
BUDGET PROCESSES IN THE STATES

SEPTEMBER 1997

NATIONAL ASSOCIATION OF STATE BUDGET OFFICERS

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PREFACE

Overview

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 influences 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 organized into five chapters. The chapters are organized around particular topical areas: the budget cycle, budget requirements, budgeting tools, the budget document, and monitoring. 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. This edition of the report updates the 1995 edition.

The 1997 edition of *Budget Processes in the States* is also available at the NASBO homepage www.nasbo.org. The electronic version of the report contains links to state statutes, constitutions, reports, budgets, and data sources as applicable to each table.

Acknowledgments

State budget officers, whose time and care assure the quality of the report, provide the information for this report. Alaska and Nevada were unable to complete the 1997 update. Information for these states reflects the 1995 edition.

The newly structured report, complete with valuable reference links, would not have been possible without the thorough review of Carl Rogers (California), Bruce Reddemann (Minnesota), Sheila Peterson (North Dakota), and Les Boles (South Carolina). Their input and recommendations have greatly enhanced the quality of this report.

This update was prepared by Kerry Wiersma, with assistance from John Carvalho.

Budget Timeline and Participants

Introduction

It is within the budget process that spending policies for public programs are articulated and debated between the governor, the legislature, and state agencies. This chapter outlines how the budget cycle unfolds and the role of its major participants. Unless otherwise noted, the budget cycle refers to operating budgets.

The Budget Cycle

Over half of the states operate on an annual budget cycle, which means that the budget provides appropriations for one fiscal year. Twenty-three states use a biennial budget cycle, including 3 that employ a combination of biennial and annual cycles. For these states, the budget is developed for the upcoming two fiscal years. Of the 23 biennial budget states, 13 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.

As demonstrated in Table A, 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 targets, inflation, and other financial assumptions and policy guidance on the governor's priorities. The budget office is responsible for analysis of agency submissions by consolidating the requests into a statewide budget proposal for the governor's approval. The governor then typically presents the budget to the legislature, stressing particular priorities during a state-of-the-state message. The governor's budget is then open for consideration by the legislature.

The typical budget cycle in the states is represented in the chart on the next page. Guidelines are distributed to agencies in the summer months. In most states, agencies submit requests to the governor in the fall. The requests are then reviewed by the legislature in committee hearings throughout the winter, with adoption of the budget in the spring before the beginning of the state fiscal year. Fiscal years for all but 4 states, Alabama, Michigan, New York, and Texas, begin on July 1st.

The State Budget Cycle

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
Budget Guidelines Sent to Agencies												
Agency Requests Submitted to Governor												
Agency Hearings Held												
Legislature Adopts Budget												

The Budget Office Role 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. (See Table B)

To assist in planning for the budget, budget offices may perform program evaluations, economic, revenue, and demographic analysis. Caseload and demographic data will be examined to determine need. Budget office staff may also analyze national and state economic data to develop predictions on state business activity and state revenues.

To evaluate budget proposals, as well as other legislative items, most budget offices prepare fiscal notes and review legislation. The fiscal notes evaluate the impact on state revenues of legislative bills that are either drafted, introduced, or at a later state of consideration.

Once approved, the budget office implements the budget. Implementation may take the form of accounting, auditing, approving contracts, or managing state debt and cash flow.

Developing Revenue Estimates Before the beginning of the budget cycle, states develop revenue estimates and forecasts. The forecast projects the amount of revenue that will be available based on current law. The forecast is used to predict the amount of revenue that will be available to support operating costs and capital outlays in the current and future fiscal years.

In 30 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, but may also include representatives from private corporations, state revenue departments, labor departments, tax offices, or private forecasting firms. (See Table F)

The agency responsible for applying the assumptions and producing the actual forecast differs across states (See Table G). In over half of the states, revenue forecasting is the responsibility of the executive branch, either the budget office (17) or the revenue office (4), or both (7). In 13 states, a separate forecasting board or commission conducts revenue estimating. The remaining states employ a combination of individuals to develop forecasts.

**Assessing the
Federal Impact**

Currently, 34 states have state offices in Washington, DC. The federal liaisons work with Congress, federal agencies, and state associations to address specific state concerns. In addition, state representatives assist in tracking federal legislation. The Washington representatives also aid the budget office and the governor's office in estimating the fiscal impact of federal legislation on the state. (See table H)

**Table A
Budget Calendar**

State	Budget Guide- lines Sent to Agencies	Agency Requests Submitted to Governor	Agency Hearings Held	Governor Submits Budget To Legislature	Legislature Adopts Budget	Fiscal Year Begins	Frequency of Legislative Cycle	Frequency of Budget Cycle
Alabama	September	November	January	February	Feb./May	Oct.	A	A
Alaska	July	October	November	December	May	July	A	A
Arizona	June 1	September 1	Nov./Dec.	January	Jan./April	July	A	A,B*
Arkansas	March	July	August	Sept./Dec.	Jan./April	July	B	B
California	May/Nov.	September	Sept./Nov.	January 10	June 15	July	A	A
Colorado	June	August 1-15	Aug./Sept.	November 1	May	July	A	A
Connecticut	July	September	February	February	June/May	July	A	B
Delaware	August	Oct./Nov.	Oct./Nov.	January	June 30	July	A	A
Florida	June	September	November	January	April/May	July	A	A
Georgia	May	September	Nov./Dec.	January	March	July	A	A
Hawaii	July/August	September	November	December	April	July	A	B
Idaho	June	September	-	January	March	July	A	A
Illinois	September	Oct./Nov.	Nov./Dec.	February	May	July	A	A
Indiana	May	August	Sept./Nov.	January	April	July	A	B
Iowa	June	October 1	Nov./Dec.	January	April/May	July	A	A
Kansas	June	September	November	January	May	July	A	A,B*
Kentucky	July	October	-	January	April	July	B	B
Louisiana	September	November	February	February	June	July	A	A
Maine	July	September	Oct./Dec.	January	June	July	B	B
Maryland	June	August 31	Oct./Nov.	January	April	July	A	A
Massachusetts	August	October	October	January	June	July	A	A
Michigan	October	November	December	*	July	Oct.	A	A
Minnesota	May/June	October 31	Sept./Oct.	Jan.(4th Tues.)	May	July	A	B
Mississippi	June	August	-	November 11	-	July	A	A
Missouri	July	October	-	January	April/May	July	A	A,B*
Montana*	Jan.31/Aug. 1	May/Sept. 1	May-June/Sept.-Oct.	January	April	July	B	B
Nebraska	July	September	Jan./Feb.	January	April	July	A	B
Nevada	May/June	September	Sept./Dec.	January	June	July	B	B
New Hampshire	August	October	November	February	May	July	A	B
New Jersey	July/August	October	-	January	June	July	A	A
New Mexico	July	September	Sept./Dec.	January	Feb./March	July	A	A
New York	July	September	Oct./Nov.	January	March	April	A	A
North Carolina	January	August	Sept./Nov.	February	June	July	B	B
North Dakota	March	June/July	July/Oct.	December	Jan./April	July	B	B
Ohio	July	Sept./Oct.	Oct./Nov.	February*	June	July	A	B
Oklahoma	July	October	Oct./Dec.	Feb.(1st Mon.)	May(last Fri.)	July	A	A
Oregon	Jan./July	September	Sept./Nov.	January	Jan./June	July	B	B
Pennsylvania	August	October	Dec./Jan.	February*	June	July	A	A
Rhode Island	July	October	Nov./Dec.	February	June	July	A	A
South Carolina	August	October	-	January	June	July	A	A
South Dakota	June/July	September	Sept./Oct.	December	March	July	A	A
Tennessee	August	October	November	January*	April/May	July	A	A
Texas	March	July/November	July/Sept.	January	May	Sept.	B	B
Utah	July	September	Oct./Nov.	December	February	July	A	A
Vermont	September	October	Nov./Dec.	January	May	July	A*	A
Virginia	April/August	June/October	Sept./Oct.	December	March/April	July	A	B
Washington	April	September	-	December	April/May	July	A	B
West Virginia	July	September	Oct./Nov.	January	March	July	A	A
Wisconsin	June	September	N/A	January	June/July	July	B	B
Wyoming	May 15	September	by Nov. 20	December	March	July	A	B
Puerto Rico	August	December	Dec./Jan.	February	May	July	A	A

Codes: A....Annual
B....Biennial

Notes to Table A

Arizona: Agencies are divided into major budget units and other budget units. Major budget units submit annual budget requests and other budget units submit biennial budget requests. Beginning with the FY 2000 – FY 2001 biennium, all agencies will be on a biennial budget cycle.

Kansas: Twenty agencies are on a biennial budget cycle. The rest are on an annual cycle.

Michigan: The governor must present the budget to the legislature within 30 days after the legislature convenes in regular session, except in a year in which a newly elected governor is inaugurated into office, when 60 days are allowed.

Missouri: There is constitutional authority to do annual and biennial budgeting. Beginning in FY 1994, the operating budget has been on an annual basis while the capital budget has been on a biennial basis.

Montana: Montana uses an Executive Planning Process (EPP) for proposals to provide new services, add FTE, change program services, or alter funding sources. The earlier dates reflect this process which is linked with the regular budget in the September 1 submittal.

Ohio: Budget submission delayed to mid-March for new governors.

Pennsylvania: The budget is submitted in March when the governor has been elected for his/her first term of office.

Tennessee: Budget may be submitted by March 1 during the first year of a governor's term.

Vermont: The state constitution prescribes a biennial legislature; in practice, legislature meets annually, in regular and adjourned sessions.

Table B
Budget Agency Functions

State	Revenue Estimating	Fiscal Notes	Review Legislation	Accounting	Pre-Audit	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	X	-
Colorado	X	-	X	-	X	X	-
Connecticut	X	X	X	-	-	X	-
Delaware	-	X	X	X	-	X	X
Florida	X	X	X	-	-	X	-
Georgia	X	X	X	-	-	X	X
Hawaii	-	*	X	-	-	X	X**
Idaho	X	X	X	-	-	-	-
Illinois	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	-	X	X
Michigan	-	-	X	X	-	X	X
Minnesota	X	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	X
New Hampshire	X	X	X	-	-	X	X
New Jersey	X	X	X	X	X	X	-
New Mexico	-	-	X	-	-	X	-
New York	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	X	X
Oklahoma	X	X	X	X	X	*	-
Oregon	-	-	X	-	-	X	-
Pennsylvania	X	X	X	X	X	-	X
Rhode Island	X	X	X	-	-	X	-
South Carolina	-	X	X	X	-	X	-
South Dakota	X	X	-	X	-	X	-
Tennessee	X	X	X	-	-	-	X
Texas	-	-	X	-	-	X	X
Utah*	X	X	X	-	-	X	-
Vermont	X	X	X	X	X	X	X
Virginia	X*	X	X	-	-	-	-
Washington	X*	X	X	X	-	X	X
West Virginia	X	X	X	X	X	X	-
Wisconsin	-	X	X	X	X	X	X
Wyoming	-	X	X	-	X	X	-
Puerto Rico	-	-	X	-	-	X	X
TOTAL	37	42	50	18	15	46	21

Table B
Budget Agency Functions

State	Data Processing	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	-
Arizona	-	X	X	-	-	-	X	X
Arkansas	-	-	-	-	-	-	-	-
California	X	X	X	X	X	X	X	X
Colorado	X	X	X	-	X	-	X	X
Connecticut	X	X	X	X	-	-	X	X
Delaware	-	X	X	-	-	*	-	-
Florida	X*	X	X	-	-	-	X	X
Georgia	-	X	X	-	X	X	X	X
Hawaii	X	X***	X	-	X	X	X	-
Idaho	-	X	X	X	-	X	X	-
Illinois	X	X	X	-	X	X	X	X
Indiana	-	X	X	-	X	X	X	-
Iowa	-	X	X	-	-	-	X	X
Kansas	X	X	X	-	-	X	X	X
Kentucky	-	X	-	-	-	-	-	-
Louisiana	-	X	X	-	-	-	X	X
Maine	-	-	X	-	-	-	-	-
Maryland	X**	X	X	X	X***	-	X	X
Massachusetts	X	X	X	-	X	X	X	-
Michigan	X	X	X	-	-	-	-	X
Minnesota	-	X	X	-	X	X	X	-
Mississippi	X	X	X	-	-	-	X	-
Missouri	-	X	X	X	**	**	X	X
Montana	-	X	-	-	-	-	X	-
Nebraska	-	-	X	-	-	-	-	-
Nevada	-	X	X	-	X	-	X	X
New Hampshire	-	-	-	*	X	X	X	**
New Jersey	X	X	X	-	-	X	-	-
New Mexico	-	X	X	-	-	-	X	-
New York	X*	X	X	X	X	X	X	X
North Carolina	X	-	X	-	-	X	X	-
North Dakota	X	X	X	-	X	X	X	-
Ohio	X	X	-	X*	X	X	X	-
Oklahoma	X	X	X	-	-	-	X	-
Oregon	X	X	X	X*	-	-	-	-
Pennsylvania	-	-	X	X*	X*	X*	-	-
Rhode Island	-	X	X	-	X	-	X	-
South Carolina	-	X	X	-	-	-	-	-
South Dakota	-	-	-	-	-	X	X	-
Tennessee	-	-	X	X	-	-	-	-
Texas	-	X	X	-	-	-	X	X
Utah	X	X	X	X	X	-	X	X
Vermont	-	-	X	-	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	-	-	-	-	-
Puerto Rico	-	X	X	-	-	-	X	-
TOTAL	21	41	45	12	21	22	37	22

Notes to Table B

Alaska: Review only - prepare only those that affect the budget agency.

California: Involves development and maintenance of the California Statewide Accounting and Reporting System (CALSTARS), and establishing accounting policies for the state.

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.

Florida: Data processing for budget functions only.

Hawaii: 1) As part of review function, not formal submission requirement. 2) Review contracts costing \$10,000 or more, including certain professional services. 3) The Office of State Planning that is established within the Governor's Office carries out long-term, strategic planning.

Maryland: 1) Selective preparation and review. The legislative staff is responsible for preparing a fiscal note on each bill. 2) The Department of Budget and Management has planning and coordinating responsibility for all state information technology. 3) The Department of Budget and Management has responsibility for monitoring, reporting, and coordinating the issuance and levels of debt for certain state agencies.

Missouri: 1) Not responsible for all fiscal notes, but just those related to the budget. 2) Assistance and advisory role.

New Hampshire: 1) Tax expenditure reports prepared by the Department of Revenue. 2) Demographic analysis prepared by State Planning.

New York: Data processing for budget functions only.

North Carolina: Debt management is a primary duty of the State Treasurer. Cash management is a primary duty of the Office of the State Controller. The Budget Office is responsible for compliance of the constitutional requirement of a balanced budget. The Office of State Planning is primarily responsible for strategic planning and performance and demographic analysis.

North Dakota: Not responsible for all fiscal notes, but just those directly related to the budget recommendation 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.

Oklahoma: The budget office has statutory authority to perform management analyses, however this is not the current practice.

Oregon: 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.

Notes to Table B

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 directs issuance of tax anticipation notes.

Utah: The Governor's Office of Planning and Budget (GOPB) is not responsible for developing fiscal notes. It primarily reviews fiscal notes for accuracy. GOPB is consulted on tax measures and legislation directly impacting the office. The GOPB is not responsible for management audits or analysis. It does, however, analyze management practices when asked to by the governor. The GOPB evaluates programs at the request of the governor or legislature. The state treasurer's office is primarily responsible for debt management. However, GOPB works closely with the treasurer in fulfilling his responsibility.

Vermont: Debt management and cash management are primarily duties of the state treasurer, to which the budget agency contributes.

Virginia: For non-general funds only.

Washington: 1) The Office of Financial Management contributes to revenue estimating performed by the Economic and Revenue Forecasting Council and other agencies. 2) Daily cash management of treasury funds is the responsibility of the state treasurer.

