Governor declares an emergency and the Legislature approves.
New Mexico*	General Fund (Appropriation Account) General Fund Operating Reserve Tax Stabilization Reserve Taxpayer Dividend Fund Appropriation Contingency Fund State Support Reserve Tobacco Settlement Permanent Fund	The combination of balances is 10% of current year recurring appropriations	For all funds, legislative appropriation
New York	Tax Stabilization Reserve Fund	2 percent of General Fund spending	Can be used when a deficit is incurred, to respond to a catastrophe or economic downturn, and for temporary loans.
	Rainy Day Reserve	3 percent of General Fund spending	New reserve to respond to a catastrophe or economic downturn
North Carolina	Savings Reserve Account	1/4 of Credit Balance, maximum 8 percent of the amount appropriated the preceding year for the General Fund Operating Budget.	Legislative approval

Table 19

Budget Stabilization or "Rainy Day" Fund, continued

State	*Fund Name*	*Determination of Fund Size*	*Procedure for Expenditure*
North Dakota	Budget Stabilization Fund	$200 million for the 2007-09 biennium and a maximum of 10 percent of general fund expenditures after July 1, 2009.	Actual revenues must be 2.5 percent below forecast before the Governor can access the funds.
Ohio	Budget Stabilization Fund	By statute the stated intent is to have an amount in the fund that is approximately 5 percent of the General Revenue fund revenues for the preceding fiscal year.	Legislative action necessary
Oklahoma	Constitutional Reserve Fund	Max of 10 percent of preceding year's general revenue. Revenues accrue when actual general revenue collections exceed 100 percent of the certified estimate.	Up to 1/2 if revenue certification is below previous year; 1/2 can be used upon declaration of the Governor and 2/3's vote of the Legislature, or by legislative declaration of emergency and 3/4's legislative vote.
Oregon*	Rainy Day Fund	Cap of 7.5 percent of General Fund revenue in previous biennium	3/5 vote of legislature if certain revenue or economic conditions are met. Can spend up to 2/3 of balance in a biennium.
	Education Stability Fund	Cap of 5 percent of General Fund revenue in previous biennium	3/5 vote of legislature if certain revenue or economic conditions are met, or 3/5 vote of legislature and Governor declares emergency.
Pennsylvania	Budget Stabilization Reserve Fund	Revenue to the Budget Stabilization Reserve Fund is provided though an annual transfer of 25 percent of the General Fund fiscal year ending surplus. If the fund's ending balance would equal or exceed six percent of actual General Fund revenues for the fiscal year in which the surplus occurs, the General Fund transfer would be reduced to ten percent.	2/3 legislative vote with the Governor's request
Rhode Island	Budget Reserve and Cash Stabilization Account	Increase from 3 percent of resources to 5 percent of resources by 2013	Used to cover deficit caused by general revenue shortfall
South Carolina	Capital Reserve Fund	2 percent of General Fund Revenue of last Fiscal Year	Use when year-end deficit is projected
	General Reserve Fund	3 percent of General Fund Revenue of last Fiscal Year	Shortfall must be identified and Capital Reserve Fund depleted
South Dakota	Budget Reserve Fund	5 percent of General Fund in prior year's General Appropriations Act	Legislative appropriation
Tennessee	Reserve for Revenue Fluctuations	By appropriation	Revenue shortfall
Texas	Economic Stabilization Fund	Capped at 10 percent of general revenue fund deposits (excluding interest & investment income) during the preceding biennium.	3/5 vote of each house of Legislature to remedy deficits after budget adoption. Other appropriations from this fund require a 2/3's vote.
Utah	Budget Reserve Account		
	Medicaid Transition Account	No Cap	
Vermont	Budget Stabilization Reserve	Capped at 5 percent of prior year appropriations.	Automatic when deficit occurs at year end
Virginia	Revenue Stabilization Fund	Capped at 10 percent of average annual tax revenues on income and retail sales for the 3 years immediately preceding.	Legislative Appropriation
Washington*	Emergency Reserve Fund	State general fund revenues in excess of expenditure limit are transferred to Emergency Reserve Fund by Treasurer. Balance capped at 5 percent of general fund revenues.	The legislature may appropriate with a 2/3 vote if resulting expenditures do not exceed limit. Otherwise, a vote of the people is required.
West Virginia	Revenue Shortfall Reserve Fund	Goal of 10 percent of total appropriations from the general revenue for fiscal year just ended. 50 percent of previous fiscal year general revenue surplus is deposited in fund by code.	Legislative Appropriation
Wisconsin	Budget Stabilization Fund	50 percent of unanticipated revenues	Legislative Appropriation
Wyoming	Budget Reserve Account and Legislative Stabilization Reserve Account	no cap	Legislative appropriation

* See Notes to Table 19

Notes to Table 19

Georgia	Reserve was $790 million in fiscal 2006.
Kansas	Although Kansas has no separate "Rainy Day Fund" as commonly defined, there is a statutory requirement for the ending balance in the general fund to be at least 75 percent of total expenditures for the forthcoming fiscal year. This balance requirement has served the same purpose as a Rainy Day Fund.
Kentucky	Funds from the budget reserve trust fund may be appropriated by the General Assembly in either a regular or special session. Funds may also be utilized in instances where actual General Fund revenue receipts are insufficient to meet appropriation levels authorized by the General Assembly; in such instances, the Finance and Administration Secretary must formally notify the Interim Joint Committee on Appropriations and Revenue.
Mississippi	The executive director of Finance and Administration may transfer funds to alleviate deficits. Maximum transfer of $50 million per fiscal year from working cash/stabilization fund.
New Mexico	The General Fund is made up of the following component accounts: Appropriation Account, General Fund Operating Reserve, Appropriation Contingency Fund, State Support Reserve, Tax Stabilization Reserve, Taxpayer Dividend Fund, and Tobacco Settlement Permanent Fund. All appropriations from the General Fund are appropriations from the Appropriation Account. By law, any surplus is in the Appropriation Account at the end of the fiscal year must be transferred to General Fund Operating Reserve. If, after any transfers from the Appropriation Account, the year-end balance of the General Fund Operating Reserve exceeds 8% of prior year recurring appropriations, the lesser of (1) the amount transferred from the Appropriation Account or (2) the amount in excess of 8% is transferred to the Tax Stabilization Reserve. If, after any transfers from the General Fund Operating Reserve, the year-end balance of the Tax Stabilization Reserve exceeds 6% of prior year recurring appropriations, the lesser of (1) the amount transferred from the General Fund Operating Reserve or (2) the amount in excess of the 6% is transferred to the Taxpayer Dividend Fund. If, after any transfers from the Taxpayer Dividend Fund, the year-end balance of the taxpayers dividend fund exceeds one percent of the tax liabilities reported to the taxation and revenue department pursuant to the Income Tax Act [7-2-1 NMSA 1978] during the fiscal year, then the governor shall propose to the next session of the legislature a method for refunding the balance to the taxpayers. The Appropriation Contingency Fund is used mainly to fund gubernatorial emergency declarations and, beginning in FY05, nonrecurring education reform initiatives. The State Support Reserve is used to augment the State Equalization Guarantee Distribution (public school funding formula) in the case that eliminated local or federal revenues do not materialize.

New Mexico (cont'd)	The Tobacco Settlement Permanent Fund accounts for the revenue received from tobacco settlement payments. It may be expended in the event that general fund balances, including all authorized revenues and transfers to the general fund (Appropriation Account) and balances it the general fund operating reserve, the appropriation contingency fund and the tax stabilization reserve, will not meet the level of appropriations authorized from the general fund for a fiscal year. In that event, in order to avoid an unconstitutional deficit, the legislature may authorize a transfer from the tobacco settlement permanent fund to the general fund but only in an amount necessary to meet general fund appropriations. For all component accounts except the Tax Stabilization Reserve, appropriations require a simple majority. Appropriations from the Tax Stabilization Reserve require a 2/3 vote of the Legislature, except that when the Governor projects the balances in the Appropriation Account to be insufficient to meet the level of appropriations authorized by law the Legislature may appropriate up to the amount of the projected insufficiency with a simple majority.
Oregon	The Education Stability Fund is restricted to uses related to education and economic development.
Washington	The 2007 Legislature sent a measure to the November 2007 ballot to replace the current statutory Emergency Reserve Fund with a constitutional requirement to place 1 percent of annual state general revenues in a Budget Stabilization Account. If adopted by voters, this change would take effect on July 1, 2008. Transfers to the Emergency Reserve Fund are determined by the aggregate amount of revenues in excess of the expenditure limit in the six funds affected by the limit. However, only a prorated amount of the General Fund is transferred to the Emergency Reserve.

Table 20

Unexpected Natural or Man-made Disaster Funds

State	Fund Name	FY 2008 Amount	Official/Agency Authorized to Allocate Funds	Purposes for which Funds May Be Used	Unexpended Funds May Be Carried Forward
Alabama*	Finance-FEMA	$9.775 million	Governor	ND	–
Alaska*	Disaster Relief Fund	$5 million	Military and Veterans Affairs	ND	X
Arizona	Governor's Emergency Fund	$4 million	Governor	Emergencies	X
Arkansas	Disaster Response/Disaster Recovery/Hazard Mitigation/Catastrophic Loss	$13.25 million	Governor	ND,PS,O	X
California	–	–	–	–	–
Colorado*	Disaster Emergency Fund		Governor	Disaster	X
Connecticut*	Governor's Contingency Fund	$15,000	Governor	ND,PS,O	–
Delaware					
Florida	Deficiency Fund	$400,000	Legislative Budget Commission	O	–
	Emergency Fund	$250,000	Governor	ND,PS	–
Georgia*	Governor's Emergency Fund	$3.5 million	Governor	ND,PS,O	–
Hawaii	Major Disaster Fund	$500,000	Department of Defense	ND,O	–
	Firefighter's Contingency Fund	$300,000	Department of Land and Natural Resources	ND,O	–
Idaho*	Economic Recovery Reserve Fund	$45.6 million	Legislature	ND,O	X
Illinois	Federal Aid Disaster Fund	$92 million	Governor, General Assembly	ND	–
Indiana	Departmental and Institutional Emergency Contingency Fund	$5 million	BD.Governor	ND,PS,O	X
	Governor's Civil and Military Contingency Fund	$160,000	Governor	ND,PS,O	–
	Emergency Management Contingency Fund	$242,500	Governor/BC	ND,PS,O	X
	State Disaster Relief Fund	$500,000	IDHS	ND	X
Iowa*			Executive Council	ND,PS	–
Kansas*	State Emergency Fund	$10 million	Budget Director	ND	X
Kentucky*	Surplus Account		Governor	ND,PS,O	–
Louisiana*	Interim Emergency Board	$27.7 million	Governor, Legislature	ND,PS,O	–
Maine	Disaster Relief Fund	$543,263	Governor	ND,PS,O	X
Maryland*	Catastrophic Event Fund	$0	Governor	ND,PS,O	X
Massachusetts	–	–	–	–	–
Michigan	–	–	–	–	–
Minnesota*	General Fund (Minnesota National Guard Emergency Open Appropriation)	$347,000	Governor	ND,PS,O	–
	Natural Resources Emergency Fire Fighting Appropriations	$16.217 million	Department of Natural Resources	ND	X
	General Fund (Dept. Public Safety Homeland Security/Emergency Mgmt)	$2.563 million	Department of Public Safety	ND,PS,O	X (within biennium)
Mississippi*	Disaster Trust Fund	$1 million	DFA	ND	X
Missouri*	Governmental Emergency Fund	$1	Governmental Emergency Fund Committee	ND,PS,O	–
	Missouri Disaster Fund	$503,560	Governor; State Emergency Management Agency	ND,PS	–
	General Revenue to call out National Guard	$1	Governor	ND,PS	–
	General Revenue to match federal funds and for emergency assistance	$1	Governor; State Emergency Management Agency	ND,PS	–

Table 20

Unexpected Natural or Man-made Disaster Funds, continued

State	*Fund Name*	*FY 2008 Amount*	*Official/Agency Authorized to Allocate Funds*	*Purposes for which Funds May Be Used*	*Unexpended Funds May Be Carried Forward*
Montana*	General Fund (all emergencies)	$16 million biennial	Governor	ND,PS,O	X
	Fire Suppression Fund	$40 million biennial	Agency	ND	X
Nebraska	Governor's Emergency Fund	$1 million	Governor	ND,PS,O	X
Nevada	Disaster Relief Account	$5.568 million	Legislative Interim Finance Committee	ND,PS	X
New Hampshire*	Governor's Contingency Fund	$15,000	Governor	ND,O	–
New Jersey	Emergency Services Fund	$8.535 million	Emergency Services Council	ND,PS	X
New Mexico	Appropriation Contingency Fund	Estimated $12M for disasters Estimated balance - $26.7M	Governor, DFA	ND,PS	X
New York	Division of Military and Naval Affairs aid to localities	$106 million	Budget Director	ND,PS,O	X
North Carolina	State Emergency Response Account	$20 million	Governor	ND	X
North Dakota*					
Ohio		$4 million	Controlling Board	ND,PS,O	
Oklahoma*	State Emergency Fund	$10 million	Governor	ND,PS,O	X
Oregon*	Emergency Fund	$30 million	Emergency Board, Legislature	ND,PS,O	-
Pennsylvania*			Governor	ND,PS.O	X
Rhode Island*	Contingency Fund	$100,000	Governor and Director of Administration	ND,PS,O	X
South Carolina*	Civil Contingency Fund Contingency Reserve Fund	$162,000	B&C Board Legislature; B&C Board	ND,PS,O ND,PS,O	X X
South Dakota	Special Emergency and Disaster Special Emergency Revenue Fund.	$4,337,522	Secretary of Public Safety	ND,PS	X
Tennessee	Reserve for Disaster Relief	$6,779,000	Budget Director	ND,PS	X
Texas	Disaster Funds	$14.3 million	Governor	ND,PS,O	X
Utah*	State Disaster Recovery Restricted Account	$17.4 million	Division of Emergency Services and Homeland Security	ND	X
Vermont*	Emergency Relief and Assistance Fund	$348,422	Secretary of Administration	ND	X
Virginia	Miscellaneous Contingency Reserve Account	$1.2 million	Governor	ND,PS,O	X
Washington	Disaster Response Account	$38.7 million	Legislature	ND, PS, O	X
West Virginia	Contingency Fund Income Tax Personal Reserve Fund	$30.8 million $45 million	Governor Tax Commissioner	ND,PS,O O	X X
Wisconsin*		$48,000	BA	ND,PS	-
Wyoming	Special Contingent Fund	$550,000	Governor	ND, PS, O	

* See Notes to Table 20

Codes: ND = Natural Disaster
PS = Public Safety
O = Other

Notes to Table 20

Alabama	This appropriation is open-ended, meaning the amount necessary is available for expenditure in that fiscal year. It can only be used for a natural disaster area declared by the President of the United States and the requirement of a state match.
Alaska	The Disaster Relief Fund is capitalized each year with General Funds. Whatever federal funds may be received are also appropriated to the Fund and any additional funds needed are appropriated during the supplemental process. Therefore, the actual fiscal 2008 amount is not known until the year is over.
Colorado	The term fiscal 2008 "amount" does not specify whether it is the amount of the fund balance vs. the amount of the fund expended. Therefore, Colorado's answer provides both amounts: Balance as of 4/30/2007- $7,575,277; Expenditures- $3,134,902; Total = $ 4,440,375.
Connecticut	In the event of a civil preparedness emergency, the Governor has a wide range of powers at her disposal.
Georgia	The Georgia Emergency Management Act of 1981 (Code 38-3-51) also provides that the deal with an emergency or disaster and may be repaid by legislative appropriations at a later date.
Idaho	The purpose of the Economic Recovery Fund is to meet General Fund revenue shortfalls as a result of major disaster or for providing one-time tax relief payments to the citizens of Idaho.
Iowa	The state of Iowa does not have a specific fund to pay for natural or man-made disasters. Instead, the state has a standing unlimited General Fund appropriation available to the Executive Council to pay for expenses incurred by the state involving fire, storm, theft, or unavoidable injury, aiding local governments in natural disasters, paying for suppressing an insurrection or riot, and other specific areas.
Kansas	Under a law passed in 2000, after the State Finance Council has approved the use of emergency funds, the amounts are certified (up to $10 million) by the Director of the Budget and funds are transferred to the State Emergency Fund. With this arrangement, only a small balance is maintained in the Fund to pay rewards. Other purposes for which funds may be used include rewards for wanted criminals.
Kentucky	The June 30, 2007 balance was approximately $145 million. These funds can be used for the purposes identified and to the extent that funds accrue as a result of a revenue overage.

Louisiana	Interim Emergency Board may appropriate funds from the state General Fund but funding shall not exceed 0.1 percent of total state revenue receipts for the previous fiscal year. It may also authorize deficit spending. A favorable vote is required by the board and the legislature. The Interim Emergency Board (IEB) is composed of the Governor, Lieutenant Governor, State Treasurer, the presiding officer of each house of the legislature, the chairman of the Senate Finance Committee, and the chairman of the House Appropriations Committee, or their designees. This board committee will notify the full House and Senate with recommendations of allocations. A majority vote of the full House and Senate is required to concur or reject the recommendations via mail ballot. (The IEB cannot meet when the legislature is in session.) Funds may be allocated for any emergency which meets the statutory definition.
Maryland	Review and comment required by Legislative Policy Committee.
Minnesota	In addition to the allocations detailed here, the Governor's authority during emergencies and natural disasters as outlined in M.S. Chapter 12 includes a variety of provisions that may impact state appropriations. Portions of these funds may be available for federal reimbursement. $7.217 million of the Natural Resources Emergency Fire Fighting appropriation is from direct appropriation; $9 million is from open appropriation. The $7.217 million direct appropriation can be carried forward within the biennium, but the $9 million open appropriation cannot.
Mississippi	Excludes Katrina Reserve Fund.
Missouri	Estimated appropriation. The Budget Office, with approval of the Commissioner of Administration, may increase these appropriations. Governmental Emergency Fund Committee consists of the Governor, the Commissioner of Administration, the Chair and ranking minority member of the Senate Appropriations Committee, and the Chair and ranking minority member of the House Appropriations Committee. Disaster must be declared by the Governor.
Montana	General Funds may be used for declared emergencies. Fire Suppression funds may be used only for fire suppression. Unexpended funds can only be carried forward within the biennium.
New Hampshire	Funds may be used for unexpected expenditures and authorized programs.
North Dakota	Statutes allow state agencies, with the Emergency Commission approval, to borrow money from the Bank of North Dakota for the purpose of responding to a presidentially-declared disaster. Borrowing is limited to the amounts submitted for FEMA reimbursement. The non-FEMA reimbursed share of the loan is repaid through a supplemental appropriation.
Oklahoma	$10 million deposited at the beginning of the fiscal year.
Oregon	$30 million is the General Purpose Emergency Fund appropriation as of July 1, 2007 for the 2007-09 biennium. Excludes employee compensation and other special purpose appropriations or reservations. Any unused amount reverts to the General Fund at the end of the biennium.
Pennsylvania	The Governor has the authority to annually transfer up to $12 million from unexpected General Fund appropriations to disaster authorization line item specific to each disaster when a disaster has been formally declared. Unused authority does not carry forward to the next fiscal year, but specific disaster authorizations may carry forward until fully expended.

Notes to Table 20

Rhode Island	The Contingency Fund is appropriated within the annual Appropriations Act
South Carolina	The Contingency Reserve Fund balance is based on excess year-end surplus, which is not known at this time. The fiscal 2007 amount was $171.5 million.
Utah	Local government repayments of state loans for disasters are deposited in the State Disaster Recovery Restricted Account. Any repayments of outstanding loans go to this fund. There are also potential appropriations from surplus revenues, which is dependent on the undesignated and unrestricted funding available. The agency must request non-lapsing authority from the legislature in order to carry forward year-end balances.
Vermont	Balance as of 6/30/2006. The Emergency Board may authorize expenditures to avert emergencies, and low-interest loans and grants to municipalities and persons whose property is damaged by natural disasters. Funds may be used as state match for federal FEMA grants.
Wisconsin	Appropriation is "Sum sufficient" in nature and not limited in expenditure authority.

Table 21
Use of General Fund Budget Surplus
(funds above and beyond anticipated ending balance)

State	*Transferred to Other Fund*	*Surplus Goes to General Fund*	*Refunded to Taxpayers*	*Earmarked*	*Other*
Alabama*	–	X		–	X
Alaska*	Constitutional Budget Reserve	–	–	–	X
Arizona	–	X	–	–	–
Arkansas	–	–	–	X	X
California	–	X	–	–	–
Colorado*	Highway Users Tax Fund and Capital Construction	–	–	–	X
Connecticut*	Budget Reserve Fund	X	X	–	–
Delaware	–	X	–	–	–
Florida	–	X	–	–	–
Georgia*	Revenue Shortfall Reserve	–	–	–	–
Hawaii*	–	X	X	–	–
Idaho*	Budget Stabilization Fund	–	–	–	–
Illinois	–	–	–	–	–
Indiana	–	X	–	–	
Iowa*	Cash Reserve Fund, Economic Recovery Fund	–	–	X	–
Kansas	–	X	–	–	–
Kentucky*	–	X	–	–	X
Louisiana*	–	–	–	–	–
Maine	Budget Stabilization, Retirement Allowance Fund,	X	–	X	X
Maryland*	–	X	–	–	–
Massachusetts*	Commonwealth Stabilization Fund	–	–	–	X
Michigan	–	X	–	–	–
Minnesota*	Cash Flow Account; Budget Reserve Account	X	–	–	–
Mississippi	Partial EEF,WCSF	X	–	–	–
Missouri*	–	X	X	–	–
Montana*	–	X	X	X	–
Nebraska	Cash Reserve Fund, Economic Recovery Fund	–	–	–	–
Nevada	–	X	–	–	X
New Hampshire	Rainy Day Fund	–	–	–	–
New Jersey*	Surplus Reserve Fund	X	–	–	–
New Mexico*	–	X	X	–	X
New York*	–	X	–	X	–
North Carolina	25 percent to Savings Reserve Account; 25 percent to	X	–	–	–
North Dakota	–	–	–	–	–
Ohio*	–	–	X	–	X
Oklahoma*	–	–	–	–	X
Oregon*	–	X	X	–	–
Pennsylvania*	Budget Stabilization Reserve Fund	X	–	–	–
Rhode Island	Excess revenues transferred to Retirement Fund	X	–	–	–
South Carolina	Contingency Reserve Fund	X	–	X	X
South Dakota	Budget Reserve Fund, Property Tax Reduction Fund	X	–	–	–
Tennessee	–	X	–	–	–
Texas*	Economic Stabilization Fund, Property Tax Relief Fund	–	–	X	–
Utah	N/A	X	–	X	–
Vermont*	Various	X	X	X	X
Virginia	–	X	–	–	–
Washington	–	X	–	–	–
West Virginia*	Revenue Shortfall Reserve Fund	X	–	–	X
Wisconsin	–	X	–	–	–
Wyoming	Budget Reserve Account	–	–	–	–
TOTAL		34	8	9	14