Table C
The Budget Director

State	Title	Appointed By	Term of Office	FY 1997	
				Salary Range	Director is Cabinet Member
Alabama	State Budget Officer	DG	P	\$62,400-95,134	-
Alaska	Director, OMB	G	P	90,000	X
Arizona	Director, Office of Strategic Planning & Budgeting	G	P	107,640	X
Arkansas	Administrator, Office of Budget	D	NS	74,699	-
California	Director of Finance	GS	P	115,083	X
Colorado	Director, Office of State Planning and Budgeting	G	P	75,000-82,000	X
Connecticut	Secretary, Office of Policy & Mgmt.	G	P	84,000-106,000	X
Delaware	Budget Director	G	P	90,500	X
Florida	Director	G	P	64,298-127,326	-
Georgia	Director, Office of Planning & Budget	G	P	104,832	-
Hawaii	Director of Finance	GS	P	85,302	X
Idaho	Administrator	G	P	69,500-102,300	X
Illinois	Budget Director	G	P	88,500	X
Indiana	Budget Director	G	P	80,000	X
Iowa	Director, Dept. of Management	G	P	76,700-112,000	X
Kansas	Director of the Budget	G	P	80,442	-
Kentucky	State Budget Director	G	NS	78,750	X
Louisiana	State Director of Planning and Budget	D	NS	59,280-97,812	-
Maine	State Budget Officer	D	P	46,946-68,557	-
Maryland	Secretary of Budget and Management	GS	P	104,195-128,146	X
Massachusetts	Budget Director	DG	P	87,000	-
Michigan	Director, Dept. of Mgmt. & Budget	GS	P	100,000	X
Minnesota	Assistant Commissioner	DG	P	59,341-84,105	-
Mississippi	Director, Office of Budget & Fund Mgmt.	G	NS	53,243-79,729	X
Missouri	Deputy Commis. for Budget & Planning	DG	P	54,867-75,890	-
Montana	Director, Office of Budget & Program Planning	G	NS	64,314	X
Nebraska	State Budget Administrator	DG	P	77,689	X
Nevada	Director of Administration	G	P	80,950	X
New Hampshire	Budget Officer, Assistant Commissioner	DG	4 yrs.	53,375-68,760	-
New Jersey	Director, OMB and Comptroller	GS	P	97,000	-
New Mexico	Director, State Budget Division	D*	P	65,000-73,300	-
New York	Director, Division of the Budget	G	P	105,805	X
North Carolina	State Budget Officer	G	P	109,495	X
North Dakota	Director, Office of Mgmt. & Budget	G	P	73,644	X
Ohio	Director of Budget and Management	GS	P	73,715-103,584	X
Oklahoma	Director of State Finance	GS	P*	90,000	X
Oregon	Administrator, Budget and Management Division*	D	P	59,808-84,096	-
Pennsylvania	Secretary of the Budget	G	P	94,000	X
Rhode Island	Executive Director/State Budget Officer	DG	NS	80,537-89,286	-
South Carolina	State Budget Director	BC	P	90,000-95,000	-
South Dakota	Commissioner	G	P	70,000	X
Tennessee	Commissioner	G	P	86,484	X
Texas	Director of the Governor's Budget Office	G	P	75,000-99,000	-
Utah	Director, Office of Planning & Budget	G	P	66,300-89,500 *	**
Vermont	Commissioner of Finance & Management	GS*	P**	54,088-81,132	-
Virginia	Director, Dept. of Planning & Budget	G	P	98,900-100,878	-
Washington	Director, Office of Financial Mgmt.	G	P	115,874	X
West Virginia	Secretary of Administration	GS	P	70,000	X
Wisconsin	Administrator, Div. of Exec. Budget & Planning	DG	P	55,991-86,091	-
Wyoming	Administrator	DG	P	40,000-85,000	-
Puerto Rico	Director of Budget & Management	G	P	86,667	-

TOTAL 28

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

Notes to Table C

New Mexico: In practice, the governor's concurrence is received.

Oklahoma: The finance director can serve until the successor is appointed and confirmed.

Oregon: The budget director also serves as the deputy director of the Department of Administrative Services.

Utah: 1) Reflects salary for FY 1998. 2) The budget director is not a formal cabinet member. The director regularly attends cabinet meetings and is a member of the larger cabinet council.

Vermont: 1) The budget director is appointed by the agency secretary and the governor. 2) Term of office is concurrent with agency secretary or governor.

Table D
Budget Agency Personnel

State	Total Positions in:		Number of:			FY 1997	Appointment
	Agency	Budget Function	Budget Analysts	Tech/ Computer	Support Staff	Salary Range For Analysts	Through Civil Service
Alabama	13	13	8	2	1	\$33,618-60,892	X
Alaska	55	13	8	2	2	43,644-67,800	-
Arizona	24*	22**	15***	1	2	29,000-75,500	-
Arkansas	259	16	12	1	2	25,938-47,060	-
California	344	155	97*	29**	16**	34,236-73,308	X
Colorado	19	13	12	-	2	28,000-60,000	-
Connecticut	221	47	39	4	4	41,000-80,000	X
Delaware	39	34	12	2	5	33,769-71,048	X
Florida	139	94	59	41	20	24,118-77,593	-
Georgia	70	27	19	3	11	28,000-67,000	-
Hawaii	517	35	23	-	12	31,296-60,128	X
Idaho	18	8	7	1	3	41,000-60,400	-
Illinois	53	53	35	2	9	26,500-60,000	-
Indiana	34	34	19	2	6	29,000-57,000	-
Iowa	27	11	10	-	4	37,500-60,800	X
Kansas	876	22	16	-	3	29,723-61,932	X
Kentucky	33	33	15	3	9	20,800-63,000	X
Louisiana	38	30	25	-	5	22,104-69,762	X
Maine	13	9	8	-	3	33,176-46,322	X
Maryland	365	39*	29	3	7	27,272-69,234	X**
Massachusetts	38	28	14	9	3	40,000-50,000	-
Michigan	1558*	40	27	1	7	30,046-61,241	X
Minnesota	189	33	20	3*	12	34,201-67,944	X
Mississippi	347	7	5	-	1	22,687-50,634	X
Missouri	31	26	12	1	5	23,616-44,664	X
Montana	17	16	8	3	1	27,128-39,578	-
Nebraska	510	12	8	-	2	29,833-61,356	-
Nevada	83	22	12	7	4	35,728-53,361	X
New Hampshire	170	9	6	-	1	45,260-54,483	X
New Jersey	235	71	47*	5*	11	34,535-71,922 *	X
New Mexico	150	21	18	-	3	37,000-52,000	X
New York	333	333	218	21	85	26,664-99,936	X*
North Carolina	53	37	19	3	13	31,811-80,553 *	-
North Dakota	314	6	5	*	**	33,480-52,560	-
Ohio	116	23	18	-	3	34,486-66,352	X
Oklahoma	140	13	9	-	1	27,233-54,343	X
Oregon*	31	26	13	6	7	33,276-62,784	X
Pennsylvania	1024*	28	20	2	3	27,130-70,005	X
Rhode Island	20	20	15	1	4	33,653-53,468	X
South Carolina	24	24	13	2	6	33,841-55,307	X
South Dakota	24.5	9	6	-	3	28,101-42,161	-
Tennessee	31	27	14	1	2	21,300-40,500	-
Texas	30	26	17	-	5	26,000-65,000	-
Utah	49	14	11	3	2	34,410-60,782 *	-
Vermont	29	11	5	1	4	36,109-54,704	X
Virginia	57	40	28	6	4	30,572-68,166	-
Washington	179	31	29	-	2	38,580-72,000 *	-
West Virginia	54	10	3	1	1	19,764-42,204	X
Wisconsin	1075	34	26	1	3	28,503-57,942	X
Wyoming	400	10	8	-	1	29,220-59,688	X
Puerto Rico	354	113	176	18	47	17,292-47,292	X
TOTAL							31

Notes to Table D

Arizona: 1) Agency personnel include two strategic planning positions. 2) Includes two economist positions. 3) Includes all supervisory staff except the director and deputy director.

California: 1) Budget analysts include first level supervisors. 2) Tech/computer and support staff in budget and budget supporting units only.

Maryland: 1) Includes both operating and capital budget positions. 2) Certain supervisory budget positions serve at the pleasure of the Secretary of Budget and Management.

Michigan: Agency employees include statewide support for: fleet management; retirement systems; real estate and non-institutional facility support; procurement; financial management; telecommunications; statewide data center and network operations; mail processing; and, risk management and employee benefits.

Minnesota: Tech/computer data processing is only for budgeting functions – excludes accounting and payroll systems.

New Jersey: Includes first level supervisors.

New York: Includes all supervisory staff except the director and deputy directors.

North Carolina: Includes supervisory staff.

North Dakota: 1) Computer staff is shared with other divisions of OMB. 2) Support staff is shared with the director of OMB.

Oregon: Data processing and systems support only for budgetary functions. Office of Economic Analysis which is also located in the Department of Administrative Services is responsible for economic and revenue forecasting and demographic analysis. Also excludes capital investment section staff, which are linked to capital budgeting but do not carry agency budget assignments.

Pennsylvania: Agency employees include comptroller operations (accounting function).

Utah: Reflect FY 1998 salaries.

Washington: Salary range reflects budget analysts and first line supervisors.

Table E
Location of Executive Budget Office

State	Freestanding Agency	Governor's Office	Agency Within a Department
Alabama	-	-	F
Alaska	-	X	-
Arizona	-	X	-
Arkansas	-	-	F
California	X*	-	-
Colorado	-	X	-
Connecticut	-	-	MB
Delaware	-	-	*
Florida	-	X	-
Georgia	-	X	-
Hawaii	-	-	MB
Idaho	-	X	-
Illinois	-	X	-
Indiana	X	-	-
Iowa	X	-	MB
Kansas	-	-	A
Kentucky	X	-	-
Louisiana	-	-	A
Maine	-	-	F
Maryland	-	-	MB
Massachusetts	-	-	F*
Michigan	-	-	MB
Minnesota	-	-	F
Mississippi	-	-	F
Missouri	-	-	A
Montana	-	X	-
Nebraska	-	-	MB
Nevada	-	-	A
New Hampshire	-	-	F
New Jersey	-	-	F
New Mexico	-	-	F
New York	X*	-	-
North Carolina	-	X	-
North Dakota	-	-	MB
Ohio	X	-	-
Oklahoma	-	-	F
Oregon	-	-	A
Pennsylvania	X	-	-
Rhode Island	-	-	A
South Carolina	-	-	MB
South Dakota	X	-	-
Tennessee	-	-	F
Texas	-	X	-
Utah	-	X	-
Vermont	-	-	A*
Virginia	X	-	-
Washington	-	-	F*
West Virginia	-	-	F
Wisconsin	-	-	A
Wyoming	-	-	A
Puerto Rico	-	X	-
TOTAL	9	12	

Codes:

A...Administration
F...Finance

MB...Mgmt/Budget

Notes to Table E

California: The Department of Finance is a freestanding agency within the executive branch, which is headed by the governor.

Delaware: The Office of Budget is a division within the Executive Department.

Massachusetts: The Budget Bureau is within the Executive Office of Administration and Finance.

New York: The Division of the Budget is a freestanding agency within the executive department, which is headed by the governor.

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 and forecasting responsibilities.

Table G
Revenue Estimates in the Governor's Budget

State	Who	Consensus	Who	Revision is	Statutory	How
	Prepares				Forecast	
	Estimate			Binding	Revenue Estimates	
Alabama	B	X	G,L	-	X	A
Alaska	R	NA	-	-	X	S*
Arizona	B,R	*	G,L	-	X	A
Arkansas	B,C	-	G	X	X	A
California	B	-	B,G	-	X	S
Colorado	B	-	-	-	X	Q
Connecticut	B	-	L	-	X	M
Delaware	C	X	L	X	X	Q,M*
Florida	C	X*	C	X	X	S
Georgia	B	-	G	X	X	A
Hawaii	C	-	C	X*	X	Q
Idaho	B	-	B,L	-	-	S
Illinois	B	-	G	-	X	A
Indiana	B,C	X	B,C	X	X	A
Iowa	C	X	C	X	X	Q
Kansas	C	X	C	-	-	S
Kentucky	C	X*	C	X	X	BA
Louisiana	C	X	C	X	X	Q
Maine	B	-	G,L	X	-	-
Maryland	C	X	C	-	X	A*
Massachusetts	B,R	-	G,L	X	X	Q*
Michigan	B,R,L*	X	B,R,L	X	X	S
Minnesota	B	-	B,G	X	X	S*
Mississippi	G,L	X	G,L	X	-	-
Missouri	B	X*	G	-	X	A
Montana	B	-	B	-	X	BA
Nebraska	C	-	C	X	X	S
Nevada	C	NA	C	X	X	BA
New Hampshire	B	-	L	X	X	A
New Jersey	B,R	-	G	X	X	S
New Mexico	B,R,L	X*	G	-	X	A
New York	B	X	G*	X	X	Q
North Carolina	B,G,L	X	B,G,L	X	X	A
North Dakota	B,R	X	B,R	X	X	BA
Ohio	B	-	B,L	-	X	BA,M*
Oklahoma	B,R,C	-	B,R,C*	X	X	S*
Oregon	B*	-	B	X	X	Q
Pennsylvania	B,R	-	B,R	X	X	A*
Rhode Island	C	X	C	X	X	Q*
South Carolina	C	X	C	-	X	S
South Dakota	B	-	L	-	X	A
Tennessee	B	X	G	-	X	S
Texas	R	-	R	X	X	BA
Utah	B,R	X*	R	X	X	A
Vermont	B*,L	X	B*,L	-	X	S
Virginia	B,R,C	-	G*	X	X	S
Washington	B,C	-	C	-	X	Q
West Virginia	B,R	-	G	X	X	M
Wisconsin	R	-	L	-	X	A
Wyoming	C	X	C	-	-	-
Puerto Rico	R	-	G,L	X	X	A
TOTAL		23		30	46	

Codes: B...Budget Agency A....Annually Q....Quarterly L....Legislature
R...Revenue Agency BA....Biennially S....Semi-annually NA...Not Avail.
C...Board/Commission G....Governor M....Monthly

Notes to Table G

Alaska: Revenue estimates must be published annually but traditionally are published semi-annually.

Arizona: A consensus forecast is not required, but recent practice has resulted in a consensus revenue forecast being published in the executive and legislative budget recommendations.

Delaware: Quarterly estimates are done for the 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, 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.

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. If the consensus-forecasting group cannot agree on an estimate, the Finance and Administration Cabinet perform the official revenue estimate.

Maryland: The statute requires the Board of Revenue Estimates to provide the governor with an annual estimate. In practice, the official estimate is provided in December and updated in March. Informal estimates are provided throughout the year.

Massachusetts: Department of Revenue publishes estimates three times a year. Secretary for Administration and Finance and the legislature agree on revenue estimates in the spring for the fiscal year beginning in July. For FY 1998, the consensus was reached in March.

Michigan: Consensus revenue forecasting procedure involves the budget and revenue agencies as well as the legislature.

Minnesota: Five-year revenue estimates are formally published twice a year in November and February.

Missouri: Consensus revenue forecast with the legislature has been recent practice but is not required by statute.

New Mexico: Consensus revenue forecasting procedure involves the finance and revenue agencies as well as the legislature.

Notes to Table G

New York: Governor revises estimates to reflect actions of the legislature. Per statute, joint executive-legislative consensus forecasting is required by March 10th.

Ohio: The governor must publish revenue estimates in the biennial executive budget submitted to the general assembly. A monthly financial report prepared for the governor by the Office of Budget and Management contains revenue estimates for the current fiscal year and reflects any revisions to those estimates that are made during the fiscal year.

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.

Oregon: the Office of Economic Analysis in the Department of Administrative Services prepares the estimate.

Pennsylvania: Revenue estimates are updated when new legislation affects current year revenues.

Rhode Island: Per state statute, a Consensus Revenue Estimating Conference must be held within the first ten days of October, December, and May.

Utah: Revenue estimates are informally reviewed with the Legislative Fiscal Analysts Office. Any major differences are researched and resolved.

Vermont: The Emergency Board, composed of four legislative members, chaired by the governor, determines revenue estimates based on separate estimates by executive and legislative branches.

Virginia: Governor revises as required by law, during fiscal year, revenue estimates are published annually.