* See Notes to Table 18

Notes to Table 21

Alabama	For the state General Fund, any surpluses become part of the beginning balance for the next fiscal year. For the Education Trust Fund, 20 percent of any unanticipated ending balance is deposited into the Education Trust Fund Proration Prevention Account up to a maximum of $75 million.
Alaska	Budget surplus is swept into the Constitutional Budget Reserve (CBR). In recent years, surplus has also been used to capitalize other funds first, including the Public Education Fund, from which spending does not require additional appropriations, and the Alaska Capital Income Fund.
Colorado	Remaining funds after obligations, appropriations, transfers, and the reserve is filled are transferred 1/3 to capital construction and 2/3 to Highway Users Tax Fund pursuant to H.B. 02-1310. In Colorado, Article 10, Section 20 of the Colorado Constitution ("Taxpayers Bill of Rights" or "TABOR") provides that revenues which are received that exceed the TABOR revenue limit are to be refunded to taxpayers. Referendum C provided a five year "time out" from these refunds from fiscal 2005-06 to fiscal 2009-10. If the State were to receive more revenue than its TABOR revenue limit allows after fiscal 2009-10, then that amount would be refunded to Colorado taxpayers.
Connecticut	Surplus in excess of that which fully funds the Budget Reserve Fund is to be used for retiring state debt (required by statute). Surplus funds were rebated to taxpayers in 1998.
Georgia	Up to 1 percent of net revenue collections of the preceding fiscal year may be appropriated for funding increases in K-12 education needs in the supplemental budget for the fiscal year.
Hawaii	Whenever the state general fund balance at the close of each of two successive fiscal years exceeds five percent of the general fund revenues for each of the two fiscal years, the legislature in the next regular session shall provide for a tax refund or tax credit to the residents of the state, as provided by law.
Idaho	Money is transferred to the Budget Stabilization Fund per a formula. The amount of money in the Budget Stabilization Fund shall not exceed 5 percent of the total General Fund receipts for the fiscal year.
Iowa	If the General Fund has a surplus, the surplus first goes to the Cash Reserve Fund. When that fund is at its statutory limit, the remaining amount then goes back to the subsequent year General Fund as a beginning balance.
Kentucky	Each biennial Appropriations Act provides eligible uses.

Louisiana	Prior year funds remaining are considered ‘surplus’; current year funds remaining are considered ‘excess’. **Budget surpluses are to be distributed in the following manner: (1) At a minimum, 25 percent of nonrecurring revenues is reserved for the Budget Stabilization Fund. The Governor may also recommend reserving nonrecurring revenue in excess of 25 percent for appropriation to the Budget Stabilization Fund not to exceed the base amount (as of July 1, 2007, the amount is $850 million); (2) Retiring or defeasance of bonds in advance and in addition to the existing amortization requirements of the state; (3) Providing for payments against the unfunded accrued liability of the public retirement systems which are in addition to any payments required for the annual amortization of the unfunded liability to the public retirement systems, required by Article X, Section 29(E) (2)(C) of the Constitution of Louisiana; however, any such payment to the public retirement systems shall not be used, directly or indirectly, to fund cost-of-living increases for such systems; (4) Providing funding for capital outlay projects in the comprehensive state budget; (5) Providing for appropriation for deposit into the Wetlands Conservation and Restoration Fund established in Article VII, Section 10.2 of the Constitution of Louisiana; (6) New Highway construction.
Maryland	Unappropriated General Fund balance in excess of $10 million must be appropriated to the Rainy Day Fund in the following year’s budget.
Massachusetts	One-half of 1% of total tax revenue remains in the General Fund to be used as revenue for the next fiscal year. All remaining surplus funds are deposited into the Commonwealth Stabilization Fund. However, in recent years, a portion of that surplus has been diverted to support certain long-term investments in areas such as alternative energy, affordable housing, and life sciences.
Minnesota	If, on the basis of a forecast of General Fund revenues and expenditures, the Commissioner of Finance determines that there will be a positive unrestricted budgetary General Fund balance at the close of the biennium, the Commissioner of Finance must allocate money to the following accounts and purposes in priority order: (1) the Cash Flow Account established in subdivision 1 until that account reached $350 million; (2) the Budget Reserve Account established in subdivision 1a until that account reaches $653 million.
Missouri	The surplus goes to the General Fund unless revenues exceed the constitutional limit, in which case that portion is refunded to taxpayers.
Montana	Surplus refunds to taxpayers and earmarks were one-time allocations for the 2009 biennium and are not automatic allocations.
New Jersey	Fifty percent of the surplus goes to the General Fund and 50 percent remains in the Surplus Revenue Fund.
New Mexico	See notes to Table 19.
New York	Part or all of the General Fund surplus may be transferred to the state’s Rainy Day Reserve, or other reserves set aside for designated purposes.
Ohio	Under Ohio law, surplus revenues are deposited into the Budget Stabilization Fund to provide a cushion for the General Revenue Fund in the event of either decreased revenues or increased spending. The target balance of the Budget Stabilization Fund is five percent of the previous year’s total revenue to the General Revenue Fund. Once the five percent balance is achieved, additional surplus revenue is deposited in the Income Tax Reduction Fund.

Oklahoma	A portion of excess revenues are transferred into the Constitutional Reserve Fund.
Oregon	Per Oregon's "kicker" law, if General Fund revenues come in greater than 2 percent above original biennial forecast, the entire surplus is refunded to taxpayers. The legislature has the ability to override. If revenues increase less than 2 percent, the surplus goes to the General Fund.
Pennsylvania	25 percent of budget surplus is transferred to the Budget Stabilization Reserve Fund; the remainder of the surplus goes to the General Fund.
Texas	Funds in the Property Tax Relief Fund are distributed to local school districts to make up for reduced revenue collections from local property taxpayers due to the reduction of the property tax rate from $1.50 to $1.00.
Vermont	The legislature directs surpluses to other funds, various programs, and the General Fund Surplus Reserve.
West Virginia	50 percent goes to the Revenue Shortfall Reserve Fund, the remainder is available for Legislative appropriation.

Table 22
Intergovernmental Mandates

State	*Estimate State Cost of Federal Mandates*	*Estimate Local Cost of State Mandates*	*Attach Fiscal Notes for Local Governments*	*Reimburse Local Governments for Mandate Costs*	*Type of Mandate Reimbursement Requirement*
Alabama	X	–	–	–	–
Alaska	–	–	–	–	–
Arizona	–	–	–	–	–
Arkansas	–	–	–	–	–
California	X	X	X	X	S,C
Colorado*	X	–	X	–	–
Connecticut	X	X	X	–	–
Delaware	X	–	–	–	–
Florida*	X	X	X	X	C
Georgia	–	X	X	–	–
Hawaii*	X	X	–	X	C
Idaho	–	–	–	–	–
Illinois	X	X	–	X	S
Indiana	X	X	–	–	–
Iowa	X	X	X	–	–
Kansas	X	–	X	X	S
Kentucky	X	X	X	–	–
Louisiana	X	–	–	X	S,C
Maine	–	X	X	X	S
Maryland*	X	X	–	–	–
Massachusetts	–	X	–	X	S
Michigan*	X	X	X	X	C
Minnesota	X	X	X	–	–
Mississippi	X	X	–	–	–
Missouri	X	X	X	X	C
Montana	X	X	X	X	S
Nebraska*	X	X	X	X	–
Nevada	X	–	X	–	–
New Hampshire	–	X	–	X	S
New Jersey*	–	X	X	X	C
New Mexico*	X	–	–	–	–
New York*	X	X	X	–	–
North Carolina	X	X	X	X	S
North Dakota	X	X	X	–	–
Ohio*	X	–	X	X	–
Oklahoma*	X	X	–	X	–
Oregon*	X	–	X	X	C
Pennsylvania	X	X	X	–	–
Rhode Island*	–	X	X	–	–
South Carolina	–	X	–	–	–
South Dakota	X	X	–	–	–
Tennessee	X	X	X	X	S,C
Texas*	–	X	X	–	–
Utah	X	X	X	X	–
Vermont*	X	X	–	–	–
Virginia	X	X	X	X	S
Washington	X	X	X	X	S
West Virginia*	X	X	–	–	–
Wisconsin	–	X	X	–	–
Wyoming	–	X	X	–	–
TOTAL	36	37	30	22	

* See Notes to Table 22

Codes: S = Statutory
C = Constitutional

Notes to Table 22

Colorado	If there were a new federal mandate to be added, the Governor's budget office would evaluate and quantify the impact. These functions (estimating local costs of state mandates and attaching fiscal notes for local governments) are performed for new legislation (only) by the Colorado Legislative Council via the LCS Fiscal Note on each bill.
Florida	The Governor's Office of Planning and Budgeting performs this function for only the proposed changes in the governor's recommended budget and the governor's proposed legislation.
Hawaii	Estimates prepared for selected programs.
Maryland	Agency estimates of the cost of federal mandates are considered and validated during the budget process. Local costs of state mandates are estimated on an incremental or legislative change basis only. Local governments are not reimbursed unless specifically required by statute.
Michigan	Fiscal notes for local government are prepared by legislative fiscal agencies as bills progress through the legislative process. The Budget Office reviews all intergovernmental mandates as part of the Executive Budget process.
Nebraska	Reimburse local governments for specific programs as dictated by the legislature.
New Jersey	In the November 1995 general election, the voters approved a constitutional amendment stipulating that, in certain cases, new statutes and new administrative rules and regulations promulgated by State agencies could not impose unfunded mandates on counties, municipalities, or school districts. The amendment directed the legislature to create a Council on Local Mandates to resolve disputes regarding whether a law, rule, or regulation is an unfunded mandate. The State Council on Local Mandates is a bi-partisan appointed body serving two- to five-year terms.
New Mexico	Do not reimburse local governments for mandate costs, but do allow localities to increase taxes to cover costs.
New York	Fiscal Notes are attached for local governments, except for budget bills.
Ohio	The Legislative Office is required to prepare fiscal notes on the impact of pending legislation on local governments. Limited reimbursement is provided for some mandates.
Oklahoma	Reimburse local governments for mandate costs when required by statute.
Oregon	With some exceptions, if costs for performing a service or activity mandated after 1997 is not allocated to local governments, local government compliance is not required.
Rhode Island	Fiscal notes for local government impacts are prepared by the Department of Revenue.
Texas	Estimates and fiscal notes prepared by the Legislative Budget Board.
Vermont	Estimates are prepared for some programs only as needed.
West Virginia	Cost estimates are done at the agency level.

Table 23
Financial Management Technology

State	Agency Requests Submitted On-Line	Integrated Financial Management Sys.	Date of Most Recent Comprehensive Update to Financial Mgmt. System	Integrated Financial Management System Includes: Accounting	Payroll	Personnel	Budget	Forecasting	Legislative	Fiscal Notes	Other
Alabama	S	X	1999	X	X	–	X	–	–	–	X
Alaska	A	–	–	X	X	–	–	–	–	–	–
Arizona	A	X	1992	X	X	–	–	–	–	–	–
Arkansas	S	X	2002	X	X	X	X	–	–	–	–
California	N	X	Mar–97	X	–	–	–	–	–	–	–
Colorado*	N	X	–	X	X	–	–	–	–	–	–
Connecticut*	A	X	2003	X	X	X	–	X	–	–	–
Delaware	A	–	–	–	–	–	–	–	–	–	–
Florida	A	–	–	–	–	–	–	–	–	–	–
Georgia*	X	X	Jul–06	X	X	X	X	–	X	–	X
Hawaii	S	–	–	–	–	–	–	–	–	–	–
Idaho*	S	X	2007*	X	X	X	X	–	X	X	–
Illinois*	N	X	ongoing	X	X	X	X	–	–	–	X
Indiana*	A	X	2009	X	X	X	X	–	–	–	X
Iowa	A	X	Jun–04	X	X	X	X	–	X	–	–
Kansas*	A	X	June 2007	X	X	X	X	–	–	–	–
Kentucky	A	X	2006	X	X	X	X	–	X	X	X
Louisiana*	N	X	Jul–96	X	X	X	X	–	–	–	–
Maine*	A	X	2006	X	X	–	X	X	X	X	X
Maryland*	S	X	–	X	–	–	–	–	–	–	X
Massachusetts	A	X	2004	X	X	X	X	X	X	–	–
Michigan	N	X	1994	X	X	X	–	–	–	–	X
Minnesota	A	X	1998	X	X	X	X	–	–	X	X
Mississippi	N	X	N/A	X	X	X	X	–	X	–	–
Missouri	N	X	1999–2000	X	X	X	X	–	–	–	–
Montana	A	X	–	X	X	X	X	–	X	–	X
Nebraska	A	X	–	X	X	X	X	–	–	–	X
Nevada	A	X	1999	X	X	X	X	–	–	–	–
New Hampshire	A	X	1985	X	X	X	X	–	X	–	–
New Jersey	S	–	–	–	–	–	–	–	–	–	–
New Mexico*	N	X	7/1/2006	X	X	X	–	–	–	–	–
New York*	N	X	2000	X	X	X	X	X	X	–	–
North Carolina*	A	X	mid 1990s	X	X	X	X	–	–	–	–
North Dakota*	A	X	–	X	X	X	X	–	X	–	–
Ohio*	A	X	2007	X	X	X	X	X	–	–	X
Oklahoma*	A	X	November 2003	X	X	X	X	–	–	–	–
Oregon*	S	X	2002	X	–	–	X	–	–	–	–
Pennsylvania*	A	X	2002–2003	X	X	X	X	–	–	–	X
Rhode Island*	S	X	2007	X	–	–	–	–	–	–	–
South Carolina*	A	X	–	X	X	X	X	–	X	–	–
South Dakota*	A	X	2001	X	X	X	X	–	–	–	X
Tennessee	N	X	currently underway	X	X	X	–	–	–	–	–
Texas	A	X	1979	X	X	X	–	–	–	–	–
Utah	S	X	FY 2007	X	X	X	X	–	–	–	–
Vermont	A	X	Apr–07	X	X	X	X	–	–	–	–
Virginia*	A	–	1979	–	–	–	X	–	–	–	–
Washington	A	X	2007	X	X	X	X	–	–	–	–
West Virginia*	N	X	–	X	–	–	X	–	–	–	X
Wisconsin*	S	X	1993	X	X	–	–	–	–	–	–
Wyoming	A	X	July 2007	X	X	X	X	–	–	–	X
TOTAL		44		45	40	34	34	5	12	4	16

* See Notes to Table 23

Codes: A = All
S = Selected
N = None

Table 23
Financial Management Technology, continued

State	Access to Integrated Financial Management System:							Approves Agency Requests for IT Spending		
	Governor's Office	*Budget Agency*	*Legislature*	*Treasurer*	*Auditor*	*Agencies*	*Other*	*Budget Agency*	*Central IT*	*Other*
Alabama	X	X	–	X	X	X	–	–	X	–
Alaska	–	X	–	–	–	X	–	X	–	X
Arizona	X	X	X	X	–	X	X	X	X	–
Arkansas	X	X	X	X	X	X	–	–	–	X
California	–	–	–	–	–	X	–	X	X	–
Colorado*	X	X	X	X	X	X		X	–	X
Connecticut*	X	X	X	X	X	X	–	X	X	–
Delaware	–	–	–	–	–	–	–	X	X	–
Florida	–	–	–	–	–	–	–	X	X	–
Georgia*	X	X	X	–	X	X	–	X	X	–
Hawaii	–	–	–	–	–	–	–	X	X	X
Idaho*	X	X	X	X	X	X	–	X	X	–
Illinois*	X	X	–	–	–	X	–	–	X	–
Indiana*	X	X	X	X	X	X	X	X	X	X
Iowa	X	X	–	X	X	X	–	X	X	–
Kansas*	–	X	X	–	–	X	–	–	X	X
Kentucky	X	X	X	X	X	X	–	X	X	X
Louisiana*	X	X	X	X	X	X	–	X	X	X
Maine*	X	X	X	X	X	X	X	X	X	–
Maryland*	X	X	X	X	X	X	–	X	X	–
Massachusetts	X	X	X	X	X	X	X	–	X	–
Michigan	X	X	X	X	X	X	–	X	X	–
Minnesota	X	X	X	X	X	X	–	X	X	–
Mississippi	–	X	X	X	X	–	–	–	X	–
Missouri	X	X	X	X	X	X	X	X	X	–
Montana	X	X	X	X	X	X	–	X	X	X
Nebraska	X	X	X	X	X	X	–	X	X	–
Nevada	X	X	X	X	X	X	–	X	X	X
New Hampshire	X	X	X	X	X	X	–	–	X	–
New Jersey	–	–	–	–	–	–	–	X	X	–
New Mexico*	X	X	X	X	X	X	–	X	X	–
New York*	–	X	–	–	–	X	–	X	X	–
North Carolina*	X	X	X	X	X	X	X	X	X	–
North Dakota*	X	X	X	X	X	X	X	X	X	–
Ohio*	X	X	–	–	–	X	–	X	X	–
Oklahoma*	X	X	X	X	X	X	–	–	X	–
Oregon*	–	X	X	–	–	X	–	X	X	–
Pennsylvania*	X	X	X	–	X	X	–	X	X	–
Rhode Island*	X	X	X	X	X	X	–	–	X	–
South Carolina*	X	X	X	X	X	X	–	X	X	–
South Dakota*	X	X	–	X	X	X	–	X	X	X
Tennessee	–	X	X	X	X	X	–	X	X	–
Texas	X	X	X	–	X	X	–	X	–	–
Utah	X	X	X	X	X	X	–	X	–	X
Vermont	X	X	X	X	X	X	–	X	X	–
Virginia*	–	X	–	–	–	–	–	X	X	–
Washington	X	X	X	X	X	X	–	X	X	X
West Virginia*	X	X	X	X	X	X	X	–	X	–
Wisconsin*	–	X	X	X	X	X	–	X	X	X
Wyoming	X	X	X	X	X	–	–	X	X	–
TOTAL	37	45	37	35	37	43	8	40	45	14

* See Notes to Table 23

Notes to Table 23

Colorado	COFRS receives information from the payroll but does not do the payroll.
Connecticut	In 2003 People Soft ERP was implemented.
Georgia	Procurement asset management
Idaho	We are currently working on a complete update to our Budget Development System. Estimated completion date is mid-August 2008.
Illinois	Illinois has implemented a shared services program aimed at integrating fiscal and human resources systems that are currently duplicated at the agency level.
Indiana	The go-live date for the ENCOMPASS Program (comprehensive financial management program) will occur in 2009. Indiana Department of Administration approves agency requests for IT spending.
Kansas	In addition to the Chief Information Technology Officer, IT projects are approved by the Information Technology Executive Council of the Executive Branch and the Joint Committee on Information Technology of the Kansas Legislature.
Louisiana	Louisiana is in the process of issuing a request for proposals (RFP) for a complete replacement/upgrade of its financial management systems, except human resources.
Maine	The state of Maine currently has a separate budget, accounting, payroll/personnel and time/attendance systems. There are interfaces between the systems, as well as to the system used by the Legislature. The Budget and Financial Management System was last updated in November 2006 to facilitate the production of the Governor's Budget Bill and Budget Document in the format approved by the Commission to Reform the State Budget Process.
Maryland	System was implemented May 1, 1997. There have been no comprehensive updates to the system since implementation. The central information technology function is a sub-unit of the Department of Budget and Management.
New Mexico	The Department of Finance and Administration is the only entity that has full access to financial management data for all agencies. The governor's office, treasurer, state auditor, and state agencies have specific access for agency operational functions. The legislature has report review capabilities only.
New York	New York is currently engaged in the development of a single statewide financial management system.
North Carolina	Human Resources and Payroll went live on January 1, 2008. Integration planning for Budget and Accounting began on July 1, 2007.

North Dakota	Budget module-November 2004; Financials module-May 2008; Payroll module-October 2006.
Ohio	Agencies prepare IT plans and submit them to the Department of Administration Services (DAS) for review. The Office of Budget and Management makes funding recommendations for IT projects based on agencies' budget requests and consults with DAS as necessary.
Oklahoma	All agencies are required to submit a budget to the Finance Office on-line. A few agencies submit paper budgets that are entered by the Finance Office. A few entities, such as the legislature and most trusts or authorities are not required to submit a budget.
Oregon	A new budget system was added in 2002, beginning with the 2003-05 budget cycle. The original accounting system was implemented in 1995. Planning has started for a new payroll/personnel system.
Pennsylvania	The financial system includes a procurement function. The Office of the Budget budgets and approves funding for all IT purchases. The Office for Information Technology in the Office of Administration reviews all IT requests and makes recommendations for all major IT acquisitions.
Rhode Island	Most agency budgets are submitted online. Smaller agencies can still submit their budgets on paper. Rhode Island is in the process of installing a new financial management system, with the General Ledger portion updated as of 2007. Other components (payroll, budgeting) are forthcoming.
South Carolina	South Carolina is in the process of implementing a statewide enterprise system. First wave of agencies went live on November 4, 2007.
South Dakota	Senior IT Committee also approves agency requests for IT spending.
Virginia	The Commonwealth is currently in the process of procuring a performance budgeting system.
West Virginia	Have a custom-developed system. A review of the system is currently underway.
Wisconsin	Update in progress