Table H
State-Federal Liaison

State	<i>Budget Office Analyzes Federal Legislation</i>	<i>Representative in Washington, D.C.</i>	<i>Official/Agency to Whom D.C. Office Reports</i>
Alabama	X	X	Governor
Alaska	-	X	Governor
Arizona	X*	-	-
Arkansas	-	-	-
California	-	X	Governor
Colorado	-	-	-
Connecticut	X	X	Governor
Delaware	X	X	Budget Director
Florida	X	X	Governor and Legislature
Georgia	X	X	Governor
Hawaii	X	X	Governor
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	Governor
Maryland	X	X	Governor
Massachusetts	X	X	Governor
Michigan	X	X	Governor
Minnesota	X*	X	Governor's Office
Mississippi	X	-	-
Missouri	X	X	Budget Director
Montana	X	-	-
Nebraska	X	X	Selected Agency Heads
Nevada	X	X	Governor
New Hampshire	-	-	-
New Jersey	X	X	Governor
New Mexico	X	-	-
New York	X	X	Governor
North Carolina	X	X	Governor's Chief of Staff
North Dakota	X*	-	-
Ohio	X	X	Governor
Oklahoma	X*	-	-
Oregon	X	-	-
Pennsylvania	X	X	Governor
Rhode Island	X	X	Governor's Office
South Carolina	-	X	Governor
South Dakota	X	-	-
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	-	-
Puerto Rico	X	X	Governor's Office
TOTAL	43	34	

Notes to Table H

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.)

Kentucky: A budget analyst has been designated by the state budget director and Governor's Office to spend a portion of each week in Washington DC. The analyst serves as liaison, in conjunction with the governor's aide for intergovernmental relations, with the National Governor's Association (NGA) and related organizations at the federal level. This analyst also meets with NGA, federal agencies, and Congressional staff on legislation and issues with significant policy and budget implications for Kentucky.

Minnesota: Federal budget analysis conducted jointly by Department of Finance and Minnesota Planning Agency.

North Dakota: Analysis is limited. Use FFIS subscription service.

Oklahoma: 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, not the budget office.

Requirements, Authorities, and Limitations

Introduction

This chapter focuses on four particular areas of state law with regard to budgeting; the balance of power between the governor and the legislature, balanced budget requirements, debt financing, and tax and expenditure limitations.

Balance of Power – Governor and Legislature

The extent of a governor's authority over budget issues varies among the states. Tables I and J focus on the authority governors possess in comparison to those of the legislature. The governor may, without approval of the legislature; reorganize departments in 25 states, spend unanticipated federal funds in 33 states, and reduce the budget in 37 states. A key tool available to the governor is the line item veto.

Forty-two states and Puerto Rico have line item veto authority. This is a provision that allows a governor to veto components of the legislative budget on a line-by-line basis. Forty-one states have provisions that allow the governor to reject particular items in a piece of legislation such as a sentence, paragraph, or part of a sentence, known as item veto. Of the 41 with item veto authority, 15 allow for a veto of selected words, with 3 allowing the veto to change the meaning of the words. (See Table J)

Maintaining Fiscal Balance

Governors are often limited in how much they can spend. Most state governments are precluded from deficit spending. As a result, comparisons are often made to the states by advocates for a federal balanced budget. Balanced budget advocates argue that with a balanced budget amendment, the federal government would function with the same fiscal discipline as state governments.

Although state balanced budget provisions do have consequences and force budget writers to think in balanced budget terms, the provisions do not preclude a state from running small, short-term deficits. Most states have some type of balanced budget provision; however, the degree to which the provisions require actual revenues to equal expenditures in a given fiscal period varies. Some balanced budget provisions simply require the governor to present a balanced budget, while 41 states require the legislature to pass a balanced budget, and 33 states require the governor to sign a balanced budget. (See Table K)

Debt Finance

State debt is issued in order to finance large capital projects that will serve to benefit taxpayers over a series of years. Mainly, states borrow money by issuing two types of bonds, a general obligation bond or a revenue bond. A general obligation bond pledges to the lender the full-faith and credit of the state as security. Thus all government funds are available to repay the debt, and if necessary, taxes would be raised to repay the debt. For a revenue bond, the lender is promised repayment on a particular revenue source. Inherently, the revenue bond involves a bit more risk, since if the revenue source may, in the future, become insufficient to repay the lender.

According to Moody's Investors Service, all but 10 mostly Midwest states have general obligation bonds. Of the states that allow general obligation debt, 9 states do not limit the amount of general obligation debt. The remaining states and Puerto Rico have established general obligation debt limits. The limits are typically based on a formula that considers state general revenues or appropriations. Some general obligation debt limits are capped at a specific dollar amount.

Thirteen states allow for a referendum or a supermajority vote to override a general obligation debt.

Tax and Expenditure Limitations

Table M shows what states have tax and expenditure limitations (TEs), and what the limitations are. Of the 27 states with TEs, 21 limit appropriation growth to an index of inflation.

Tax and expenditure limitations have been increasingly imposed as a method to stem the growth of the public sector. Studies, however, indicate that TEs have been somewhat unsuccessful in constraining the rate of tax increases. Some would argue that laws requiring a supermajority (11 states) or voter approval (3 states) for revenue increases have placed especially restrictive limits on states' ability to raise taxes and increase expenditures.

Table I

Gubernatorial Budget Authority and Responsibility

State	Give Agencies Funding Level Request Targets	Publish Agency Requests Executive Budget	Reorganize Departments w/o Leg. Approval	Spend Unanticipated Federal Funds w/o Leg. Approval	Reduce Budget without Leg. Approval	Restrictions on Budget Reductions
Alabama	-	X	-	-	X	ATB
Alaska	X	X	X*	X	-	-
Arizona	X	X	X*	X**	X***	ATB
Arkansas	-	-	X	-	-	-
California	-	X	-	X	X	-
Colorado	X	X	-	X	X	MR
Connecticut	-	X	-	-	-	X
Delaware	X	X	**	-	X***	MR
Florida	*	X	X	X	X	X*
Georgia	X	X	*	partial*	X*	-
Hawaii	X	X	-	X	X*	X*
Idaho	-	-	X*	X**	-	-
Illinois	X	X	X	X	X	-
Indiana	X	X	-	X	X	ATB
Iowa	X	X	-	X	-	ATB
Kansas	X	X	X	X	-	-
Kentucky	X	X	-	-	X	MR
Louisiana	X	X	-	X	-	ATB
Maine	-	-	X	X	X*	X**
Maryland	X	-	X	*	X	-
Massachusetts	X	-	X*	**	-	***
Michigan	X	X	X**	-	X	MR
Minnesota	X*	X	-	X	X	ATB
Mississippi	X	X	-	*	X	-
Missouri	-	*	X	X	X	MR**
Montana	-	X	X	X	-	X
Nebraska	-	X	X	*	X	MR
Nevada	-	-	-	X	-	-
New Hampshire	X	X	-	-	X	-
New Jersey	X	-	-	X	-	-
New Mexico	-	-	-	X	X*	**
New York	-	X	X	X	X*	-
North Carolina	-	X	X*	**	X	ATB
North Dakota	X	X*	-	-	X	X
Ohio	-	-	X*	X**	X*	X
Oklahoma	X	X	-	-	X	MR
Oregon	X	*	X**	***	X****	-
Pennsylvania	-	-	X	-	X	X
Rhode Island	X	X	-	-	X*	X
South Carolina	X	X	-	-	-	-
South Dakota	-	-	X	-	X	-
Tennessee	X	-	-	-	X	-
Texas	X	-	-	-	X	-
Utah	X	*	-	X	X	ATB**
Vermont	X	-	X*	X	X**	X**
Virginia	X	X	-	X	X*	MR
Washington	-	X	-	X	X	ATB
West Virginia	X	X	-	X	X*	X**
Wisconsin	X	X	X	X	*	-
Wyoming	-	X	-	X	X	-
Puerto Rico	X	-	X	X	X	-
TOTAL	33	33	25	33	37	

Codes:

ATB....Across-the-board cuts only
MR....Maximum reduction dictated

Notes to Table I

Arizona: Unless otherwise restricted by statute, the governor has the authority to reorganize agencies that have directors the governor has appointed.

Arkansas: 1) The governor has authority to reorganize, expand, and reduce budgets only pursuant to existing statutes. 2) A legislative subcommittee reviews agency requests for federal appropriation when the legislature is not in regular session. 3) The governor and chief fiscal officer of the state have the authority to reduce general revenue funding to agencies should shortfalls occur in revenue collections.

Florida: 1) All agency heads are required by law to develop budget requests based upon their independent judgments of agency needs. However, the governor may ask agencies to submit additional budgets according to established targets. 2) The Governor's Office of Planning and Budgeting may approve minor reorganizations (bureau level and below) without legislative approval. 3) The elected cabinet (Administrative Commission) for the Executive Branch and the Chief Justice of the Supreme Court for the Judicial Branch are authorized to resolve deficits under \$300 million. Deficits over \$300 million shall be resolved by the legislature.

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 governor for budget reductions to be recommended to the general assembly at its next regular session.

Hawaii: The governor's authority to reorganize, expand and reduce budgets can be done only pursuant to existing statutes.

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.

Illinois: 1) Pursuant to the constitution and statute, the governor may, by executive order, reorganize executive agencies. If such reorganization contravenes a statute, the legislature must consider the executive order. The executive order shall not be effective if, within 60 days, either house disapproves by majority vote. 2) The governor and executive agencies can, with the approval of the state comptroller, establish non-appropriated accounts to spend federal or any other type of funds.

Maryland: 1) With the approval of the Board of Public Works, the governor may reduce by not more than 25% any appropriation that the governor considers unnecessary. 2) The governor may not, however, reduce

Notes to Table I

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: Spending of new federal grant funds requires approval by joint legislative committee. Unanticipated funds from old grants can be spent without legislative approval.

Michigan: 1) 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. 2) Only if the appropriations bill allows for spending unanticipated federal funds up to a pre-established spending level. 3) There are both statutory and constitutional restrictions on executive branch authority to make budget reductions, involving approval by both House and Senate Appropriations Committees.

Minnesota: 1) All agency heads are directed by budget guidelines to develop realistic agency budget plans within base level targets. 2) 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 approval 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.

Missouri: Except if department appropriations bills allow for spending unanticipated federal funds up to a pre-established spending level.

Montana: 1) Legislative agency and judicial branch requests are contained in the executive budget. 2) Additional restrictions on budget reductions exclude principal and interest on state debt, legislative and judicial branches, school equalization aid and salaries of elected officials.

Nevada: The governor can accept grants up to \$50,000.

New York: 1) May reduce budget without approval for state operations. 2) Only restriction is that reductions in aid to localities cannot be made without legislative approval.

North Carolina: Except for certain block grants.

North Dakota: 1) The governor has some flexibility to reorganize within or among departments that have directors appointed by the governor. Must act within statutory authority, however. 2) The Emergency Commission (comprised of the governor, secretary of state, chairman of the House and Senate Appropriations Committees, and the chairman of the Legislative Council) can authorize spending of unanticipated federal funds and special funds without legislative approval.

Notes to Table I

Ohio: Ohio's executive budget only contains agency request information at a summary level.

Oklahoma: 1) Would require agreement of agency governing boards and/or CEO. 2) Only in agencies that do not have a legislated federal fund limit.

Pennsylvania: 1) Agency budget requests are provided separately to the appropriations committees at the same time the governor's recommended budget is released. 2) The governor may reorganize within agencies only. 3) The governor may spend federal funds without legislative approval for natural disasters, civil disobedience, or in an emergency situation to avoid substantial human suffering. 4) The governor may reduce budgets selectively; he must provide 10-day prior notice and the reasons for so doing before lapsing current year grant and subsidy money.

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.

Utah: 1) The only agency requests in the executive budget are for courts and the legislature. 2) Some restrictions, i.e. cannot cut debt services.

Vermont: 1) If executive order reorganization contravenes current law, it becomes law unless disapproved by the Legislature within 90 days. 2) Reductions based on revenue shortfalls of greater than 1% require legislative approval.

Virginia: Cannot reduce appropriations, but can withhold allotments.

West Virginia: 1) The governor can reduce expenditures but not appropriations. 2) Public education has priority.

Wisconsin: Cannot reduce appropriations, but can withhold allotments.

Table J
Gubernatorial Veto Authority

<i>State</i>	<i>No Veto Power</i>	<i>Line Item Veto</i>	<i>Item Veto of Appropriations</i>	<i>Item Veto of Selected Words</i>	<i>Item Veto to Change Meaning of Words</i>
Alabama*	-	-	-	-	-
Alaska	-	X	X	-	-
Arizona	-	X	X*	-	-
Arkansas	-	X	X	X	-
California	-	X	X	X*	-
Colorado	-	X	X	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	*	*
Louisiana	-	X	X	-	-
Maine	-	X	X	-	-
Maryland	*	-	-	-	-
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*	X	-	-	-	-
North Dakota	-	X	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*	-	-	-
Washington	-	X	X	-	-
West Virginia	-	X	X	X	-
Wisconsin	-	X	X	X	-
Wyoming	-	X	X	X	X
Puerto Rico	-	X	X	-	-
TOTAL	1	43	41	15	3

Notes to Table J

Alabama: The governor may return a bill without limit for recommended amendments for amount and language, as long as the legislature is still in session.

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: Only in extenuating circumstances, such as an issue involving separation of powers in the branches of government.

Hawaii: Governor may veto judicial and legislative appropriation bills only in their entirety.

Illinois: The governor can veto appropriation items entirely (Item Veto) or merely reduce an item of appropriation to a lesser amount (Reduction Veto). If the governor reduces an item of appropriation, the remaining items in the bill are not affected and can become law immediately. The governor can also veto substantive or appropriation bills entirely (Veto) or merely make changes to them (Amendatory Veto). Changes can include removing selected words or changing the meaning of words. If the governor makes amendatory language changes to an appropriation bill, the entire bill including all other appropriation items are held up until the legislature considers the governor's changes. The legislature can add explanatory or limiting language to appropriations without violating the constitutional distinction between substantive and appropriation bills. The governor has occasionally changed language in an appropriation bill without rising to the level of an amendatory veto. For instance, the governor once changed the fund from which the appropriation was being made.

Kentucky: Constitutional authority is unclear because neither of the issues have been litigated.

Maryland: The budget bill, when and as passed by both houses, shall be law immediately without further action by the governor. The governor, however, may veto supplementary appropriation bills.

Michigan: Michigan Constitution provides "the governor may disapprove any distinct item or items appropriating moneys in any appropriations bill." Under our Attorney General's Opinion No. 6399, dated November 13, 1986, an item of appropriation may be contained in language sections of appropriations bills, "(i)f the amount and subject of appropriations are stated."

Missouri: Governor can veto unconstitutional language and language that establishes purpose of moneys vetoed. Governor cannot veto language to change purpose of appropriation.

Notes to Table J

New Mexico: 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: Bills are subject to veto by the governor except for bills addressing amendments to the state or U.S. Constitution, joint resolutions, bills containing general assembly appointments to public office, revising senate or representative districts and certain local bills. If the governor returns a bill it is to be accompanied with objections and a veto message stating the reasons for the objections.

North Dakota: The governor can execute an item veto of appropriations if the item veto is in a separate and distinct line item.

Ohio: 1) Line item veto in appropriation act only. 2) Item veto of selected words is only available to the governor in appropriations acts.

Pennsylvania: The governor may only remove language directly related to an appropriation.

Virginia: Governor may return bill without limit for recommended amendments for amount 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.

Table K
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
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	X	S
California	X	C	-	-	-	-
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,S	X	C	-	-
Indiana	-	-	-	-	-	-
Iowa	X	C,S	X	S	-	-
Kansas	X	S	X	C,S	-	-
Kentucky	X	C,S	X	C,S	X	C,S
Louisiana	X	C,S	X	C,S	X	C,S
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
Minnesota	X	S	X	S	X	C,S
Mississippi	X	S	X	S	-	-
Missouri	X	C	-	-	X	C
Montana	X	S	X	C	-	-
Nebraska	X	C	X	S	-	-
Nevada	X	S	X	C	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	-	-	*	-
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	S	X	C,S	X*	-
Vermont	-	-	-	-	-	-
Virginia	*	-	*	-	*	-
Washington	X	S	-	-	-	-
West Virginia	-	-	X	C	X	C
Wisconsin	X	C	X	C	X	C,S
Wyoming	X	C	X	C	-	-
Puerto Rico	X	C	X	C	X	C
TOTAL	46		41		33	

Codes: C...Constitutional
S...Statutory

Notes to Table K

Idaho: Although the constitution requires that the legislature pass a balanced budget, there have been years when they over-appropriated the revenue estimate. The governor, as the chief budget officer of the state, has always insured that expenditures do not exceed revenues.

Maryland: The budget bill when and as passed by both houses, shall be a law immediately without further action by the governor.

New York: The governor is not technically required to sign a balanced budget, but the governor, legislative leaders, and the comptroller must certify the budget is in balance in order to meet borrowing requirements.

Oklahoma: 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.

Utah: Governor may allow balanced budget to go into law without signature.

Virginia: Requirement applies only to budget execution. The governor is required to insure that actual expenditures do not exceed actual revenues.

Table L
Debt Limits

State	Amount of G.O. Debt Limit	Constitutional or Statutory	Override Provisions	Amount of Short Term Debt Limit	Constitutional or Statutory	Override Provisions
Alabama	U	-	-	\$300,000	C	-
Alaska	U	-	-	N	-	-
Arizona	\$350,000	C	-	*	-	-
Arkansas	\$365,000,000*	C	-	N	-	-
California	U	-	-	-	-	-
Colorado	U	C	X*	N	C	X*
Connecticut	1.6 x Rev.	S	-	*	S	-
Delaware	*	S	-	-	-	-
Florida	-	C	-	N	-	-
Georgia	10% Debt.	C	-	-	-	-
Hawaii	*	C	**	N	-	-
Idaho	\$2,000,000	C	X	\$2,000,000	C	X
Illinois	*	C,S	-	15%, total app.	C,S	-
Indiana	N	C	-	N	C	-
Iowa	\$250,000	C	-	U	S	-
Kansas	\$1,000,000	C	X	N	-	-
Kentucky	\$500,000	C	-	U	-	-
Louisiana	*	C,S	X	-	-	-
Maine	\$2,000,000	C	-	\$2,000,000	C	-
Maryland	*	**	-	\$100,000,000	S	-
Massachusetts	*	S	-	*	-	-
Michigan	*	C	-	**	C	-
Minnesota	3% non-ded. rev.	-	-	*	S	-
Mississippi	1.5 x rev.	C	-	5% of G.F.	S	-
Missouri	1,000,000*	C	C	N	C	X
Montana	U	-	-	U	-	-
Nebraska	N	C	-	N	C	-
Nevada	2% of assessed val.	C	-	-	-	-
New Hampshire	10% revenue*	S	-	\$125,000,000	-	-
New Jersey	1% of G.F.	C	Referendum	N*	-	-
New Mexico	*	C	-	\$200,000	C	-
New York*	U	C	-	\$1,000,000,000	S	X*
North Carolina	U	C	Popular Vote	50% yr. total	C	X
North Dakota	\$10,000,000	C	X*	N	-	-
Ohio	*	C	-	N	C	-
Oklahoma	U*	-	-	U*	-	-
Oregon	*	C	Const. Amendment	*	-	-
Pennsylvania	*	C	Referendum	20% of rev.	S	-
Rhode Island	\$50,000*	C	Referendum	\$150,000,000**	C,S	-
South Carolina	*	C	-	N	-	X
South Dakota	N	C	-	\$100,000	C	-
Tennessee	*	S	X	N	-	-
Texas	5% of GR	S	X	-	S	X
Utah	20% of state appr. limit	C,S*	-	-	-	-
Vermont	U	X*	-	**	S	-
Virginia	formula	C	-	formula	C	-
Washington	9%/7% of general revenue*	C,S	-	-	-	-
West Virginia	per amendment	C	-	per statute	S*	-
Wisconsin	formula*	C	X	\$700,000,000	S	S
Wyoming	1% assessed value	C	-	N	-	-
Puerto Rico	Annual pmt. <, = 15%*	C	-	-	S	-

Codes: C....Constitutional
S....Statutory
U....Unlimited
N....No debt allowed

Notes to Table L

Arizona: The state may contract debts to supply the casual deficits or failures in revenue, or to meet expenses not otherwise provided for; however, the aggregate amount of such debt shall not exceed \$350,000.

Arkansas: Amount of general obligation debt limit represents the maximum allowed for the biennial period.

Colorado: Certificates of Participation.

Connecticut: Bond Anticipation Notes are included under general obligation debt limit.

Delaware: The state has a three-part debt limit. a) Yearly authorization cannot exceed 5% of estimated net General Fund revenue for that fiscal year. b) Aggregate maximum annual debt service payments on outstanding debt cannot exceed 15% of estimated aggregate annual revenue. c) No general obligation debt may be incurred if the maximum annual debt service payable in any fiscal year will exceed the estimated cumulative cash balance.

Hawaii: 1) Total amount of principal and interest payment on general obligation debt cannot exceed 18.5% of the average of the general fund revenues of the state in the three fiscal years immediately preceding the issuance of the bonds. 2) Emergency condition declared by governor and concurred to by 2/3 vote of legislature.

Idaho: The state's aggregate general obligation debt may not exceed \$2,000,000 except in cases of war or insurrection. 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 legislature.

Illinois: Dollar amount set by 3/5 vote of legislature.

Louisiana: Annual debt obligation may not exceed 10% of the average annual revenues of the Bond Security and Redemption Fund for the last 3 fiscal years. As of June 30, 1996, the annual general obligation debt represented 54.93% of the debt issuance limitation. General obligation debt may not exceed an amount equal to two times the annual revenues of the Bond Security and Redemption Fund for the last three fiscal years. As of June 30, 1996, the amount of total general obligation bonds authorized was 16.97% of the bond authorization limit. The constitution requires that general obligation debt Limit be no more than 6% of the official revenue estimate by Fiscal 2003-2004. The statutes provide reduction targets for each year prior to Fiscal 2003-2004.

Notes to Table L

Maryland: 1) State policy for over a decade has been that outstanding debt shall not exceed 3.2% of state personal income and that debt service shall not exceed 8% of the revenue source to pay that debt service. 2) State law establishes a Debt Affordability Committee that makes annual recommendations to the governor and general assembly.

Massachusetts: Debt is limited to 105% of previous year's limit, or \$9.113 billion in FY 1997, but general obligation debt service appropriations cannot exceed 10% of total appropriations. Commercial paper is capped at \$600 million and must be repaid in the fiscal year in which it was issued. Transit notes are authorized as needed but must mature in current or next succeeding fiscal year.

Michigan: 1) Debt limit is authorized by the legislature. 2) Short-term debt limited to 15% of prior year undedicated general fund - general purpose revenues.

Minnesota: 1) Appropriations for bonded projects are authorized by a 3/5 vote of the legislature. An executive guideline has limited the amount of the debt service transfers from the general fund in any biennium to 3% of the estimated General Fund Net Non-Dedicated Revenues for the biennium. New bonds to be sold are limited to the excess of dollars from the 3% of Net Non-Dedicated Revenues and the dollars required for the debt service on existing bonds currently outstanding.

Missouri: Voters may authorize additional amounts. Current authorization include \$250 million for corrections, higher education, and youth services facilities (\$50 million remaining to be sold) and \$625 million for water pollution control (\$185.5 million, remaining to be sold).

New Hampshire: The legislature shall not authorize any additional tax supported debt if projected debt service exceeds 10% of prior year unrestricted revenue. The limit can be exceeded by 3/5 vote.

New Jersey: Short-term borrowing to cover cash flow needs, provided such borrowing is repaid within the same fiscal year, is not prohibited by the state constitution, and is authorized in the annual appropriations act.

New Mexico: One percent of the total property valuation subject to taxation.

New York: All general obligation debt is subject to the approval of the voters for purpose and amount. Short-term debt may be issued as bond anticipation notes (BANs) and tax and revenue anticipation notes (TRANS). Either may be issued in the form of flexible notes or short-term series notes, and are limited to no more than \$500 million in each form. BANs are limited to the amount of general obligation debt authorized by the voters, but not yet issued. TRANS may only be issued if the governor and legislative leaders have certified to the need for such additional borrowing and its planned retirement.

North Dakota: Override provision if backed by real estate mortgage.

Notes to Table L

Ohio: General obligation debt is authorized by separate sections of the state's constitution. Up to \$100 million in coal development bonds can be outstanding at any one time. Up to \$1.2 billion in highway bonds can be outstanding at any one time, but no more than \$220 million can be issued in any year. Up to \$200 million in parks and natural resources bonds can be outstanding at any one time, but no more than \$50 million can be issued in any year. Up to \$2.4 billion in local infrastructure bonds can be issued, but no more than \$120 million can be issued in any year.

Oklahoma: General obligation debt must be approved by a vote of the people.

Oregon: General obligation debt must be authorized in the constitution. Borrowing authority as of July 1995, property true cash value was \$25.4 billion. Short-term debts (i.e. other than authorized general obligation or revenue bonds or certificates of participation) are limited to \$50,000.

Pennsylvania: General obligation debt for capital budget not approved by the voters is limited to 1.75 percent of five-year average tax revenues.

Puerto Rico: The annual installments of general obligation debt limit do not exceed 15% of the annual tax revenues raised during the two preceding fiscal years.

Rhode Island: 1) Additional long-term borrowing may occur if approved by voters. 2) Short-term borrowing limit is set constitutionally by formula and is further limited to \$150 million by statute.

South Carolina: Annual debt service is limited to 5% of the actual General Fund revenue of the latest completed fiscal year.

Tennessee: Pledged revenues must be 150% of debt service requirements. Limit is \$1.9 billion.

Utah: The state also has a constitutional limit of 1.5% of the value of taxable property in state.

Vermont: 1) The Debt Affordability Committee recommends to the governor and legislature the size of the annual bond issuance. 2) The short-term debt limit is appropriated annually.

West Virginia: Constitution allows short term debt; statute sets debt limit.

Washington: The current statutory debt limit (7%) is less than the constitutional debt limit (9%).

Wisconsin: The constitution requires general obligation debt to be the lesser of $\frac{3}{4}$ of 1% of statewide assessed property value, or 5% of the assessed value less the aggregate state public debt as of January 1 of that calendar year. Short-term debt amounts cannot be greater than 10% of general fund appropriations in a year.

Table M
Tax and Expenditure Limitations

State	Tax and Expenditure Limitation	Nature	Where Does Tax Increase Originate	Votes Required to Pass Revenue Increase
Alabama	-		L	majority
Alaska	Appropriation limited to growth of population and inflation.	C	L,U	majority
Arizona	Appropriations limited to 7.23 % of personal income	C	L,U	2/3 elected
Arkansas	-		L,U	3/4 elected
California	Appropriation limited to personal income growth and population	C	L,U	2/3 elected
Colorado	Appropriation growth limited to 6% of prior year's appropriation	S	L	majority*
	General & Capital Fund revenues limited to growth of population and inflation	C		
Connecticut	Appropriations limited to greater of personal income growth or inflation	C	L,U	majority
Delaware	Appropriations limited to 98 % of estimated revenue	C	L	3/5 elected
Florida	Revenue limited to 5 year average of personal income growth	C	L,U	2/3 elected
Georgia	-		L	majority
Hawaii	Appropriation limited to 3 year average of personal income growth	C	L,U	majority*
Idaho	Appropriations limited to 5.33 percent of personal income	S	L	majority
Illinois	-		L,U	majority
Indiana	-		L	majority
Iowa	Appropriations limited to 99% of adjusted general fund receipts	S	L,U	majority
Kansas	-		L,U	majority
Kentucky	-		L	2/5 elected
Louisiana	Appropriation limited to per capita personal income growth	C	L	2/3 elected
	Revenue limited to a ratio of personal income in 1979	S		
Maine	-		L,U	majority
Maryland	-		L,U	majority
Massachusetts	Revenue limited to growth in wages and salaries	S	L,U	majority
Michigan	Revenue limited to 9.49% of prior year's personal income	C	L,U	majority
Minnesota	-		L	majority
Mississippi	Appropriations limited to 98% of projected revenue	S	L,U	3/5
Missouri	Revenue limited to 5.64% of prior years personal income	C	L,U	majority
Montana	Appropriations limited to personal income growth	S	L,U	majority
Nebraska	-		Unicameral	majority
Nevada	Expenditures limited to growth of population and inflation	S	L,U	majority
New Hampshire	-		L	majority
New Jersey	Appropriations limited to personal income growth	S	L	majority
New Mexico	-		L,U	majority
New York	-		L,U	majority
North Carolina	Appropriations limited to 7% of state personal income	S	L,U	majority
North Dakota	-		L,U	majority
Ohio	-		L,U	majority
Oklahoma	Appropriations limited to 95% of certified revenue	C	L	3/4 elected
Oregon	Appropriations limited to personal income growth	S	L	2/3 elected
Pennsylvania	-		L	majority elected
Rhode Island	Appropriations limited to 98% of projected revenue	C	L,U	majority
South Carolina	Appropriations limited to personal income growth	C	L,U	majority
South Dakota	-		L,U	2/3 elected
Tennessee	Appropriations limited to personal income growth	C	L,U	majority
Texas	Appropriations limited to personal income growth	C	L	majority
Utah	Appropriations limited to growth in population, inflation, and personal income	S	L,U	majority
Vermont	-		L	majority
Virginia	-		L,U	majority*
Washington	State general fund expenditures limited to growth in population and inflation	S	L,U	majority
West Virginia	-		L,U	majority
Wisconsin	-		L,U	majority
Wyoming	-		L	majority
Puerto Rico	-		L	majority

Codes: C...Constitutional L...Lower
 S...Statutory U...Upper

Notes to Table M

Colorado: All tax increases must be approved by a vote of the people.

Hawaii: Two-thirds of elected members are required if the general fund expenditure ceiling is exceeded; otherwise, a majority of elected members is required.

Virginia: Two-thirds of members present includes a majority of the members elected.

Budgeting Tools and Techniques

Introduction

The tables in this chapter provide a wide variety of information on budgeting tools and techniques. The first three tables provide information on state methods and techniques to analyze program efficiency and effectiveness. Tables Q and R provide information on stabilization and contingency funds, tools states use to budget for the unexpected. The final table in this chapter demonstrates how technology has become a tool in budgeting, enhancing the ability to analyze vast amounts of information and rendering a method to provide information to the public.

Methods to Analyze Budget Need

The budget has evolved from being strictly a financial document, to becoming a policy and financial plan. States use combinations of line item budgeting, program budgeting, zero-based or modified zero-based budgeting, and performance budgeting to develop the budget. Line item budgets allow budget practitioners to examine incremental changes in budgets and identify appropriation trends. Program budgeting forces an examination of program goals and objectives and in some cases clarifies program performance and outcomes. Through zero-base budgeting, the very essence of an agency, program, division, or department is examined to determine its worth and value. Finally, in performance budgeting, measurable performance objectives are used to make budget related decisions.

As seen in the first column of Table N most states use a combination of these budgeting techniques. Incremental and program budgeting are the most widely used. Table P examines state policies regarding program evaluation in more depth, providing information on frequency, nature, and responsibility of the evaluation. Table O provides detailed information on state performance measures. In comparing the column for Table N and Table O, one can see that while most states have developed performance measures, they have not fully incorporated the use of performance measures into the budget process. Although 49 states have developed performance measures, only 14 states have formally included these in their budget system.

Budgeting in a Recession or for an Emergency

A tool states increasingly use to deal with unanticipated deficits caused by a turn in the economy or an emergency is to maintain budget stabilization and contingency funds. (See tables Q and R)

Budget stabilization funds, sometimes referred to as rainy day funds, allow states to maintain spending during recessions without having raise and lower taxes. Simply stated, the rainy day funds act as a state saving account, allowing the state to save money when the economy is healthy, for use during an economic downturn. While stabilization funds are rarely able to meet the costs associated with an economic downturn; they serve as a cushion in the short term while larger structural reforms can be debated and implemented.

All but 6 states have budget stabilization funds. Thirty-six states have capped the size of the budget stabilization fund through a formula. While some states specify a dollar amount, most states cap the fund at a certain percentage of estimated general fund revenues. Across the states, withdrawals from the funds typically require a vote of the legislature.

In addition to budget stabilization funds, most states have contingency funds set aside to provide for unforeseen expenditures or for anticipated purposes of uncertain amounts. The contingency fund, typically established through an appropriation, is generally available for expenditure with the governor's authorization. Contingency funds are largely used for disaster relief. All but 3 states have contingency funds, ranging from \$2,000 to \$66,000,000.

Using Technology in the Budget Process

The dramatic advancements made in computer technology have profoundly influenced state budget offices. Agency budget requests are largely submitted on-line and the requests are compiled into budget documents from multiple databases. Budget offices have access to important budgeting information across the state including auditor offices, personnel departments, revenue agencies, and the legislature. The challenge for state budget office lies in developing an electronic financial system that tracks accounting, payroll, personnel, and the budget across state government agencies in a comprehensive and meaningful manner.

States are at various stages of developing integrated financial management systems. As shown in the second page of Table T, integration of vital budget information across state agencies is a developing trend.

States also are using technology to increase citizen awareness and access to government information. At last count, all but 8 state budget offices have web sites. Most of the web sites provide either summaries of the budget or the budget document itself.