Table 24
Budget Office Websites

State	*Budget Office Web Address*
Alabama	http://www.budget.alabama.gov
Alaska	http://www.gov.state.ak.us/omb/akomb.htm
Arizona	http://www.ospb.state.az.us
Arkansas	http://www.arkansas.gov/dfa/budget_index.html
California	http://www.dof.ca.gov/
Colorado	http://www.state.co.us/ospb
Connecticut	http://www.ct.gov.opm/site/default.asp
Delaware	http://www.omb.delaware.gov
Florida	http://www.flgov.com/opb_office
Georgia	http://www.opb.state.ga.us
Hawaii	http://www.state.hi.us/budget/index.htm
Idaho	http://dfm.idaho.gov
Illinois	http://www.state.il.us/budget
Indiana	http://www.in.gov/sba/
Iowa	http://www.dom.state.as.us
Kansas	http://budget.ks.gov
Kentucky	http://www.osbd.ky.gov
Louisiana	http://www.doa.louisiana.gov/OPB/index.htm
Maine	http://www.state.me.us/budget/homepage.htm
Maryland	http://www.dbm.state.md.us
Massachusetts	http://www.mass.gov/eoaf
Michigan	http://www.michigan.gov/budget
Minnesota	http://www.finance.state.mn.us/
Mississippi	http://www.dfa.state.ms.us/bdgtfundx.html
Missouri	http://www.oa.mo.gov/bp/index.htm
Montana	http://www.mt.gov/budget/
Nebraska	http://www.budget.ne.gov
Nevada	http://www.budget.state.nv.us/
New Hampshire	http://www.state.nh.us/das/budget/index.html
New Jersey	http://www.state.nj.us/treasury/omb/
New Mexico	http://nmdfa.state.nm.us
New York	http://www.budget.state.ny.us
North Carolina	http://www.osbm.state.nc.us/
North Dakota	http://www.state.nd.gov/fiscal
Ohio	http://www.ohio.gov/obm/
Oklahoma	http://ok.gov/OSF
Oregon	http://www.oregon.gov/DAS/BAM
Pennsylvania	http://www.budget.state.pa.us/budget/
Rhode Island	http://www.budget.ri.gov
South Carolina	http://www.budget.sc.gov
Tennessee	http://www.state.tn.us/finance/bud/budget.html
Texas	http://www.governor.state.tx.us
Utah	http://www.governor.utah.gov/gopb
Vermont	http://www.state.vt.us/fin
Virginia	http://dpb.virginia.gov
Washington	http://www.ofm.wa.gov/budget/default.asp
West Virginia	http://www.wvbudget.gov
Wisconsin	http://www.doa.state.wi.us/index.asp?locid+3
Wyoming	http://www.state.wy.us/ai/budget.html

The Budget Document

Introduction

States produce a variety of documents to plan, evaluate, and monitor the state budget. These documents include budget guidelines, agency requests, various budget bills, and accounting and personnel records. However, the most visible public document is the final budget document for the operating (and capital) budget. This chapter provides information on state methods to display the complex and voluminous fiscal data contained within the final budget document.

The Capital Budget

Typically, each state budgets separately for current operating costs and for capital expenditures. While this budget processes report focuses primarily on operating budgets, Table 25 provides basic information on state capital budgets. The capital budget provides for the state's major long-term capital investments, and funding for capital projects. The capital budget can simply cover the period of the current budget, or may provide fiscal information for a number of years beyond the current budget.

Typically, state agencies provide estimates of capital expenditures to the budget offices for consolidation into a budget document. In 36 states, another agency provides additional analysis in preparing the capital budget**.** The capital budget may be included within the executive document or may be published separately.

Presentation of Budget Materials

Budget documents contain complex fiscal data and narratives. Designing an effective method to present the information is challenging. How the budget document is communicated and presented has an impact on how successfully the information is received through the legislative approval process and how the public understands the information. Table 26 compares how states summarize information within agency requests, the executive budget, the appropriations bill and accounting records. Table 27 shows what information, such as revenue estimates, narratives, and caseload data, states include within the budget document.

Table 25
The Capital Budget

State	Number of Years of Capital Plan	Estimates Originated By Agencies	Forecast Operating Expenditures for Capital Projects	Name of Capital Budget Document	Capital Budget Analysis: Executive Budget Agency	Capital Budget Analysis: Name of Other Agency Involved in Analysis
Alabama	4	X	–	Capital Asset Plan	X	Executive Planning Office
Alaska*	1	X	X	Capital Appropriations Bill	X	–
Arizona	1	X	X	Executive Budget/Capital Improvement Plan	X	Department of Administration
Arkansas	–	X	X	Request for Capital Improvement Projects	X	State Building Authority
California*	5	X	X	Capital Outlay Budget Change Proposals	X	Department of General Services
Colorado	3	X	X	Executive Capital Request (fiscal 2008–09)	X	Governor's Office of State Planning and Budgeting (Exec.)/State Architect (Exec)/Capital Development Committee (Leg.) and Joint Budget Committee (Leg.)
Connecticut	5	X	X	Governor's Recommended Budget	X	Dept. of Public Works
Delaware	–	X	X	Bond and Capital Improvement Act	X	–
Florida	–	X	X	Capital Improvement Program	X	Dept. of Management Services
Georgia	4	X	X	Budget Report	X	–
Hawaii	6	X	X	Executive Budget	X	–
Idaho	1	X	X	Executive Budget	X	Division of Public Works
Illinois*	–	X	X	Capital Budget	X	Capital Dvlpmt. Brd.; Dept. of Transportation
Indiana	2	X	X	Governor's Budget	X	IDOA–Department of Public Works
Iowa*	5	X	X	Capital Project Budget	X	–
Kansas	–	X	X	Governor's Budget Report	X	Facilities Management
Kentucky	6	X	X	Executive Budget	X	Capital Planning Advisory Board
Louisiana	5	X	X	Executive Budget	X	Office of Facility Planning
Maine*	–	X	X	Governor's Budget Overview	–	Bureau of General Facilities
Maryland*	6	X	X	Capital Budget	X	–
Massachusetts	5	X	X	Capital Spending Plan	X	–
Michigan*	5	–	X	Executive Budget	X	–
Minnesota	6	X	X	Strategic Capital Budget Plan	X	Department of Administration
Mississippi	1	X	–	Capital Improvement Report	X	Bur. of Bldg., Grounds & Real Prop. Mgmt.
Missouri	6	X	X	Executive Budget	X	Facilities Management, Design and Construction
Montana	6	X	X	Long–Range Building Program	X	Department of Administration
Nebraska	6	X	X	Executive Budget	X	Bldg. Div. of Dept. of Admin. Services
Nevada	9	–	X	Executive Budget/Capital Improvement	X	Public Works Board
New Hampshire	–	X	X	Capital Budget	X	Public Works
New Jersey	7	X	X	Capital Improvement Plan	X	Comm. on Capital Budgeting and Planning
New Mexico*	5	X	X	Capital Budget	X	State Budget Division/Local Gov't Division
New York	5	X	X	Capital Program and Financing Plan	X	–
North Carolina	6	X	X	Capital Budget	X	State Construction Office
North Dakota	6	X	X	Executive Budget Recommendations	X	State Facility Planner
Ohio	–	X	X	Capital Improvement Report	X	–
Oklahoma	5	X	X	Capital Budget	X	Long-Range Capital Planning Comm.
Oregon	6	X	X	Governor's Recommended Budget	X	Department of Administrative Services
Pennsylvania	5	X	X	Governor's Executive Budget	X	Department of General Services
Rhode Island	5	X	X	Capital Budget	X	Capital Dvlpmt. Plng. & Oversight Comm.
South Carolina	5	X	X	Comprehensive Permanent Improvement Plan	X	Joint Bond Review Committee
South Dakota*	2	X	X	Governor's Budget	X	–
Tennessee	1	X	X	Executive Budget	X	–
Texas	6	X	X	Six–Year Capital Improvement Plan	X	Leg. Budget Board, Bond Review Board
Utah	5	X	X	Five Year Building Program	X	Div. of Facilities and Construction
Vermont	5	X	X	Capital Budget	X	Buildings and General Services Department
Virginia	6	X	X	6 Year Capital Plan	X	Department of General Services
Washington	10	X	X	Governor's Proposed 2007–2017 Capital Plan	X	–
West Virginia	6	X	X	Executive Budget Document	X	–
Wisconsin	6	X	X	Authorized State Building Program	X	Division of State Facilities
Wyoming	2	X	X	Capital Budget	X	Construction Management Division
TOTAL		48	48		49	

* See Notes to Table 25

Notes to Table 25

Alaska	The capital 'plan' for any given year is the capital appropriation bill(s). However, individual projects may represent a phase of a specific department's five-year plan (or some other length of time), such as Department of Transportation road construction, statewide deferred maintenance, Department of Education public school construction, etc.
California	A five-year capital plan is prepared by state agencies and submitted to the Department of Finance; however, this information is not incorporated into the capital budget, which is a one-year budget. Each fiscal year the Governor submits a 5-year capital outlay spending plan to the legislature.
Illinois	Other agencies involved in the analysis are Economic Development, Education, Environment, Public Safety, and Health and Human Services.
Iowa	Forecasting operating expenditures for capital projects included in the budget report.
Maine	Number of years of the Capital Plan is indefinite.
Maryland	Six year plan includes the current year, the budget year, and four planning years. Cost estimates are revised by the Department of General Services prior to final budget recommendations.
Michigan	Estimates are originated by higher education institutions and state agencies for the purposes of capital outlay to the extent they have information available. Professional estimates of physical plant needs are preferred. Others involved in capital outlay analysis include the Budget Office, State Building Authority, Office of Design and Construction (within the Department of Management and Budget), and the legislature.
New Mexico	Due to the number of capital projects relating to local government units, the Capital Budget Bureau is housed within the Local Government Division of the Department of Finance and is separate from the State Budget Division. Capital projects include forecasting of operating expenditures through the submission of an infrastructure capital improvement plan submitted with each capital request.
South Dakota	Refers to the two year deferred maintenance budget used for maintenance and repair of state facilities.