Table N
Budgeting Procedures

State	Budget Approach	State Appropriates Federal Funds	State Appropriates All Non-Federal Funds	State Has Permanent/Continuous Appropriations	Budget Reflects GAAP	State has Late Budget Provision
Alabama	P,I	X	X	-	-	-
Alaska	I	X	X	NA	X	NA
Arizona	P,I	X*	-	X**	-	-
Arkansas	P,I	X	X	-	X	-
California	Z,P,I,PF*	X	X	X**	X***	-
Colorado	P,I	X*	X	-	X	-
Connecticut	P,I	-	-	-	X	-
Delaware	Z,P,I	-	-	-	-	-
Florida	P,I,PF	X	X	-	-	-
Georgia	Z	X	X	-	X	-
Hawaii	P,I	X	-	-	-	-
Idaho	Z,P	X	-	X	-	X
Illinois	P	X	-	X	-	-
Indiana	I	X	-	X	-	-
Iowa	Z,P	X	X	-	X	-
Kansas	P,I	X	X	-	-	-
Kentucky	P,I	X	X	-	-	-
Louisiana	P	X	X	-	-	-
Maine	P	X	-	-	-	-
Maryland	P	X	X	-	-	X*
Massachusetts	P	X	-	-	-	-
Michigan	Z,P,I	X	X*	-	X	-
Minnesota	P,I,PF	-	-	X*	-	-
Mississippi	P,I	X	X	-	X	-
Missouri	Z,I,PF	X	X	*	-	**
Montana	Z,P,I,PF	X	-	X	X	-
Nebraska	P,I,PF*	X	X	-	-	-
Nevada	P	X	X	NA	-	NA
New Hampshire	I	X	X	-	-	-
New Jersey	P*	X	-	-	X	-
New Mexico	I	-	X	-	-	-
New York	I	X	X	-	X	-
North Carolina	I,P,PF*	X	-	-	-	-
North Dakota	Z,P,I,PF	X	X	X*	-	-
Ohio	Z,P*	X	-	-	**	-
Oklahoma	Z,P,I,I	-	X	X*	-	-
Oregon	Z,P,PF*	X	X	-	-	-
Pennsylvania	P	X	X	*	**	-
Rhode Island	P,I	X	X	-	X	X
South Carolina	P,I	X	-	-	-	-
South Dakota	P,I	X	X	-	-	-
Tennessee	P,I	X	X	-	X	-
Texas	P*,PF	X	X	-	-	-
Utah	P,I	X*	X	-	X	-
Vermont	P,I	X	X	-	-	-
Virginia	Z,P,PF	X	X	-	-	-
Washington	I,PF	X	-	-	X	-
West Virginia	P,I	X	-	-	-	-
Wisconsin	P,I,PF	X	X	X	-	X*
Wyoming	P,I,PF	X	X	-	X	-
Puerto Rico	Z,P,I	-	-	-	-	-
TOTAL		45	33	10	17	4

Codes: I...Incremental Z...Zero or Modified Zero Based NA...Not Available
P...Program PF...Performance Budgeting

Notes to Table N

Arizona: 1) TANF 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. 2) All state funds are subject to legislative appropriation. Some funds are subject to annual/biennial appropriation by the legislature, while others 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: 1) The state is operating a pilot project consisting of four departments to assess performance budgeting techniques. As yet, these portions of the state's budget are not fully reflective of performance budgeting. 2) The state appropriates funds predominately through the annual budget bill but has selected permanent/continuous appropriations. 3) The state prepares the annual budget on a legal basis. These budgeted amounts, on a summary level, are then converted to reflect a GAAP basis.

Colorado: State appropriates federal funds if there is a general fund matching requirement.

Maryland: The Maryland Constitution provides that, if the budget bill has not been finally acted upon by the legislature seven days before the expiration of the regular session, the governor shall issue a proclamation extending the session for some further period as may in the governor's judgment be necessary for the passage of the bill. No matter other than the budget bill shall be considered during such extended sessions.

Michigan: There are several restricted revolving funds (e.g., liquor purchase, prison industries) and trust funds (e.g., pension trust funds) which are not appropriated.

Minnesota: The state has open appropriations for various caseload driven costs in the human services and other areas which tend to be permanent/continuous appropriations.

Missouri: 1) The state does not appropriate tuition, fees, or other revenues of higher education institutions. 2) The governor can call a special session to pass appropriations if the regular session fails to pass all, or part, of the budget.

Nebraska: Budget approach utilized by executive branch is strategic and places increasing emphasis on performance measures and results. Legislature utilizes incremental approach.

New Jersey: Budget approach includes long range and strategic planning goals and target based analysis. While all non-federal funds are not appropriated, all of the funds are displayed in the budget.

Notes to Table N

North Carolina: North Carolina has fully integrated both program and performance budgeting. All funds have been programmatically sorted by purpose and outcome. Each fund has an objective (expected result) and performance strategy (expected output) developed. Funds are also presented by organizational structure.

North Dakota: There are a limited number of non-federal funds that are not appropriated. Examples include higher education auxiliary funds and trust funds.

Ohio: 1) Modified zero-based and program budgeting; working to incorporate performance measures into budgeting. 2) Separate GAAP financial statements are published annually.

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; working to incorporate performance measures into budgeting.

Pennsylvania: 1) No permanent appropriations; occasionally there are appropriations which have a two or three year life other than the normal one year appropriation. 2) Uses program budgets; separate GAAP financial statements are published annually but not in the budget.

Texas: The state has a goal-based budget approach.

Utah: Legislature appropriates federal funds as an estimate only.

Wisconsin: Agencies are authorized to continue to spend at previously authorized levels for the new fiscal year until new budget authority is signed by the governor.

Table O
Performance Measures

State	Functional Area(s) Performance			Implications of Performance Measurement	Results Published
	Performance Measures	Measures Developed	Measurements Monitored		
Alabama	X	-	X	P	X
Alaska	X	NA	NA	NA	NA
Arizona	X	All*	X	P,GP,B	X**
Arkansas	X	-	X	B	-
California	X*	A	X	P,GP,B	X
Colorado	X	All	X	-	-
Connecticut	X	-	-	-	-
Delaware	X	All	X	P,B	X
Florida	X	HHS,PS,T,E	X	P,GP,B	X
Georgia	X	NR,HHS,ED,E,PS	*	*	*
Hawaii	X	All	X	B	X
Idaho	X*	*	*	*	*
Illinois	X	All	X	P,GP	X
Indiana	X	-	X	B	-
Iowa	X	All	*	*	*
Kansas	X	-	X	B	-
Kentucky	X	E	X	P	X
Louisiana	X	All	X	P,GP,B	X
Maine	X	*	*	*	*
Maryland	X*	*	*	*	*
Massachusetts	-	-	-	-	-
Michigan	X	All	*	*	*
Minnesota	X	All	X	P,GP,B	X
Mississippi	X	All	X	P,GP,B	X
Missouri	X	All	X	P,GP,B	X
Montana	X	NR,HHS,PS,E,A	X	P	X
Nebraska	X	-	X	P,GP,P	X
Nevada	X	NA	NA	NA	NA
New Hampshire	X	-	-	-	-
New Jersey	X	All	Selectively	B	X
New Mexico	X	NR,HHS,ED,PS,T,A	X	B,GP	-
New York	X	NA	NA	NA	NA
North Carolina	X	All	X	P,GP,B	X
North Dakota	X	All	X	P,GP,B	X
Ohio	X	NR,HHS,T,E*	X	P,GP,B	X
Oklahoma	X*	All*	X*	P,B*	X*
Oregon	X	-	X	*	X
Pennsylvania	X	All	X	P,GP,B	X
Rhode Island	X	NR,HHS,PS,T,E,A	X*	P,GP,B*	*
South Carolina	X	-	-	P	X
South Dakota	X	-	-	-	-
Tennessee	-	-	-	-	-
Texas	X	All	X	-	X
Utah	X	All	X	P,GP,B	X
Vermont	X	All	X	-	X
Virginia	X	All	X	P,GP	X
Washington	X	All	in process	P,GP,B	in process
West Virginia	X	All	X	GP	X
Wisconsin	X	NR,HHS,PS,T	-	P,GP,B	X
Wyoming	X	All*	X*	P,GP,B	X*
Puerto Rico	X	-	-	-	-
TOTAL	49		32		29

Codes: NR...Natural Resources/Environment T...Transportation P...Public Accountability
HHS...Health/Human Services E... Education GP...Goal/Priority Building
ED...Economic Development A...Administration B...Budgeting Decisions
PS...Public Safety
All...All functions listed NA...Not Available

Notes to Table O

Arizona: 1) All agencies must provide performance measurement data with their budget requests and for the Master List of State Government Programs. The most important outputs are designated as caseload/budget drivers. These include such measures as number of students enrolled, number of prisoners incarcerated, and the number of AHCCCS (Medicaid) clients served. These key outputs are monitored constantly by the agency and OSPB. For other measures, prior year targets are compared with actual performance as part of the budget and program authorization reviews. 2) Performance results are published in the Master List of State Government Programs. Key agency performance measures are published in the executive budget document. Conclusions about a program's performance measures and results are also published in the Program Authorization Review reports.

California: The state is operating a pilot project consisting of four departments to assess performance budgeting techniques. As yet, these portions of the state's budget are not fully reflective of performance budgeting.

Georgia: The measurement, reporting, and implications of performance measures is being phased-in in FY 1998 through FY 2000.

Idaho: Idaho has recently begun a strategic planning initiative, which includes requiring each agency to develop performance measures. Currently, it is each agencies responsibility to monitor and report the measurements on an annual basis.

Iowa: Iowa is in the process of developing a system to monitor and report performance measures.

Maine: Maine is in the process of developing a system to monitor and report performance measures.

Maryland: Some agencies have developed performance measures, however, the state is currently in the process of implementing a statewide program including monitoring and measurement.

Michigan: All agencies are required to identify performance measures on achievement of program outcomes consistent with the agency mission. Twelve agencies are part of a pilot program in FY 1997 working with the legislature to define and report measurement mechanisms and to correlate these measurements to program outcomes and mission achievement.

Ohio: Performance measures have been developed for some programs in each of the functional areas indicated.

Oklahoma: In the early stages of performance measure development. Most agencies have been reporting inputs and outputs for years. Some

Notes to Table O

now monitor outcome and efficiency measures and more agencies are doing so each year. At this stage, measures that are available are used for budgeting decisions and some results are published in agency annual reports.

Oregon: Performance measures are in use and published as part of the budget process. Measures are generally used for management tools rather than budget decisions.

Rhode Island: Fiscal Year 1998 is the first full year for performance measurement monitoring and evaluation. The state's goal is to insure that the measures are established with public accountability as the primary goal, and that evaluation of each measurement will have a direct relationship to both goal/priority building and decision making.

Wyoming: Wyoming is in the process of implementing pilot projects.

Table P
Program Evaluation

State	State Has Program Evaluation Function	Location of Function	Frequency of Evaluation	Nature of Evaluation
Alabama	X	B,S,L	A,R	AF,IB,IO
Alaska	X	B	R	AF
Arizona	X	B,E,L	A,R,O	AF,IB,IO
Arkansas	X	B	R	IB
California	X	B	R,O	AF,IB,IO
Colorado	X	B,L	R	AF,IB
Connecticut	X	B,L	A,R	AF,IB
Delaware	X	B,L	A	IB
Florida	X	B,L	R	AF,IB
Georgia	X	B,E	O	IB
Hawaii	X	B,E	R,O	IB
Idaho	X	B,L	A	AF,IB
Illinois	X	B,E	R	IB,IO
Indiana	X	B,L	A,R	IO
Iowa	X	B	A,R	IB,R
Kansas	X	B	A,R	IB,IO
Kentucky	-	-	-	-
Louisiana	X	AF,B,L	A	IB
Maine	X	B,S	A,R	AF,IB,IO
Maryland	X	S	A,R*	IB,IO
Massachusetts	X	B,IB,E,L	R	A,IB
Michigan	X	B,E	R	IB
Minnesota	X	L	R	AF
Mississippi	X	IB,E,L	R	AF,IO
Missouri	X	B,E,L	R	AF,IB,IO
Montana	X	L	R	AF
Nebraska	X	L	R	IO
Nevada	X	B	Biannual	IB
New Hampshire	-	-	-	-
New Jersey	X	B,L	A,R	AF,IB,IO
New Mexico	X	B,L	A	IB
New York	X	B,E,L	A,R,O	AF,IB,IO
North Carolina	X*	B	R	IB
North Dakota	X	E*	R	AF
Ohio	X (Education only)	L	R	IO
Oklahoma	X	B,E,L	R	IB,IO
Oregon	X	B,E,L	R	AF,S
Pennsylvania	X	B,E,L	A,R	AF,IB
Rhode Island	X	B,E,L	A,R	AF,IB
South Carolina	X	B	A	IO
South Dakota	X	-	A	IB
Tennessee	X	L	O	AF
Texas	X	L	O	IB
Utah	X	L	R	IB
Vermont	-	-	-	-
Virginia	X	B,L	R,O	IB,IO
Washington	X	L	R	IO
West Virginia	X	B,L	A	AF,IB
Wisconsin	X	B,L	R	AF,IB, IO,
Wyoming	X	B,L	R	AF,IB, IO,
Puerto Rico	X	B	R	AF,IB,S

TOTAL 48

Codes: AF....Part of Audit Function O....Other R....As Requested
 IB....Incorporated into Budget Process A....Annual B....Budget Agency
 IO....Informational Only E....Other Executive Agency
 S....Subset of Budget Agency L....Legislative Agency

Notes to Table P

Maryland: Executive branch evaluations are done as required/requested. Legislative branch evaluations are done as part of the bi-annual audit function. In addition, the legislative branch conducts sunset reviews of certain boards and commissions on a scheduled basis.

North Carolina: Program evaluations are conducted as a part of the budget process, as a special requirement by legislation or at the request of a department. A program/performance report will be published in the fall of 1997. The report will focus on where the state is accomplishing objectives, which agencies are meeting requirements, and other external factors that influence program and performance.

North Dakota: Elected official - state auditor.

Table Q
Budget Stabilization or "Rainy Day" Fund

State	Fund Name	Determination of Fund Size	Procedure for Expenditure
Alabama	Proration Prevention Fund - Education	\$21 mil. - 1st yr., \$8 mil. - 2nd yr., thereafter up to \$75 mil maximum	1) Declaration of Proration by Governor 2) Declaration of Emergency by Legislature
Alaska	Budget Reserve Account	Unexpended balance and appropriations	appropriation
Arizona	Constitutional Budget Reserve Fund	Oil and Gas litigation/disputes settlements	3/4 vote of legislature
	Budget Stabilization Fund	*	1) By formula with majority legislative appropriation; 2) Non-formula with 2/3 legislative approval
	Medical Services Stabilization Fund	No limit. \$15M is transferred each yr. from the Medically Needy Account of the Tobacco Tax and Health Care Fund.	Upon notice of a deficiency, the Joint Leg. Budget Committee may recommend that a withdrawal be made.
	Temporary Assistance Stabilization Fund	No limit. Monies are appropriated by the legislature.	Appropriation by legislature
Arkansas	-	-	-
California	Special Fund/Reserve for Economic Uncertainties	Appropriation by Legislature	Appropriation by legislature
Colorado	Restricted Reserve	Statutory 4% of General Funds, 6% appropriations.	Legislation can be lowered only by unexpected expenditures, i.e. Medicaid Fund deficit after the books have been closed.
Connecticut	Budget Reserve Fund	5% of net General Fund appropriations of the fiscal year in progress	
Delaware	Budget Reserve Account	Excess unencumbered funds, no greater than 5% of Gross General Fund Revenues	3/5 vote of legislature for unanticipated deficit or revenue reduction
Florida	Working Capital Fund Budget Stabilization Fund	Appropriations Act 1% of General Fund in Fiscal 1995, building to 5% by Fiscal 1999	Gov. declared emergency/Leg. Approps. Legislative appropriations to cover revenue shortfalls
Georgia	Reserve Shortfall	3% of prior yrs. net revenue	Revenue shortfall during current year.
Hawaii	-	-	-
Idaho	Budget Reserve Fund	No limit, but only mechanism for putting money in the fund is by an appropriation.	Legislative appropriation
Illinois	-	-	-
Indiana	Counter-Cyclical Revenue	Cap is 7% of state revenue	Statutory formula
Iowa	Cash Reserve Fund Economic Emergency Fund	5% of General Fund Budget 5% of General Fund Budget	2/3 majority of General Assembly Simple majority of General Assembly
Kansas	-	-	-
Kentucky	Budget Reserve Trust Fund	*	*
Louisiana	Revenue Stabilization/Mineral Trust Fund	Revenues exceeding \$750,000,000 from production and exploration of minerals.	1/3 of fund with legislative approval
Maine	Rainy Day Fund	4% of GF revenue rcvd in previous FY	Legislation
Maryland	Revenue Stabilization Account	Statutory-5% of estimated General Fund revenues for that fiscal year.	Act of the General Assembly or authorized specifically in Budget Bill
Massachusetts	Commonwealth Stabilization Fund	*	Appropriation
Michigan	Countercyclical Budget and Economic Stabilization Fund	Cap set at 25% of actual GF/GP revenues for that fiscal year.	Statutory formula
Minnesota	Budget Reserve	Set in statute at \$350 million.	The Commissioner of Finance w/ the approval of the Governor & LAC may reduce the reserve to balance exps. and revenues.
	Cash Flow Account	Set by approp., increased by statutory allocation of forecast balances, capped at 5% of est. exp. for 2nd year of biennium.	
Mississippi	Working Cash Stabilization Reserve Fund	7 1/2% of the GF Appropriations,* 1/4 of excess revenues to funds until equal to 5% of GF revenues from previous year	Appropriation
Missouri	Budget Stabilization Fund	Capped at 5% of net General Fund collections from previous year.	Governor determines shortfall, subject to legislative disapproval
Montana	-	-	-

Table Q
Budget Stabilization or "Rainy Day" Fund

State	Fund Name	Determination of Fund Size	Procedure for Expenditure
Nebraska	Cash Reserve Fund	Statute	Transfer is made to General Fund when obligations exceed balance.
Nevada	Budget Stabilization Designation	By comptroller for accounting purposes when reporting financial portion of year's fund balance; 40% of excess fund balance.	Statute
New Hampshire	Revenue Stabilization	5%, Statute	Statute
New Jersey	Surplus Revenue Fund	50% of amount by which actual revenue exceeds anticipated revenues added to fund. Cap set at 5% of anticipated revenues.	Gov. certifies to Leg. that revenues are estimated to be less than certified. Legislature appropriates funds.
New Mexico	Operating Reserve	*	Legislative appropriation.
	Risk Reserve Fund	**	Legislative appropriation.
New York	Tax Stabilization Reserve Fund	State finance law	Can be used when a deficit is incurred and for temporary loans.
North Carolina	Savings Reserve Account	1/4 of Credit Balance, maximum 5% of General Fund Operating Budget.	Legislative approval.
North Dakota	Budget Stabilization Fund	Any amount over \$40 million at end of biennium goes into fund.	Actual revenues must be 2 1/2% below forecast before Gov. can access funds.
Ohio	Budget Stabilization Fund	By statute the stated intent is to have an amt. in the fund that is approx. 5% of the GR fund revenues for the preceding fiscal year.	Legislative action necessary.
	Human Services Stabilization Fund	By statute the fund consists of moneys transferred into it by the General Assembly	The Budget Director in accordance with statutory guidelines.
Oklahoma	Constitutional Reserve Fund	Max of 10% of preceding year's general revenue. Revenues accrue when actual general revenue collections exceed 100% of the certified estimate.	Up to 1/2 if revenue certification is below previous yr.; 1/2 can be used upon declaration of Gov. and 2/3 vote of Leg., or by legislative declaration of emergency and 3/4 legislative vote
Oregon	-	-	-
Pennsylvania	Tax Stabilization Reserve	Capped at 3% of GF rev. estimates. Receives revenue from sale of assets and annual transfer of 15% of the GF year-end surplus plus occasional non-recurring transfers.	2/3 legislative vote w/gov. request
Rhode Island	Budget Reserve and Cash Stabilization Account	3.0% of resources	Used to cover deficit caused by general revenue shortfall
South Carolina	Capital Reserve Fund	2% of General Fund Revenue of last FY	Use when year-end deficit is projected.
	General Reserve Fund	3% of General Fund Revenue of last FY	Shortfall must be identified & CRF depleted.
South Dakota	Budget Reserve Fund	5% of General Funds 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% of general revenue fund deposits (excluding interest & investment income) during the preceding biennium.	3/5 vote of each house of Leg. to remedy deficits after budget adoption. Other approps. from this fund require a 2/3 vote.
Utah	Budget Reserve Account	*	Governor must declare fiscal emergency and 2/3 maj. of both houses must confirm
Vermont	Budget Stabilization Trust Fund	Capped at 5% of prior year appropriations.	Automatic when deficit occurs at year end
Virginia	Revenue Stabilization Fund	Capped at 10% 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	Legislative appropriation
West Virginia	Revenue Shortfall Reserve Fund	Capped at 5% of the GF Appropriation	Legislative Appropriation
Wisconsin	Budget Stabilization Fund	Appropriation	Revenue shortfall
Wyoming	Budget Reserve Account	Approp. of unexpended appropriated balance	Legislative appropriation
Puerto Rico	Rainy Day Fund	Not less than one-third (0.33%) percent of the Budget Joint Resolution, capped at 6%.	Budget Director determines shortfall, authorizes transfer to GF; Gov. issues exec. order to fund unappropriated activities.

Notes to Table Q

Arizona: Capped at 5.634% of General Fund revenue for FY 1998, 6.333% for FY 1999, and 7.0% for FY 2000 and thereafter. Funded by a formula that compares the current year's annual personal income growth rate over the past seven years. The difference between the seven-year growth rate is multiplied times the current year actual revenue to determine the amount to appropriate to, or withdraw from the fund.

Kentucky: The budget reserve fund is set by statute as 50% of general fund revenue receipts above the official estimate for the fiscal year just ended plus 50% of the unexpended general fund balance for the same year up to a total of 5% of actual receipts for the fiscal year just ended. 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.

Massachusetts: Of fiscal year-end surpluses, an amount equal to 0.5% of the tax revenues in the fiscal year just ended are retained by the major operating funds as revenue in the current fiscal year. Of the amount in excess of the carry-forward, 40%, to a maximum of \$200 million, is deposited in a separate capital expenditures account for capital projects if the state's capital funds are in deficit. The remaining surplus (60-100%) is deposited in the Commonwealth Stabilization Fund, up to 5% of total budgeted revenues. Any excess of the 5% figure flows into the Tax Reduction Fund.

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 Operating Reserve size is determined by the accumulation of general fund surpluses. 2) The Risk Reserve consists of any surpluses transferred from self-insurance funds; thereafter balances are available only for general operating purposes by legislative appropriation.

Utah: Twenty-five percent of the year end General Fund surplus shall be transferred to the Budget Reserve Account, except that the amount in the Budget Reserve Account may not exceed 8% of the General Fund appropriation amount for the fiscal year in which the surplus occurred.

Table R
Contingency/Emergency Funds[^]

State	Fund Name	FY 1997 Amount	Official/Agency Authorized to Allocate Funds	Purposes for Which Funds May Be Used	Unexpended Funds May be Carried Forward
Alabama	Departmental Emergency Fund	\$1,776,431	Finance Director	ND,U,A,S,D	-
Alaska	Disaster Relief Fund	2,900,000	Governor	ND	X
	Governor's Contingency Fund	400,000	Governor	U,A	-
Arizona	Gov.'s Cont. and Emerg. Fund	4,000,000	Governor	ND,S,A	*
	Wild Land Fire Emergency Fund	2,000,000	Emergency Council	ND,S,A	*
Arkansas	Governor's Emergency Fund	500,000	Governor	D,A,S,U,O	-
	Disaster Assistance Fund	7,000,000	Governor	ND	-
California	Augmentation for Contingencies and Emerg.*	5,000,000	Department of Finance	D,A,S,U,ND	X
Colorado	Emergency Reserve (Article X Reserve)	3%	Governor and Legislature*	ND,S	X
Connecticut	Governor's Contingency	18,000	Governor	A,U,ND,S	-
	Local Emergency Relief Fund	2,000	Finance Advisory Committee	U,ND	X
Delaware	Contingency Funds	14,575,000*	Budget Director	U,A	X*
Florida	Deficiency Fund	400,000	Cabinet	U,D	-
	Emergency Fund	250,000	Governor	ND	-
Georgia	Governor's Emergency Fund	5,185,678	Governor	ND,U,A,S	-
Hawaii	Governor's Contingency Fund	14,031	Governor	U	-
	Major Disaster Fund	1,000,000	Governor	ND	-
Idaho	Governor's Emergency Fund	192,000	Governor	ND,S	X
	Disaster Emergency Fund*	297,000	Governor	ND,S	X
Illinois	General Revenue Fund	6,429,300	Governor, Legislative Leaders	ND	-
Indiana	Personnel Services Contingency Fund	20,000,000	Governor	A,U,D	*
	Dept. & Institutional Contingency	10,000,000			
Iowa	Performance of Duty	1,335,000	Executive Council	A,ND,U	X
Kansas	State Emergency Fund	1,871,465	State Finance Council	ND,S,O*	-
Kentucky	Surplus Account	*	Governor	ND,S,O*	-
Louisiana*	Interim Emergency Board Fund	11,000,000	Interim Emergency Board	ND,U,S,O*	-
Maine	State Contingent Account	350,000	Governor	D,U,O	-
Maryland	Contingent Fund	750,000	Board of Public Works*	Any	-
	Catastrophic Event Fund	330,000	Governor, with Legislative Policy Comm. approval	ND	X
Massachusetts	-	-	-	-	-
Michigan	-	-	-	-	-
Minnesota	General Contingency	250,000	Gov., Legis. Advisory Comm.	ND,D,U	X*
Mississippi	-	-	-	-	-
Missouri	Government Emergency Fund	150,000	Committee	U	-
	Missouri Disaster Fund	66,264	Public Safety	ND	-
	Medicaid Supplemental	46,983,000	Social Services	A	-
	Corrections growth pool	40,000,000	Corrections	A	-
	Youth Services growth pool	1,000,000	Youth Services	A	-
	Federal fiscal policy pool	27,124,000	Social Services	A	-
Montana	General Fund	12,000,000	Governor	ND,S	-
Nebraska	Governor's Emergency Fund	1,547,000	Governor	ND,S	-
Nevada	Statutory Contingency Fund	1,000,000	Board of Examiners	N,D,S	-
	Emergency Fund	900,000	Board of Examiners	-	-
New Hampshire	Emergency Fund/Budget Contingency	25,000	Governor, Executive Council	ND,U	-
New Jersey	Emergency Funds	2,000,000	Governor	D,S,U,ND	-
	Contingency Fund	1,500,000	Budget Director	U	-

Codes: ND....Natural Disaster S....Public Safety
 U....Unexpected Expenditures D....Deficiencies
 A....Authorized Programs O....Other (Specify)

[^] Does not refer to budget stabilization funds or rainy day funds.

Table R
Contingency/Emergency Funds[^]

State	Fund Name	FY1997 Amount	Official/Agency Authorized to Allocate Funds	Purposes for Which Funds May Be Used	Unexpended Funds May be Carried Forward
New Mexico	Appropriation Contingency Fund	5,000,000	Governor	ND,S*	-
New York	Contingency Reserve Fund	41,000,000	Legislature, Budget Director*	U,ND,O**	X
North Carolina	Contingency and Emergency Fund	1,125,000	Council of State	ND,U	-
North Dakota	Contingency Fund	250,000	Emergency Commission	U,ND	-
Ohio	Emergency Purposes Account	13,019,510	Controlling Board*	D,A,S,U,ND	**
Oklahoma	State Emergency Fund	1,000,000	Governor, Contingency Review	ND,U,A,S	X
Oregon	Emergency Fund	35,500,000	Emergency Board, Legislature	D,A,S,U,ND	-
Pennsylvania	Emergency and Disaster Assistance*	10,000,000	Governor	ND,S	X*
Rhode Island	Contingency Fund	1,500,000	Governor; Dir. of Admin.	A,U,ND,D,S,O	X*
South Carolina	Civil Contingency Fund	290,602	Budget and Control Board	ND,U,A,S	-
South Dakota	General Contingency Fund	*	Governor*	U	-
Tennessee	Emergency and Contingency Fund	859,300	Governor	D,A,S,U,ND	-
Texas	Disaster Contingency Grants	4,177,586	Governor	ND	X
	Deficiency and Emergency Grants	3,820,112	Governor	D,U	X
Utah	Governor's Emergency Fund	100,000	Governor	O*	X
Vermont	Emergency Fund	0	Emergency Board	U	X*
	Contingent Fund	0	Emergency Board	D	X*
Virginia	Economic Contingency Fund	18,687,000	Governor	ND,U,A,D,S	X*
	Disaster Planning Fund	Sum Sufcnt	Governor	ND	X
Washington	Governor's Emergency Fund	850,000	Governor	U	X*
	Disaster Response Account	18,006,000	Legislature	ND	X**
West Virginia	Contingency Fund	2,250,000	Governor	D,A,S,U,ND,O	X
Wisconsin	Public Emergencies	48,500	Dept. of Military Affairs	ND,S	-
Wyoming	Governor's Contingency	716,704	Governor	D,A,S,U,ND,O	-
	Discretionary	50,000	Governor	-	-
Puerto Rico	Emergency Fund	47,260,092	Emergency Board; Governor	ND,S	X
	Contingency Reserve	66,000,000	Budget Director	D,U,A,S	-

Codes: ND....Natural Disaster
U....Unexpected Expenditures
A....Authorized Programs
D....Deficiencies
S....Public Safety
O....Other (Specify)

[^] Does not refer to budget stabilization funds or rainy day funds.

Notes to Table R

Arizona: Unallocated funds may not be carried forward. However, once an emergency is declared the amount specified may be carried forward if not entirely spent in one year.

California: The Augmentation for Contingencies or Emergencies is an appropriation, not a fund.

Colorado: The FY 1994 amount for the Emergency Reserve is 3% of general and cash appropriation. The governor, with later approval by the legislature, is authorized to allocate funds.

Delaware: Contingency Funds amount will vary year-to-year. Appropriations may be carried forward if approved in the next annual budget act. These appropriations are for specific purposes.

Idaho: The governor is authorized to declare a state of disaster emergency and upon doing so the governor is empowered to use all the resources (personnel, physical, and financial) of all state agencies to address the disaster. This includes using the cash available in all state funds to pay obligations and expenses.

Indiana: Only in case of biennial appropriations.

Kansas: Other purposes for which funds may be used include rewards for wanted criminals.

Kentucky: The June 30, 1996 balance was approximately \$223 million. These funds can be used for the purposes identified and to the extent that funds accrue as a result of a revenue overage. A certain portion of those funds as identified in the appropriation bill may be spent pursuant to the provisions of the surplus expenditure plan.

Louisiana: Interim Emergency Board may appropriate funds from the state general fund but funding shall not exceed .1% of total state revenue receipts for the previous fiscal year. It may also authorize deficit spending.

Maryland: Membership includes the governor, the treasurer and the comptroller.

Minnesota: Unexpended funds maybe carried forward within a biennium.

Montana: A maximum of \$12 million for fires (or floods in FY1997), limited to \$2 million for other disasters.

New Mexico: The Appropriation Contingency Fund is periodically replenished with legislative appropriations.

New York: 1) The governor's authority to spend against this appropriation is set out in state finance law. 2) This fund - created in legislation accompanying the 1993-94 budget - is intended, primarily, to provide a

Notes to Table R

reserve to fund extraordinary needs arising from litigation actions against the state. To the extent fund moneys are not needed for this purpose, it may also be used for natural or physical disasters or to enhance the state's economy.

Ohio: 1) Members are the director of budget and management and six members of the general assembly, three each from the house and senate. 2) Funds may be transferred only between fiscal years in a biennium.

Oregon: General Purpose Emergency Fund appropriation as of July 1, 1995 for the 1995-97 biennium. Excludes employee compensation and other special purpose appropriations or reservations.

Pennsylvania: Unused authority may not be carried from one year to the next, due to a \$10 million maximum per year. However, funds allocated for a specific disaster continue until spent or no longer needed.

Rhode Island: This fund is appropriated within the annual appropriation act.

South Dakota: Provisions exist for a contingency fund, but no funds have been appropriated in recent years.

Utah: Fund cannot be used for activities denied funding by the legislature.

Vermont: Authority to carry-forward unexpended funds is annually conferred by the legislature.

Virginia: Unexpended funds may be carried over only within the biennium.

Washington: 1) The Governor's Emergency Fund's annual appropriation is not carried forward. 2) The Disaster Response Account balance is carried forward, subject to legislative appropriation in the next biennium.