Table 26
Budget Formats**

State	Budget Format Contained in: Agency Requests	Governor's Budget	Appropriation Bill	Accounting Records
Alabama	LS,OU,P,OC	LS,OU,P,OC	LS,OU,P,OC	LS,OU,P,OC
Alaska	LS,OU,P,OC	LS,OU,P,OC	LS,OU	LS,OU,P,OC
Arizona	LS,OU,P,OC	LS,OU,P,OC	LS,OU,P,OC	LS,OU,P,OC
Arkansas	OU,P,OC	OU,P,OC	OU,P,OC	LS,OU,P,OC
California	LS,OU,P,OC	LS,OU,P,OC	LS,OU,P,OC	LS,OU,P,OC
Colorado	LS,OU,P,OC	LS,OU,P,OC	LS,OU,P,OC	LS,OU,P,OC
Connecticut	OU,P,OC	OU,P,OC	OU,OC	OU,OC,P
Delaware	OU,P,OC	OU,P,OC	OU,OC	OU,P,OC
Florida	LS,OU,P,OC	LS,OU,P,OC	LS,OU,P,OC	LS,OU,P,OC
Georgia	OU,P,OC	OU,P,OC	OU,P	OU,P,OC
Hawaii	LS,OU,P,OC	LS,OU,P	LS,OU,P	OU,OC
Idaho	LS,P,OC	LS,P,OC	LS,P,OC	OU,P,OC
Illinois	LS,OU,P,OC	LS,OU,P,OC	LS,OU,P,OC	LS,OU,P,OC
Indiana	OU,OC	OU,OC	OU,OC	OU,OC
Iowa	LS,OU,P,OC	LS,OU,P,OC	LS,OU,P	LS,OU,P,OC
Kansas	LS,OU,P,OC	LS,OU,P,OC	LS,OU,P	LS,OU,P,OC
Kentucky	LS,OU,P,OC	LS,OU,P,OC	LS,OU	LS,OU,P,OC
Louisiana	P,OC	LS,P,OC	LS,P,OC	LS,P,OC
Maine	P,OC	P,OC	P,OC	P,OC
Maryland	OU,P,OC	OU,P,OC	P	OU,P,OC
Massachusetts	OU,P,OC	OU,P,OC	OU,P,OC	OU,P,OC
Michigan	LS,OU,P,OC	LS,OU,P,OC	LS,OU,P,OC	LS,OU,P,OC
Minnesota	OU,P	OU,P	LS,OU,P	LS,OU,P,OC
Mississippi	OU,P,OC	OU,P,OC	LS,OU,P,OC	OU,P,OC
Missouri	LS,OU,P,OC	LS,OU,P,OC	LS,OU,P,OC	LS,OU,P,OC
Montana	OU,P,OC	OU,P,OC	OU,P,OC	OU,P,OC
Nebraska	OU,P,OC	OU,P	OU,P	OU,P,OC
Nevada	P,OC	P,OC	LS,P	LS,P,OC
New Hampshire	OU,P,OC	OU,P,OC	OU,P,OC	OU,P,OC
New Jersey*	LS,OU,P,OC	LS,OU,P,OC	LS,OU,P,OC	LS,OU,P,OC
New Mexico	OU,P,OC	OU,P,OC	OU,OC, P	OU,OC, P
New York	LS,OU,P,OC	LS,OU,P,OC	LS,OU,P,OC	LS,OU,P,OC
North Carolina	OU,P,OC	OU,P,OC	LS	OU,P,OC
North Dakota	LS,OU,P,OC	LS,OU,P,OC	LS,OU,P,OC	LS,OU,P,OC
Ohio	LS,OU,P,OC	LS,OU,P,OC	LS,OU,P,OC	LS,OU,P,OC
Oklahoma	LS,OU,P,OC	LS,OU,P,OC	LS,OU,P	LS,OU,P,OC
Oregon	LS,OU,P,OC	LS,OU,P,OC	LS,OU,P	LS,OU,P,OC
Pennsylvania	LS,OU,P,OC	LS,OU,P	LS,OU,P	LS,OU,P,OC
Rhode Island*	LS,OU,P,OC	LS,OU,P,OC	LS,OU,P	LS,OU,P
South Carolina	P	P	OC	OC
South Dakota	OU,P,OC	OU,P	OU,P	OU,P,OC
Tennessee	LS,OU,P,OC	LS,OU,P	LS,OU,P	LS,OU,P,OC
Texas*	P,OC	OU,P	OU,P	LS,OU,P,OC
Utah	LS,OU,P,OC	LS,OU,P	LS,OU,P	LS,OU,P,OC
Vermont	OU,OC	OU,OC	OU,OC	OU,OC
Virginia	OU,P,OC	OU,P	OU,P	OU,P,OC
Washington	OU,P	OU,LS,P	LS,OU	OU,OC
West Virginia	LS,OU,P,OC	LS,OU,P,OC	LS,OU,P,OC	LS,OU,P,OC
Wisconsin	LS,OU,P	LS,OU,P	LS,OU,P	LS,OU,P,OC
Wyoming	OU,P,OC	OU,P,OC	OU, P, OC	OU,P,OC

* See Notes to Table 26

Codes: LS = Lump Sum; P = Program/Service Level
OU = Organizational Unit/Department; OC = Object Classification or Line Item

** See Glossary for definitions of format types

Notes to Table 26

New Jersey	Agency requests, the Governor's Budget, and the Appropriations Act use major budget object code details; accounting records are at a minor budget object code detail.
Rhode Island	The Governor's budget document is presented by program (line items) by category of expenditure within each department and is consistent with the line items in the appropriations bill. Object code data are not reflected in the document of the appropriations act.
Texas	The state has a goals-based budget approach.

Table 27
Budget Document Content

	Narrative			Numerical Supporting Data					Special Analyses	
State	*Economic Analysis*	*Revenue Estimates*	*Program Descript.*	*Justification*	*Case-Load*	*No. of Employees*	*Caps on Agency Personnel Positions*	*Performance Measures*	*Demographic Information*	*Capital Budget*
Alabama	–	X	X	–	–	X	–	–	–	–
Alaska	–	–	–	–	–	–	–	–	–	–
Arizona	X	X	X	X	X	X	X	X	X	X
Arkansas	–	X	X	X	–	X	X	–	X	X
California	X	X	X	X	X	X	–	–	X	X
Colorado	–	–	X	X	X	X	X	X	X	X
Connecticut	X	X	X	X	X	X	X	X	X	X
Delaware	–	X	X	X	X	X	X	X	X	X
Florida	X	X	X	X	X	X	X	X	–	X
Georgia	X	X	X	X	X	X	–	X	X	X
Hawaii	X	X	X	X	X	X	X	X	X	X
Idaho	X	X	X	X	X	X	X	X	–	X
Illinois	X	X	X	X	X	X	X	X	X	X
Indiana*	X	X	X	X	X	X	–	X	X	X
Iowa	X	X	X	X	–	X	X	X	–	X
Kansas	X	X	X	X	X	X	X	X	X	X
Kentucky	X	X	X	–	–	X	X	–	–	X
Louisiana	X	X	X	X	X	X	X	X	–	–
Maine	X	X	X	X	–	X	–	–	–	X
Maryland	–	–	X	–	–	X	–	X	–	X
Massachusetts	X	X	X	–	–	X	–	–	–	X
Michigan	X	X	X	X	–	X	–	X	–	X
Minnesota*	X	X	X	X	X	X	–	X	X	–
Mississippi	–	X	–	–	–	–	–	X	–	–
Missouri*	X	X	X	X	X	X	X	X	–	X
Montana	X	X	X	X	X	X	–	X	–	X
Nebraska	–	–	–	–	–	–	–	–	–	–
Nevada	–	–	X	–	–	X	X	X	–	X
New Hampshire	–	X	X	X	X	X	X	X	–	–
New Jersey	X	X	X	X	X	X	X	X	X	X
New Mexico	X	X	X	X	X	X	–	X	–	X
New York	X	X	X	X	X	X	X	X	X	X
North Carolina	X	X	X	X	X	X	–	X	–	X
North Dakota	X	X	X	X	X	X	X	X	X	X
Ohio	X	X	X	X	X	X	–	–	X	–
Oklahoma	X	X	X	X	X	X	–	X	X	X
Oregon	X	X	X	X	X	X	X	X	X	X
Pennsylvania	X	X	X	X	X	X	X	X	X	X
Rhode Island	X	X	X	X	X	X	X	X	–	X
South Carolina*	X	X	–	–	–	x	–	X	–	–
South Dakota	X	X	X	–	X	X	–	X	–	–
Tennessee	X	X	X	X	X	X	X	X	X	X
Texas	–	–	–	–	–	–	X	X	–	X
Utah*	–	–	–	–	–	–	–	–	–	–
Vermont*	X	X	X	–	X	X	–	X	X	–
Virginia*	X	X	–	–	–	X	X	X	–	X
Washington	X	X	X	X	X	X	X	X	X	X
West Virginia	X	X	X	X	X	X	–	X	X	X
Wisconsin	X	X	X	X	X	X	–	X	–	–
Wyoming	X	X	X	X	X	X	X	X	X	X
TOTAL	38	43	43	36	34	45	27	40	24	37

* See Notes to Table 27

Notes to Table 27

Indiana	Content is contained within several budget documents, all of which are available on the State Budget Agency website.
Minnesota	Do not use compliment control-personnel positions, reported as full-time equivalents (FTE) in the budget document, however there are no caps. The Capital Budget is published as a separate document from the operating budget.
Missouri	Program descriptions in the Governor's introduced executive budget are not exhaustive or detailed. Agency budget requests with the Governor's recommendations (placed on the Budget Office website in January) include more detailed information. Those documents also include justification, caseload, actual prior year number of employees, and performance measures.
South Carolina	Budget Document is the Governor's Executive Budget, not the Appropriations Act.
Utah	The Utah Governor's Office of Planning and Budget also produces the Economic Report to the Governor, which contains demographic information.
Vermont	Statute requires that "indicators to measure output and outcome" and an "identification of the groups of people served,…and estimates of the changes in those groups expected…" be included in the Executive budget submission.
Virginia	Program description included in the Budget Document narrative is an agency activity summary. Caps on agency personnel positions refer to the total full-time equivalent (FTE) positions.

Monitoring the Budget

Introduction

Following enactment of the budget, state agencies implement programs making expenditures that follow the intent of the budget bill. As implementation occurs, the budget office will assist agencies in managing program expenditures. This final chapter includes information on state policies to control and regulate state expenditures.

Controlling Expenditures

In many states, allotment schedules serve to monitor and control the timing of expenditures. An allotment is part of an appropriation that may be expended or encumbered during a given period. In most states, appropriations are not available for expenditure until an allotment has been made.

As seen in Table 28, 18 states allot agency funds on a quarterly basis. The allotment structure allows governors additional control over appropriations. The executive has the added discretion to commit resources to an agency based on the need of the agency while weighing the needs of the state.

The appropriations within the budget dictate the legislatures' intent for policy and spending in the state. States must fund services within the boundaries set forth in the budget. However, there are times when the appropriations need to be transferred. As seen in Table 29, state rules vary in allowing transfers. In a number of states the transfers are limited to a specific dollar amount or a percentage.

Expenditure Forecast

To monitor current expenditures, as well as to predict future costs, 38 state budget offices conduct multi-year expenditure forecasts. The forecasts cover on average two to four years.