Wisconsin: Appropriation may be re-estimated by the secretary of administration, as needed.

Table S

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	-	-	X	-	-
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	-	-	-	-	-
Hawaii	X*	X	-	X	C
Idaho	-	-	-	-	-
Illinois	X	X	X	X*	S
Indiana	X	X	-	-	-
Iowa	X	X	X	-	-
Kansas	X	X	X	X	S
Kentucky	X	X	X	-	-
Louisiana	X	-	-	X	S,C
Maine	-	-	-	-	-
Maryland	X*	X**	-	***	***
Massachusetts	-	X	-	X	S
Michigan	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	-	-	-	-
New Hampshire	-	-	-	X	S
New Jersey	-	X	X	X	C*
New Mexico	X	-	-	-	-
New York	-	-	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	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	X	X	S
Wyoming	-	X	X	-	-
Puerto Rico	X	X	X	X	S
TOTAL	37	35	29	24	

Codes: S....Statutory
C....Constitutional

Notes to Table S

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: As requested.

Illinois: The Illinois State Mandate Act requires the state to reimburse most types of mandates at 100% unless specifically exempted in the Act. If a mandate is not reimbursed or exempted, the mandate is not effective and can be ignored.

Maryland: 1) Agency estimates are considered and validated during the budget process. 2) On an incremental or legislative change basis only. 3) Unless specifically required by statute.

New Jersey: In the November 1995 general election, the voters approved a constitutional amendment that provided 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 York: Fiscal notes are attached for local governments, except for budget bills.

North Dakota: Estimate local cost of state measures through fiscal note process only.

Ohio: 1) The Legislative Budget Office is required to prepare fiscal notes on the impact of pending legislation on local governments. 2) Limited reimbursement is provided for some mandates.

Oklahoma: Reimburse for local mandates when required by statute.

Oregon: With some exceptions, if costs for performing a service or activity mandated after January 1, 1997 is not allocated to local governments, local government compliance is not required.

Rhode Island: Fiscal notes for local government impact are prepared by the Department of Administration, Office of Municipal Affairs.

Utah: No statutory or constitutional requirement to reimburse local government. The legislature has chosen to reimburse most mandates to some degree.

Vermont: Estimates are prepared for some programs only, as needed.

West Virginia: Cost estimates are done at the agency level.

Table T
Budget Office Technology

State	Connectivity	Client	DBMS	Internet Access	Written policy on:
Alabama	M,L	D,W	-	A	-
Alaska	NA	NA	NA	NA	NA
Arizona	M,L	W	O	S	I,AU
Arkansas	M,L,SC,P	W,D	N	A	I,AU
California	M,L,CS,P	W	O	A	I,AU
Colorado	L,P	W	-	A	F,P,I,AU
Connecticut	M,L,CS,P	D,W,V	O	A	I,AU
Delaware	L	W	OR	A	-
Florida	M,CS,L,PC	W	O	A	I
Georgia	M,L	W	O	A	I,AU
Hawaii	M,PC	D,W	N	N	F
Idaho	L	W	O	A	-
Illinois	M,L,CS,P	D,W	N	A	I,AU
Indiana	M,L,CS,P	V,W	O	A	F,P,I,AU
Iowa	-	-	-	-	-
Kansas	M,L,CS,P	D,W	O	A	I,AU
Kentucky	M,L,P	W	O	A	-
Louisiana	M,L,CS,P	D,OS,W	SY	A	F,P,I,AU
Maine	L,P,CS	W,U	OR	A	-
Maryland	M,L,P,O	D,W,O	O	S	F,P,O
Massachusetts	M,L,CS,P	D,W	O	A	I,AU
Michigan	L,CS,P,M	W	OR,O	A	F,P,I,AU
Minnesota	M,L,CS,P	W,U,V	OR,O	A	F,P,I,AU
Mississippi	M,L,CS,P	D,W,O	O	A	I,AU
Missouri	M,L,P	W	-	A	I
Montana	M,L,CS,P,O	D,W	OR,O	A	-
Nebraska	M,CS,P	W,V	O	A	I,AU
Nevada	NA	NA	NA	NA	NA
New Hampshire	M,L,PC	W	-	S	-
New Jersey	M,L,P,O	U,W,V	O	S	I,AU
New Mexico	M,L,P	W,O	O	S	-
New York	M,L,CS,P	D,W	OR,O	A	F,I,AU
North Carolina	L,CS,P,M	W,U	O	A	F,I,AU
North Dakota	L,CS,P	W,OS	OR	A	-
Ohio	M,L,CS,P	D,W,O	O	S	I,AU,O
Oklahoma	M,L,CS,P,O	D,OS,W	OR,O	A	AU
Oregon	M,L,CS,PC	W	O	S	F,P,I,AU
Pennsylvania	P,L,CS	W	OR	S	-
Rhode Island	M,L,P,CS	U,W,D,O	I,SY	S	AY
South Carolina	M,L,P	W	N	A	F,I,AU*
South Dakota	M,L,CS,P	D,W,O	O	A	AU,O
Tennessee	M,L,CS,P,O	W	O	S	AU
Texas	M,L,CS,P	D,W	O	A	I,AU,P,F
Utah	M,L,P,CS	W	SY,O	A	F*,PY**,I,AU
Vermont	M,L,P	D,W	O	A	-
Virginia	L	W	O	A	AU
Washington	M,L,CS,P,O	D,W,V	O	A	F,P,I,AU,O
West Virginia	M,L,P	W	O	A	-
Wisconsin	M,L,CS,O	W	O	A	F,I
Wyoming	M,L,P	D,W	-	A	I,AU
Puerto Rico	L,P	O,W	O	M,S	I,O,AU

NA...Not Available

M...Mainframe D...Dos OR...Oracle A...All Staff F...Freedom of Information
L...LAN OS...OS/2 I...Informix M...Management P...Privacy
CS...Client/Server U...Unix SY...Sybase S...Selected Staff I...Internet
P...PCs W...Windows O...Other N....None AU...Appropriate Use
O...Other V...VMS N...None O...Other

Table T
Budget Office Technology

State	Agency Budgets Submitted On-Line	Integrated Financial Management Sys.	Integrated Financial Mgmt. Sys. Includes:	Access to Integrated Financial Mgmt. Sys.	Approves IT requests
Alabama	S	X	AC,PY	G,BA,T,AU,A	C
Alaska	NA	NA	NA	NA	NA
Arizona	N	X	AC,PY	G,BA,L,T,A,O	C,BA
Arkansas	S	X	AC,PY,P,B	G,BA,L,T,AU,A	O*
California	N	X	AC	A	BA,C
Colorado	N	X	AC,PY	G,BA,L,T,AU,A	BA,O
Connecticut	A	-	-	-	C
Delaware	S	-	-	-	C,BA
Florida	-	-	-	-	-
Georgia	S	X	AC,PY,P,L	BA,L,U	C
Hawaii	S	-	-	-	BA,C
Idaho	N	X	AC,PY,P	A	O
Illinois	N	-	-	-	C
Indiana	N	-	-	-	B,O
Iowa	A	X	AC,PY,L,P,B	G,BA,T,AU,A	C
Kansas	N	-	-	-	C
Kentucky	N	X	AC,PY,P,B,O	BA,G,A,T,AU	BA,C,O
Louisiana	N	X	AC,PY	G,BA,L,T,AU,A	BA,O
Maine	A	X	AC,PY,P,B	A,AU,L,BA,G	C,BA
Maryland	S	X	AC,O	G,BA,L,T,AU,A	BA,C*
Massachusetts	A	X	AC,PY,P,F,L,B	G,BA,L,T,AU,A,O	BA
Michigan	N	X	AC,PY,P,O	G,BA,L,T,AU,A	C,BA,O
Minnesota	A	-	-	-	C
Mississippi	N	X	AC,PY,P,L	BA,L,T,AU	C
Missouri	N	X	AC,PY,P,B	G,BA,L,T,AU,A,O	BA,C
Montana	A	-	-	-	O
Nebraska	S	-	-	-	BA,C
Nevada	NA	NA	NA	NA	NA
New Hampshire	A	X	AC,PY,P,L,B	G,BA,L,T,AU,A	C
New Jersey	N	-	-	-	BA,C
New Mexico	N	-	-	-	C
New York	N	*	AC,PY,B**	BA,A	BA,C
North Carolina	A	X	AC,PY,B	G,BA,L,T,AU,A,O	O
North Dakota	A	X	AC,PY,B	G,BA,L,T,AU,A,O	BA
Ohio	A	N	-	-	BA,C*
Oklahoma	A*	X	AC,PY,B	G,BA,L,T,AU,A	C
Oregon	S	X	AC	BA,A	O
Pennsylvania	A	X	AC,PY,P	G,BA,L,AU,A	C*
Rhode Island	N*	**	AC,PY,P,B***	****	BA
South Carolina	S**	X	AC,PY	G,BA,L,T,AU,A	BA,C
South Dakota	A	X	AC,PY,P,B,O	BA,A,G,T,AU	BA,C
Tennessee	N	-	-	-	BA
Texas	A	X	AC,PY	G,BA,L,AU,A	O
Utah	S	X	AC,PY,P,B	G,BA,L,T,AU,A	BA
Vermont	N	-	-	-	BA,C
Virginia	A	-	-	-	C
Washington	S	X	AC,PY,P	G,BA,L,T,AU,A	BA,C,O
West Virginia	N	X	AC	BA,AU,T,A	O
Wisconsin	S	X	AC,PY	BA	BA,C
Wyoming	N	X	AC,PY,B,O	AU	C,BA
Puerto Rico	A	X	B,F	G,BA	O

A...All	AC...Accounting	G...Governor's Office	BA...Budget Agency
S...Selected	PY...Payroll	BA...Budget Agency	C...Central IT
N...None	P...Personnel	L...Legislature	O...Other
	F...Forecasting	T...Treasurer	
	L...Legislative	AU...Auditor	
	B...Budget	A...Agencies	
	FN...Fiscal Notes	O...Other	
NA...Not Available	O...Other		

Notes to Table T

Arkansas: The legislature provides appropriation to agencies. The Department of Information Services reviews and approves data processing equipment and information system needs.

Maryland: The central information technology function is a sub-unit of the Department of Budget and Management.

New York: 1) Provide reporting only on statewide accounting and payroll data (accounting and payroll functions performed by another agency). 2) Budget systems track and maintain cash disbursement, appropriation, and related workforce and local impact data.

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 agency's 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

Pennsylvania: The Office for Information Technology, Office of Administration approves major IT requests.

Rhode Island: 1) Several agency budgets will be submitted on-line beginning in FY 1998, and the remainder will be on-line for FY 1999. 2) The State is in the process of establishing an integrated financial management system, which is slated for use in FY 1998; 3) once the statewide system is in place, the system will include the functions listed; and 4) the list of entities who will have access to the statewide system is still under consideration.

South Carolina: 1) Written policy is currently being developed and reviewed. 2) Almost all agency budgets are submitted electronically.

Utah: 1) The budget office uses the state Government and Records Access and Management Act for the basis of its policy on freedom of information. 2) The office follows the state Information Technology Security Rule.

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 report focuses primarily on operating budgets, Table U 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. On average, state capital budgets forecast expenditures four years beyond the current budget.

Typically, state agencies provide estimates of capital expenditures to the budget offices for consolidation into a budget document. In 32 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 it is received into the legislative approval process and how the public understands it.

Table V compares how states summarize information within agency requests, the executive budget, the appropriations bill and in accounting records. Table W shows what information, such as revenue estimates, narratives, and caseload data, states include within the budget document.

Table U
The Capital Budget

State	Years Beyond Budget [^]	Estimates Originated By Agencies	Forecast	Capital Budget Analysis		Name of Capital Budget Document
			Operating Expenditures for Capital Projects	Executive Budget Agency	Name of Other Agency Involved in Analysis	
Alabama	1	X	-	X	-	Executive Budget Document
Alaska	5	X	X	X	OMB Budget Review	Capital Appropriations Bill
Arizona	4	X	X	X	Department of Administration	Executive Budget/Capital Improvement Plan
Arkansas	2	X	X	X	State Building Services	Request for Capital Improvement Projects
California	0*	X	X	X	Department of General Services	Capital Outlay Budget Change Proposals
Colorado	5	X	-	X	-	Governor's Budget
Connecticut	3	X	X	X	Debt of Public Works	Governor's Recommended Budget
Delaware	2	X	X	X	-	Bond and Capital Improvement Act
Florida	4	X	X	X	Dept. of Management Services	Capital Improvement Program
Georgia	4	X	-	X	-	Budget Report
Hawaii	4	X	X	X	-	Executive Budget
Idaho	6	X	X	X	Division of Public Works	Executive Budget
Illinois	5	-	X	X	Capital Dvlpmt. Brd.; Dept. of Transportation	Executive Budget
Indiana	2	X	X	X	-	Governor's Budget
Iowa	5	X	X	X	-	Capital Project Budget
Kansas	5	X	X	X	Architectural Services	Governor's Budget Report
Kentucky	4	X	X	X	Capital Planning Advisory Board	Executive Budget
Louisiana	4	X	X	X	Joint Legislative Capital Outlay Comm.	Executive Budget
Maine	0	X	X	-	Bureau of Public Improvements	Executive Budget
Maryland	4	X	X	X	-	Capital Budget
Massachusetts	5	X	-	X	Exec. Office for Admin. and Finance	Executive Budget
Michigan	5	X	X	X	Bureau of Facilities, State Building Auth.	Executive Budget
Minnesota	4	X	X	X	Department of Administration	Strategic Capital Budget Plan
Mississippi	4	X	-	X	Bur. of Bldg., Grounds & Real Prop. Mgmt.	Capital Improvement Report
Missouri	4	X	X	X	Division of Design & Construction	Executive Budget
Montana	4	-	X	-	Department of Administration	Long-Range Building Program
Nebraska	2	X	X	X	Bldg. Div. of Dept. of Admin. Services	Executive Budget
Nevada	5	-	X	-	Public Works Board	Executive Budget/Capital Improvement
New Hampshire	4	X	X	X	Public Works	Capital Budget
New Jersey	6	X	X	X	Comm. on Cap. Bdngng. and Plng.	Capital Construction Budget
New Mexico	*	X	X	X	State Budget Division	Capital Budget
New York	2	X	*	X	-	Capital Program and Financing Plan
North Carolina	4	X	X	X	State Construction Office	Capital Budget
North Dakota	4	X	X	X	-	Executive Budget Recommendations
Ohio	4	X	X	X	-	Capital Improvement Report
Oklahoma	5	X	X	X	Long-Range Capital Planning Comm.	Capital Budget
Oregon	4	X	X	X	-	Governor's Recommended Budget
Pennsylvania	4	X	X*	X	-	Governor's Budget
Rhode Island	5	X	X	X	Capital Dvlpmt. Plng. & Oversight Comm.	Capital Budget
South Carolina	1	X	X	X	Joint Bond Review Committee	Annual Permanent Improvement Plan
South Dakota	3	X	X	X	-	Governor's Budget
Tennessee	0	X	X	X	-	Executive Budget
Texas	4	X	X	X	Legislative Budget Board	Six-Year Capital Improvement Plan
Utah	4	X	X	X	Div. of Facilities and Construction	Five Year Building Program
Vermont	10	X	X	X	Buildings and General Services Department	Capital Budget
Virginia	6	X	X	X	Department of General Services	6 Year Capital Plan
Washington	8*	X	X	X	-	State Facilities and Ten Year Capital Plan
West Virginia	0	X	X	X	-	Incorporated in Budget Document
Wisconsin	4	X	X	X	-	6 Year Capital Plan
Wyoming	0	X	X	X	-	Capital Budget
Puerto Rico	3	X	X	X	Planning Board	Incorporated in Budget Document
TOTAL		48	45	48		

Codes: U....Unlimited

[^] Refers to number of years beyond current budget cycle for which capital budget outlays are prepared.

Notes to Table U

California: A ten-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.

New Mexico: The number of years beyond the current budget cycle for which capital budget outlays are prepared varies. A four-year capital plan is prepared by state agencies and submitted to the state Budget Division, however, this information is used for analysis but typically not incorporated into the capital budget that is a one-year budget.

New York: Capital projects are recommended in conjunction with operating budgets.

Pennsylvania: As capital projects are completed and come on-line.

Washington: The executive prepares a non-binding ten-year plan.