Table 28
Allotment and Expenditure Monitoring

State	*Frequency of Allotment Requests*	*Frequency of Allotments*	*Allotments Applied to: All Agencies and/or All Funds*	*Interim Expenditure Monitoring Reports Issued*	*Frequency of Interim Reports*
Alabama	A	Q	AA,AF	X	M
Alaska	–	–	–	–	–
Arizona*	A	Q	AA,AF	X	M
Arkansas	Q	M	AA	X	M
California*	A	A	AA,AF	X	M,Q,R
Colorado*	A	A	AA,AF	–	–
Connecticut	Q,R	Q,R	AA,AF	X	M
Delaware	–	–	–	X	M
Florida	R	A,Q,R	AA,AF	–	R
Georgia	Q	Q	AA	X	Q
Hawaii*	A,R	Q,R	AA	X	R
Idaho	A	A	AA,AF	X	M
Illinois	A,R	–	–	X	Q,M
Indiana	A	Q	AA,AF	X	R
Iowa	A	A	AA	X	M
Kansas	–	–	–	–	–
Kentucky*	A,R	Q	AA,AF	X	M*
Louisiana	R,M	R,M	AA,AF	X	M
Maine	R	Q	AA,AF	–	–
Maryland	–	A	AA,AF	–	–
Massachusetts*	R	Q	AA,AF	X	M
Michigan*	A,R	Q	AA,AF	X	M,R
Minnesota	A,R	A,R	AA,AF	X	M,R
Mississippi	S	S	AA,AF	X	M
Missouri	A,Q,R	Q	AA,AF	X	M,R
Montana	–	A	AA,AF	–	–
Nebraska	R	R,Q	AA,AF	X	M
Nevada	A	A	AA,AF	–	N/A
New Hampshire	Q	R	AF	X	Q
New Jersey	A,R	A,R	AA,AF	X	Q
New Mexico	A,R	M	AA,AF	X	M
New York*	Q	Q	AA,AF	X	M
North Carolina*	Q	Q	AA	X	M
North Dakota	–	–	–	X	M
Ohio	A	A,Q	AA,AF	X	M,R
Oklahoma	A	A	AA,AF	X	M
Oregon	Q	Q	AA,AF	–	–
Pennsylvania*	A	A	AA,AF	X	M
Rhode Island	A	A	AA,AF	X	Q
South Carolina	A	A	AA,AF	X	M
South Dakota	–	–	–	–	–
Tennessee*	A	A	AA	X	M,R
Texas	–	–	–	X	A,R
Utah	M	M	AA	X	M
Vermont	–	–	–	X	R
Virginia*	R	A,R	AA,AF	X	M
Washington	A,Q,R	M	AA	X	M
West Virginia	A,R	M,Q	AA,AF	X	M
Wisconsin	R	A	AA,AF	X	M
Wyoming	Biennial	–	AA,AF	X	Daily

* See Notes to Table 28

Codes: Q = Quarterly; B = Bimonthly; M = Monthly; A = Annually; R = As Requested; S = Semi-annually; AA = All Agencies; AF = All Funds

Notes to Table 28

Arizona	Revisions are made as needed.
California	Individual departments issue interim reports.
Colorado	An allotment can only be provided from an appropriation. So a fund's allotment can be provided only if that fund were appropriated.
Hawaii	Certain trust funds are exempt from allotment requirements.
Kentucky	Real time availability.
Massachusetts	Allotments are made at the Executive Office for Administration and Finance discretion in units of months.
Michigan	Usually appropriations are allotted quarterly; monthly for any agency which has over-spent its budget authority. The legislative and judicial branches are exempt from allotment requirements.
New York	Allotments are made quarterly, or as needed due to changing conditions.
North Carolina	During budget shortfalls, monthly allotments are implemented.
Pennsylvania	Original allocation of each appropriation among major objects (personnel, operations, fixed assets, grants) is approved by the Office of the Budget. With few exceptions, allocations are made once at the beginning of the fiscal year.
Tennessee	Revisions are made when necessary.
Virginia	With few exceptions, all appropriations are allotted on July 1, the start of the fiscal year.

Table 29
Transfer of Appropriations**

	Official/Agency Authorized to Transfer Appropriations Between:			*Maximum Amount of Transfer Between:*		
State	*Depts. or Programs in Separate Departments*	*Program or Unit within a Department*	*Object Class within a Program or Unit*	*Depts. or Programs in Separate Departments*	*Program or Unit within a Department*	*Object Class within a Program or Unit*
Alabama	G	G	E	–	U	U
Alaska	N/A	N/A	A,E	N/A	N/A	U
Arizona*	L	E	E	N/A	U	U
Arkansas	N/A	E,L	E,L	N/A	U	U
California*	E	E	A	E	U	U
Colorado*	L	–	–	–	$2 million	–
Connecticut*	L	L,A	A	–	–	–
Delaware*	A,E,L	A,E,L	A,E,L	U	U	U
Florida*	L	A,E,G,CB	A	U	U	U
Georgia	N/A	E	A	N/A	L (25%), E (1%)	U
Hawaii*	N/A	A,E,G	A,E	N/A	U	U
Idaho*	L	E	E	U	10%	–
Illinois	N/A	A,G,E	A,G,E	N/A	2% of appropriation	2% of appropriation
Indiana*	CB	E	E	U	U	U
Iowa*	E,G	E,G	A,E	50% of appropriation	50% of appropriation	U
Kansas	N/A	G	A	N/A	U	U
Kentucky	N/A	E	E	N/A	U	U
Louisiana	N/A	E,L	E	N/A	L (25%), E (1%)	U
Maine	L	G	G	N/A	U	U
Maryland*	N/A	E/G	A	N/A	U	U
Massachusetts	N/A	N/A	A,E	N/A	N/A	U
Michigan*	G,L	E,L	E	U	U	U
Minnesota*	N/A	E	A	N/A	U	U
Mississippi*	A	U	A	L	U	10%
Missouri	N/A	N/A	A	N/A	N/A	U
Montana*	E	E	A,E	U	U	U
Nebraska*	N/A	E	A	N/A	N/A	limited
Nevada	N/A	L	G,L	N/A	U	U
New Hampshire*	–	–	–	–	–	–
New Jersey*	E/L	E,L	A	U	U	U
New Mexico*	N/A	E	E	N/A	–	U
New York*	E	E	E	N/A	–	U
North Carolina	N/A	E	A	N/A	A	U
North Dakota	L	A	A	N/A	U	U
Ohio*	L	CB,L,E	A,E	U	U	U
Oklahoma*	G,L	E,G,L	A,E,G,L	U	E, 25%; CB 40%	U
Oregon*	L	A,E,L	E,A	U	U	U
Pennsylvania*	N/A	A	A,E	N/A	U	U
Rhode Island*	L	L	E,A,L	N/A	N/A	U
South Carolina*	E	A,E,L	A	U	20% of Program	U
South Dakota	E/L	E	A,E	U	U	U
Tennessee	L	E,L	A,E	U	U	U
Texas	E,G,L	A	A	U	13%	U
Utah	N/A	G	G	N/A	U	U
Vermont*	CB	E	E	U	$50,000	U
Virginia	E	E	A,E	U	U	U
Washington	L	A,L	A	U	U	U
West Virginia*	L	A,CB,L	A	U	5%	U
Wisconsin	L	L	E	U	U	U
Wyoming	G	G, E, A	A	5%	10%	U
TOTAL						

* See Notes to Table 29

Codes: N/A = Not Allowed; A = Agency; E = Executive Budget Agency; CB = Controlling Board; L = Legislature; U = Unlimited; G = Governor

** Refers to non-emergency transfers

Notes to Table 29

Arizona	Executive Budget Agency may not move funds to or from personal services and employee-related expenditures without legislative approval. Department of Administration must get legislative approval to move its own funds.
California	No transfers between departments in different funds may occur unless specifically authorized in the appropriation language.
Colorado	By appropriation, the Legislature can change (transfer) appropriations. An agency can transfer between utilities and operating, subject to Governor's Office approval. There is a $2M statewide transfer authority within departments, per statute, subject to Governor's Office approval. Some statutory authorization exists for the Department of Human Services and the Department of Health Care Policy and Financing between the General Fund and the Medicaid Cash Funds (which contains GF). Budgeting is by line item and all the rules listed above apply. There is no ability to further transfer other than is listed herein. Some footnotes to the annual appropriations bill provide for additional programmatic flexibility on an individual program basis.
Connecticut	Agencies can request a transfer between appropriations limited to the lesser of $50,000 or 10 percent of the appropriation. The Governor must approve the transfer.
Delaware	Agencies may request a transfer within the department but the transfer is subject to approval by the Executive Budget Agency and legislature.
Florida	Transfers may be approved by the Governor and the Legislative Budget Commission to implement agency reorganization specifically authorized by special legislation.
Hawaii	Transfers between departments or programs in separate departments must be authorized in an appropriations act and/or by general statute, reviewed by executive budget agency, and approved by the Governor. Transfers of appropriations between programs or unit within a department can be made if reviewed by executive budget agency and approved by Governor. Transfers of appropriations between object classes within a program or unit can be made if approved by executive budget agency.
Idaho	Object class transfers cannot be made into personal costs or out of capital outlays.
Indiana	Only Controlling Board can make transfers between departments or programs in separate departments. Only Executive Budget Agency can make transfers of appropriations between programs or unit within a department and transfers of appropriations between object classes within a program or unit.
Iowa	Transfers in separate departments that are not entitlements (intelligent defense, foster care, state supplementary assistance, medical assistance, and the family investment program) may not be made while the legislature is in session and may not exceed 50 percent of the original appropriation. Entitlements are exempt from both of these restrictions.
Maryland	Transfers of appropriations between departments or programs in separate departments is not authorized unless permitted in the budget bill or by separate legislation.

Michigan	The Governor has constitutional authority to make departmental changes considered necessary for efficient administration. Where these changes require the force of law, they are set forth in Executive Orders submitted to the legislature. The transfer of a program between departments also results in the transfer of the related appropriations. Where an Executive Order is not needed, additional appropriations are accomplished via the supplemental process and approved by the legislature.
Minnesota	Transfers between agencies are not allowed except pursuant to a reorganization order issued by the Commissioner of Administration. Agencies may transfer operational money between programs with Department of Finance review and reporting to the legislature.
Mississippi	Transfers between departments or programs in separate departments can be made as authorized per legislation in appropriations bill. Maximum amount of transfers between programs or units within a department are unlimited if lump sum agency per legislation in appropriations bill.
Montana	Transfers between agencies are reported twice annually to the Legislative Fiscal Staff. Transfers between agency programs and between object classes require review but not approval of the Legislative Finance Committee.
Nebraska	Program to program transfers within an agency are allowed only when specifically authorized within the budget bill.
New Hampshire	May transfer more than $25,000 with Governor and Council and Fiscal Committee approval only. Less than $25,000 may be transferred with the approval of the Governor and the Fiscal Committee Chair.
New Jersey	If a function or program is transferred by Executive Order or legislation, then transfers of appropriations are permitted for the transferred program. Transfers of $50,000 or more across fund categories require approval by the Legislature's Office of Legislative Services, and, in some cases, the Joint Budget Oversight Committee.
New Mexico	Agencies may not make transfers between agencies, programs within an agency or object class within a program unless authorized by enabling legislation, the General Appropriation Act or other legislation. Typically, the following transfers are authorized by the Legislature: (1) Agencies may transfer amounts to other agencies only when authorized as an appropriation in the General Appropriation Act. (2) Agencies may transfer amounts between programs only when authorized in the budget adjustment authority section of the General Appropriation Act; more recently, the Legislature has limited its authorization for these types of transfers to only 1-5 state agencies. (3) Traditionally, the Legislature has authorized unlimited transfers among object classes within a program. More recently, the Legislature has not authorized transfers in or out of the Other Financing Users category or transfers out of the Personal Services and the Employee Benefits Category. Agencies demonstrating a need to transfer monies beyond the amounts the Legislature authorizes in the General Appropriation Act may receive additional authorization in a subsequent General Appropriation Act for the same fiscal year.
New York	No transfers between departments may occur unless specifically authorized in the appropriation language. Transfers of appropriations within a department are limited to 5 percent of program appropriation for the first $5 million, 4 percent for the second $5 million, and 3 percent in excess of $10 million.

Ohio	The legislature occasionally delegates limited authority to make transfers between departments or programs in separate departments to the Controlling Board or the budget director. The Controlling Board may delegate the authority to make transfers of appropriations between programs or units within a department to the budget director. Currently, the Director may transfer appropriation authority within a fiscal year between operating items in amounts equal to their direct purchasing authority limit, i.e. $50,000 for most agencies and $75,000 for institutional agencies.
Oklahoma	Transfers up to 25 percent may be approved by the Director of State Finance if not disapproved by a Joint Legislative Committee on Budget and Program Oversight. Transfers up to 40 percent may be approved by the Contingency Review Board (Governor, Speaker, Pro Tem) if not disapproved by the joint committee.
Oregon	Authority to transfer appropriations between programs or units within a department depends on level at which the legislature established appropriation. If appropriation is agency-wide, then the agency or executive budget agency has the ability to transfer between programs or units. If the appropriation is at the program level, then neither the agency nor the executive budget agency has authority to transfer between programs.
Pennsylvania	Transfers may be made within an appropriation line item. The Budget Office approves transfers between major objects. Allocation among minor objects has been delegated to the agencies. Legislative authority is required for transfers between appropriations.
Rhode Island	If a function or program is transferred by Executive Order or legislation, then transfers by the Governor of appropriations are permitted for the transferred program.
South Carolina	Transfers from personal service to other operating and from operating to personal service must have approval from the Budget and Control Board. Transfers between departments are rare but would be based on the transfer of job duties and responsibilities agreed upon by both agencies.
Vermont	Transfers between agencies require approval of the Emergency Board. Amounts over $50,000 may be transferred with the approval of the Emergency Board.
West Virginia	All transfers require executive agency budget approval with the exception of those directed by the Legislature.

Table 30
Operating Expenditure Forecast

State	*Multi–Year Expenditure Forecast*	*Years Beyond Current Budget Cycle***	*Estimates Originate in Agencies*	*Estimates Include All Programs*	*Projects Possible Future Budget Gaps Beyond Current Budget Cycle*	*Projected Operating Expenses Published*
Alabama	X	1	X	X	–	–
Alaska	–	–	–	–	X	–
Arizona	–	–	–	–	–	–
Arkansas	–	2	–	–	–	X
California*	X	3	X	X	X	X
Colorado*	X	1	X	X	–	–
Connecticut	X	3	–	X	X	X
Delaware	X	5	–	X	–	–
Florida*	X	2	X	X	X	X
Georgia	X	1	X	X	X	–
Hawaii	X	4	X	X	X	X
Idaho	–	–	–	–	X	X
Illinois	X	1	–	X	–	X
Indiana	X	2	–	–	X	–
Iowa	X	4	X	X	X	–
Kansas	X	3	X	–	X	X
Kentucky	X	4	–	–	–	–
Louisiana	X	4	X	X	X	X
Maine	X	2	X	X	X	–
Maryland*	X	4	–	–	X	X
Massachusetts	X	1	X	X	X	–
Michigan	X	1	X	X	X	X
Minnesota	X	4	X	X	X	X
Mississippi	–	–	X	X	–	–
Missouri	X	3 to 5	–	X	X	–
Montana	–	2	–	X	X	–
Nebraska	X	2	–	X	X	X
Nevada	X	2	X	X	–	X
New Hampshire	–	–	X	X	–	–
New Jersey	X	3	X	X	X	–
New Mexico	–	–	X	–	–	–
New York*	X	3	–	X	X	X
North Carolina	X	4	–	X	X	X
North Dakota	–	–	X	X	–	–
Ohio	X	2	X	–	–	–
Oklahoma	X	2	X	X	–	–
Oregon*	X	2	–	–	X	–
Pennsylvania*	X	4	–	X	–	X
Rhode Island	X	4	–	X	X	X
South Carolina*	X	3	X	–	X	X
South Dakota	X	1	X	X	X	X
Tennessee	–	–	X	X	–	–
Texas	–	–	X	X	–	–
Utah	X	5	–	–	–	–
Vermont	X	1	–	–	–	X
Virginia	X	4	X	X	X	X
Washington	X	4	–	–	X	X
West Virginia*	X	4	X	X	X	X
Wisconsin	X	2	–	X	X	–
Wyoming	–	–	–	–	–	–
TOTAL	38	–	27	34	30	24

* See Notes to Table 30

** Refers to the number of years beyond the current budget year or biennium for which estimates are made.

Notes to Table 30

California	Estimates include General Fund programs only.
Colorado	Colorado reflects Operating Expenses by line item for each budget and one year out (e.g., fiscal 2008-09 proposed budget and fiscal 2009-10 corresponding "annualization").
Florida	Current year estimated expenditures are currently published in the budget. Effective for fiscal 2008-09 budget development, each state department and agency shall be required to submit a legislative budget request that is based upon and that reflects the long-range financial outlook adopted by the joint legislative budget commission or that specifically explains any variance from the long-range financial outlook contained in the budget request.
Maryland	The General Fund expenditure forecast is prepared by the Department of Budget and Management. The Transportation Trust Fund and Higher Education Fund forecasts are prepared, respectively, by the Department of Transportation and the higher education governing boards and coordinated by the Department of Budget and Management. The forecast includes expenditures for General Funds, Transportation Trust Funds, and Higher Education Funds. These three expenditures comprise 73 percent of the total budget.
New York	Estimates originate in the Division of the Budget, with the cooperation of the agencies.
Oregon	The Budget Office consistently produces informal expenditure forecasts for two years beyond the current budget cycle. At times, forecasts have been done for a longer time horizon.
Pennsylvania	A balanced budget is required; therefore, the budget publication would rarely include a budget gap.
South Carolina	Estimates include major programs.
West Virginia	Includes only programs funded from General Revenue and Lottery Funds.

Glossary

Allotment	Part of an appropriation that may be expended or encumbered during a given period.
Base	The base is the component of a budget request or recommendation which reflects previous fiscal year appropriations. It may include inflation for an agency's ongoing programs.
Bond Rating	A judgment of credit quality based on detailed analysis of specific data given to a state by a rating agency such as Moody's Investors Service, Standard and Poor's Corporation, and Fitch's Investors Service. Factors that are evaluated in determining bond ratings include a state's ability to raise taxes, sovereignty, and the relative size and diversity of a state's economic base.
Budget	A budget is a plan for the expenditure of funds to support an agency, program, or project.
Capital Budget	The capital budget is the budget associated with acquisition or construction of major capital items, including land, buildings, structures, and equipment. Funds for these projects are usually appropriated from surpluses, earmarked revenues, or from bond sales.
Consensus Forecast	A revenue projection developed in agreement through an official forecasting group representing both the executive and legislative branches.
Contingency Fund	A fund set apart to provide for unforeseen expenditures or for anticipated purposes of uncertain amounts.
Current Services	Current services is a budget recommendation or request that encompasses the base budget plus allowances for addressing demand such as caseload growth or phased-in statutory responsibilities.
Debt Management	Negotiate and manage issuance of bonds and refunding.
Earmarked Revenues	Earmarked revenues are the designation of certain sources of revenue for support of specific programs or agencies by statutory or constitutional provision.
Economic Analysis	Analysis of the national and state economy to develop predictions on level of state business activity and personal income.
Expansion/Program Change	Expansion or program change is the component of a budget request or recommendation which includes programs or purposes not previously funded by the legislature (for example, new programs, additional positions, or expansion of existing programs beyond the scope for which they were initially authorized).
FY	Fiscal Year. Refers to the state fiscal year. The number following FY is the year the fiscal year ends.
GF	General Fund. General fund refers to revenues accruing to the state from taxes, fees, interest earnings, and other sources which can be used for the general operation of state government. General fund revenues are not specifically required in statute or in the constitution to support particular programs or agencies.

Incremental Budgeting	An approach to budgeting that requires that only additions or deletions to current budgeted expenditures be explained and justified. Funding decisions are made on the margin, based on the justification for the increased costs of operating agencies or programs. This process can be used in conjunction with either line-item budgeting and/or program budgeting.
Indirect Measures	Type of performance measure that relies on indirect analyses such as the amount of highway construction dollars available.
Item Veto	Veto power that allows the governor to reject particular items in a piece of legislation such as a sentence, paragraph, or part of a sentence.
Legislative Review	Review bills introduced into the legislature to inform the governor's office of program impact, compliance with policy, etc.
Line-Item Budgeting	Line-item budgeting refers to objects or lines of expenditures (for example, personnel, supplies, contractual services, capital outlay) that are the focus of development, analysis, authorization and control of the budget.
Line Item Veto	A provision that allows a governor to veto components of the legislative budget on a line-by-line basis.
Lump Sum Appropriations	Made for a state purpose, or for a named department, without specifying further the amounts that may be spent for particular objects of expenditure. An example is an appropriation for the corrections department that does not specify the amounts to be spent for salaries and wages, travel, equipment, and so forth.
Mandate	A law, policy, program or provision that is passed by one level of government but applies to another's.
Nonrecurring/One-Time Appropriation	An appropriation made for one-time items or projects. Examples include capital or major equipment purchases, special studies, and information technology upgrades.
Object Classification	Analysis of obligations and expenditures according to the types of services, articles, or other items involved, e.g., personal services, supplies, materials, or equipment, as distinguished from the purpose for which such obligations are incurred.
Ongoing Appropriation	This type of appropriation is made for ongoing programs for which future appropriations will have to be made.
Operating Budget	The budget established for operation of a state agency or program, typically based on legislative appropriation.
Organizational Unit	A budget format that assigns expenditures by department level, without specification as to what the funding level is for specific programs.
Organization and Management Analysis	Studies and assistance to agencies on organization procedures and systems.
Outcome Measures	Outcome measures are tools or indicators to assess the actual impact of an agency's actions. An outcome measure is a means for qualified comparison between the actual result and the intended result.
Output	An output is the good or service produced by an agency.

Performance Budgeting	Performance budgeting is similar to program budgeting. Performance budgets are constructed by program but focus on program goals and objectives; measured by short-term outputs, projected longer term outcomes, and cost/benefits analysis. Appropriations are not only linked with programs, but also with expected results specified by these performance criteria.
Program Budget	Program budgeting refers to budgets that are formulated and appropriations that are made on the basis of expected results of services to be carried out by programs. The focus on outcomes is usually over multiple years. The budget material is arranged in such a way as to aid the executive and legislature in understanding the broader policy implications of their decisions.
Program Evaluation	Preparation of reports with detailed analytical back up to determine to what degree programs are effective and are accomplishing their objectives. Emphasis is on analyzing proposed activities.
Relational Measures	Type of performance measure that uses comparisons to other states. For example, reduced transportation costs, relative to other states.
Revenue Estimating	The process used by a state to project available revenues for the support of operating costs and capital outlays in the current and future fiscal years.
Structural Deficit	Structural deficits occur when growth in spending needed to maintain current services and growth in revenues from current taxes and other revenue sources are inconsistent.
Supplemental Appropriation	A supplemental appropriation is an appropriation made to an agency or program during the current operating fiscal year to cover unforeseen events, projected over expenditures, or to replace revenue shortfalls.
Tax Expenditure	Revenue foregone because of special tax exemptions, deductions, exclusions, credits, preferential tax rates, or deferrals.
Trust Funds	Amounts received or appropriated and held in trust in accordance with an agreement or legislative act which may be expended only in accordance with the terms of such trusts or act.
Zero-Based Budgeting	Zero-based budgeting subjects all programs, activities and expenditures to justification (in contrast to incremental budgeting). Funding requests, recommendations and allocations for existing and new programs are usually ranked in priority order on the basis of alternative service levels, which are lower, equal to and higher than current levels. This process can be used in conjunction with either line-item budgeting and/or program budgeting.

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