Table V
Budget Formats^

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

Codes: A....Lump Sum C....Program/Service Level
 B....Organizational Unit/Department D....Object Classification or Line Item

^ See Glossary for definitions of format types

Notes to Table V

New Jersey: Requests and accounting records are at minor object detail; budget and appropriations bill are at major object detail.

Texas: The state has a goals-based budget approach.

Table W
Budget Document Content

State	Narrative			Numerical Supporting Data				Special Analyses		
	Economic Analysis	Revenue Estimates	Program Descript.	Justification	Case-Load	No. of Employees	Performance Measures	Personnel Position	Budget Summary	Capital Budget
Alabama	-	X	X	X	X	X	X	NP	I	I
Alaska	-	X	X	X	X	X	X	I	I	I
Arizona	X	X	PS	X	X	X	X	NP	I	I
Arkansas	X	X	X	X	X	X	X	I	I	PS
California	X	X	X	X	X	X	X*	I,PS	I,PS	I
Colorado	X	X	X	X	X	X	X	I	I	I
Connecticut	X	X	X	-	X	X	X	I	I,PS	I
Delaware	-	X	X	X	X	X	X	PS	PS	PS
Florida	X	X	X	-	-	-	PS/I	NP	PS	I
Georgia	X	X	X	X	X	X	X	I	I	I
Hawaii	X	X	X	X	- X	X	X	I	I	I
Idaho	X	X	X	X	NP	X	PS	I	PS	I
Illinois	X	X	X	X	X	X	X	I	I	I
Indiana	X	X	X	-	-	-	-	NP	I	I
Iowa	X	X	X	X	X	X	X	NP	PS	I
Kansas	X	X	X	X	X	X	X	I	I	I
Kentucky	X	X	X	X	X	X	X	I	I	I
Louisiana	X	X	X	X	X	X	X	NP	I	I
Maine	-	X	X	X	X	X	X	I	I	I
Maryland	X	X	X	X	X	X	X	I	I	I
Massachusetts	X	X	X	X	X	X	X	NP	I	I,PS
Michigan	X	X	-	X	X	X	X	I	I	I
Minnesota	X	X	X	X	X	X	X	I*	PS	PS
Mississippi	X	X	-	X	X	X	X	NP	I	I
Missouri	X	X	X	X	X	X	X	NP	I	I
Montana	X	X	X	X	X	X	X	I	PS	PS
Nebraska	X	X	X	-	-	-	X	-	I	I
Nevada	-	X	X	X	X	X	X	I	PS	I,PS
New Hampshire	-	X	X	X	X	X	X	PS	I	PS
New Jersey	X	X	X	-	X	X	X	I	I	PS*
New Mexico	X	X	X	-	-	X	-	I	I,PS*	I,PS*
New York	X	X	X	X	X	X	-	I	I	I
North Carolina	X	X	X	X	X	X	X	PS	PS	PS
North Dakota	X	X	X	X	X	X	X	I	I	I
Ohio	X	X	PS	-	NP	X	X*	NP	PS	PS
Oklahoma	X	X	X	X	X	X	*	I	I	I
Oregon	X	X	X	X	X	X	X	I	I	I
Pennsylvania	X	X	X	X	X	X	X	I,PS	PS	I
Rhode Island	X	X	X	X	X	X	X	PS	I	PS
South Carolina	X	X	PS	-	-	X	PS	PS	PS	PS
South Dakota	X	X	X	-	X	X	X	NP	PS	I
Tennessee	-	-	X	-	-	X	-	I	I	I
Texas	-	-	X*	X	X	X	X	I	I	I
Utah	X	X	X	X	-	X	X	NP	I	I
Vermont	-	X	X	X	X	X	X	-	X	X
Virginia	X	X	-	-	-	X	X	-	I	I
Washington	X	X	X	X	X	X	X	PS	I	PS
West Virginia	X	X	X	X	X	X	X	I	I	I
Wisconsin	X	X	X	X	X	X	X	I	I	PS
Wyoming	-	X	X	X	X	X	X	I	I	PS
Puerto Rico	X	X	X	X	X	X	X	I	I	I
TOTAL	41	49	45	40	41	48	43			

Codes: PS....Published Separately I....Incorporated into Budget Document
NP....Not Published

Notes to Table W

California: The state is operating a pilot project consisting of four departments to assess performance budgeting techniques. As yet, these portions of the state's budget are not fully reflective of performance budgeting.

Minnesota: Personnel positions now reported as full-time equivalents (FTEs) in the budget document. Quarterly reports showing change from prior year are available to the legislature.

New Jersey: Summary of capital project requests and recommendations is included in budget document.

New Mexico: The budget summary and capital budget are presented to the legislature at the same time as the governor's operating budget recommendations, but as separate documents.

Ohio: Performance measures are included for selected programs.

Oklahoma: A new initiative has been implemented to develop performance measures.

Texas: The program description includes goal, objective and strategy.

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 X, most states allot agencies 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. State rules vary in allowing transfers. As seen in Table Y, all states allow transfers from an object class within a program with approval. Forty-five states and Puerto Rico allow transfers of programs or units within a department, and only half of the states allow transfers between separate departments. 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, 20 state budget offices conduct multi-year expenditure forecasts. The forecasts cover one to five years.

Table X
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	-	M,Q,R
Colorado	Q	Q	AF	X	M
Connecticut	Q,R	Q,R	AA,AF	X	M
Delaware	-	-	-	X	M
Florida	R	A,Q,R	AA,AF	-	R
Georgia	Q	Q	AA,AF	X	Q
Hawaii	A	Q	AA	X	R
Idaho	A	A	AA,AF	X	M
Illinois	-	-	-	X	Q
Indiana	A	Q	AA,AF	X	R
Iowa	Q	Q	AA	X	M
Kansas	-	-	-	-	-
Kentucky	A,R	Q	AA,AF	X	M
Louisiana	R	R	AA,AF	X	M
Maine	R	Q	AA,AF	X	M
Maryland	-	A	AA,AF	-	-
Massachusetts	R	Q*	AA,AF	X	M
Michigan	A,R	Q	AA,AF*	X	M
Minnesota	A,R	A,R	AA,AF	X	M,R
Mississippi	S	S	AA	X	M
Missouri	A,Q,R	M,Q	AA,AF	X	M
Montana	-	M	AA,AF	X	M
Nebraska	Q	Q	AA,AF	X	M
Nevada	A	M,Q	AA,AF	-	N/A
New Hampshire	Q	R	AF	X	Q
New Jersey	R	R	AA,AF	-	N/A
New Mexico	*	M	AA,AF	X	M
New York	Q	Q*	AA,AF	X	M
North Carolina	Q	Q	AA,AF	X	M
North Dakota	-	-	-	X	M
Ohio	A	A,Q	AA,AF	X	M,R
Oklahoma	A	A	AA	X	M
Oregon	Q	Q	AA,AF	-	-
Pennsylvania	A*	A	AA,AF	X	M
Rhode Island	Q	Q	AA,AF	X	Q
South Carolina	A	A	AA,AF	X	M
South Dakota	not used	not used	not used	-	-
Tennessee	A	A	AA	X	M,R
Texas	-	-	-	-	-
Utah	M	M	AA	X	M
Vermont	-	-	-	X	M
Virginia	R	A,R*	AA,AF	X	M
Washington	A	M	AA	X	M
West Virginia	A,R	M,Q	AA,AF	X	M
Wisconsin	R	A	AA	X	M
Wyoming	-	-	-	-	-
Puerto Rico	S	S	AA	X	M
TOTAL				40	

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

Notes to Table X

Alabama: Revisions are made when necessary.

Arizona: Revisions are made as needed.

Massachusetts: Allotments are made at the Budget Bureau's discretion in units of months. In FY 1997, allotments generally were made at year beginning, at two months, then one month and quarterly thereafter for the balance of the year.

Michigan: The legislature and judicial branches are exempt from allotment requirements.

New Mexico: Allotments of 1/12 the operating budget is made automatically every month. Variances from this process can be requested by agencies as needed.

New York: Or as needed due to changing conditions.

Pennsylvania: The central budget office has delegated allotments of minor objects to agencies.

Virginia: With few exceptions, all appropriations are allotted on July 1, the start of the fiscal year.

**Table Y
Transfer of Appropriations**

State	<i>Official/Agency Authorized To Transfer Appropriations Between</i>			<i>Maximum Amount of Transfer Between</i>		
	<i>Depts. or Programs in Separate Departments</i>	<i>Program or Unit within a Department</i>	<i>Object Class Within a Program or Unit</i>	<i>Depts. or Programs in Separate Departments</i>	<i>Program or Unit Within a Department</i>	<i>Object Class Within a Program or Unit</i>
Alabama	N/A	G	E	N/A	U	U
Alaska	N/A	N/A	A,E	N/A	N/A	U
Arizona	L	E*	E*	U	U	U
Arkansas	N/A	E,L	E,L	N/A	U	U
California	E*	E	E	E,L*	\$200,000 or 10% of prgm.	U
Colorado	N/A	E,G	G,E	N/A	\$2 million	\$2 million
Connecticut	L	A	G	-	-	*
Delaware	A*,E,L	A*,E,L	A,E,L	U	U	U
Florida	L*	A,E,G	A	U	U	U
Georgia	N/A	A	L	N/A	U	U
Hawaii	N/A*	G	A,E	*	U*	U
Idaho	L	E	E	N/A	10%	*
Illinois	N/A	A,G	A,G	N/A	2% of appropriation	2% of appropriation
Indiana	E,G,CB	E,G	E,G	U	U	U
Iowa	E,G	E,G	A,E	U	U	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	N/A	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,L	U	U	U
Minnesota	N/A	E	A	N/A	U*	U
Mississippi	E	N/A	A	E	N/A	10%
Missouri	N/A	N/A	A	N/A	N/A	U
Montana*	E	E	A,E	U	U*	U*
Nebraska	N/A	N/A	A	N/A	N/A	limited
Nevada	N/A	Conditional	G,L	N/A	Conditional	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	*	*
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	L	E,A	U	U	Set by Appropriation
Pennsylvania	N/A	A*	A,E*	N/A	U*	U*
Rhode Island*	L	L	E,A,L	U	U	U
South Carolina	E	A*	A	U*	20% of Program	U
South Dakota	E	E	A,E	U	U	U
Tennessee	L	E,L	A,E	U	U	U
Texas	E,G,L	E,G,L,A	E,G,L,A	U	U	U
Utah	N/A	G	G	N/A	U	U
Vermont	CB	E	E	U*	\$25,000**	U
Virginia	E	E	A,E	15%	15%	U
Washington	L	A	A	U	U	U
West Virginia	L	A,CB,E	A,E	U	5%	U
Wisconsin	L	L	E	U	U	U
Wyoming	G	G	E	10%	U	U
Puerto Rico	N/A	E	A	N/A	U	U

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

* Refers to non-emergency transfer, For emergency transfer, see Table R.

Notes to Table Y

Arizona: Executive 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.

Connecticut: The governor may approve transfers between an agency's appropriations up to \$50,000 or 10% of any appropriations involved in the transfer, whichever is less. Transfers above this restriction must be approved by the Finance Advisory Committee, which is made up of executive and legislative members.

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 elected cabinet (Administrative Commission) to implement agency reorganizations or when specifically authorized by special legislation.

Hawaii: Transfers must be authorized in an appropriation act and/or by general statute.

Idaho: Cannot transfer object class into personnel costs or out of capital outlay.

Maryland: Transfers of appropriations between departments or programs in separate departments is not authorized unless permitted in the budget bill or by separate legislation.

Minnesota: May transfer operational money with Department of Finance review and reporting to legislature.

Montana: Transfers within a department or agency require Legislative Finance Committee Review (but not approval) prior to budget office approval if they exceed \$1 million or 25% of approved budget and greater than \$25,000.

New Hampshire: May transfer with governor and council and fiscal committee approval only.

New Jersey: 1) If a function or program is transferred by executive order or legislation, then transfers of appropriations are permitted for the transferred program; 2) transfers of \$300,000 or more require approval by the Legislature's Office of Legislative Services.

New Mexico: Divisions within a department may transfer up to 5 % of their budgets to another division; more if it is an emergency or necessary for efficiencies.

Notes to Table Y

New York: 1) No transfers between departments may occur unless specifically authorized in the appropriation language. 2) Transfers of appropriations within a department are limited to 5% of program appropriation for the first \$5 million, 4% for the second \$5 million, 3% in excess of \$10 million.

North Carolina: If the total of all over expenditures of a line item approved by the director of the budget for a fiscal year for certain purposes exceeds 10% of the amount in the budget enacted by the general assembly, a report must be prepared to explain the reasons for the over expenditure.

North Dakota: In agencies with line item budgets, the Emergency Commission has authority to transfer funds between line items. In agencies with program based budgets, the Emergency Commission has authority to transfer up to 10% of a program's funds. A legislative committee must authorize larger transfers.

Ohio: 1) The legislature occasionally delegates limited authority to do this to the Controlling Board or the budget director. 2) The Controlling Board may delegate this authority to the budget director. Currently, the Director may transfer appropriation authority within a fiscal year between operating items in amounts not to exceed 10% of the appropriation from which the transfer is made, or \$25,000, whichever is less.

Pennsylvania: An agency may transfer funds between minor objects within a major object category within an appropriation. Transfers between major objects require Budget Office approval.

Rhode Island: If a function or program is transferred by executive order or legislation, then transfers of appropriations are permitted for the transferred program.

South Carolina: Transfers from personal service to other operating and from other 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: 1) Transfers between agencies require approval of the Emergency Board. 2) Amounts over \$25,000 may be transferred with the approval of the Emergency Board.

Table Z
Operating Expenditure Forecast

State	Multi-Year Expenditure Forecast	Years Beyond Current Budget Cycle [^]	Estimates Originated in Agencies	Estimates Include All Programs	Are Projected Operating Expenses Published
Alabama	X	1	X	X	B
Alaska	-	-	-	-	NP
Arizona	-	-	-	-	-
Arkansas	-	-	-	-	-
California	-	-	X	X	B
Colorado	-	-	-	-	B
Connecticut	X	3	X	X	PS
Delaware	X	5	-	X	NP
Florida	-	-	-	-	B*
Georgia	-	-	X	-	NP
Hawaii	X	4	X	X	B
Idaho	-	-	-	-	-
Illinois	X	1	-	X	NP
Indiana	-	-	-	-	NP
Iowa	X	4	X	X	B
Kansas	X	3	X	-	B
Kentucky	-	-	-	-	-
Louisiana	X	3	X	X	PS
Maine	X	2	X	X	PS
Maryland	X	3	*	**	B
Massachusetts	X	1	X	X	B
Michigan	X	1	X	X	B
Minnesota	X	4	X	X	PS
Mississippi	-	-	X	X	B
Missouri	X	4	-	X	B
Montana	-	-	-	-	-
Nebraska	X	2	-	X	PS
Nevada	-	-	-	-	NP
New Hampshire	-	-	X	X	B
New Jersey	X	2	X	X	NP
New Mexico	-	-	X	-	NP
New York	X	2	*	X	NP
North Carolina	X	4	-	X	NP
North Dakota	-	-	X	X	B
Ohio	-	-	X	-	NP
Oklahoma	X	2	-	X	NP
Oregon	X	2	-	-	PS
Pennsylvania	X	4	X	X	X
Rhode Island	X	4	-	X	B
South Carolina	-	-	-	X	B
South Dakota	X	3	-	-	NP
Tennessee	-	-	X	X	B
Texas	-	-	X	X	B
Utah	X	5	-	-	NP
Vermont	-	-	-	-	-
Virginia	X	4	X	X	B
Washington	X	8	-	-	NP
West Virginia	-	-	-	-	-
Wisconsin	-	-	-	-	-
Wyoming	-	-	-	-	NP
Puerto Rico	-	-	-	-	NP
TOTAL	26		24	28	

Codes: B....Published in the Budget NP....Not Published
PS....Published Separately

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

Notes to Table Z

Florida: Current year estimated expenditures are published in the budget.

Maryland: 1) 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. 2) The forecast includes expenditures for General Funds, Transportation Trust Funds, and Higher Education Funds. These three expenditures comprise 71% of the total budget.

New York: Estimates originate in the Division of Budget, with the cooperation of the agencies.

GLOSSARY

Allotment: Part of an appropriation that may be expended or encumbered during a given period.

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.

Data Processing: 1) Operation of a central data processing (DP) system for use by other state agencies, or 2) Direction, supervision, guidance in other state agencies regarding the establishment and operation of a DP system, and purchase of DP equipment.

Debt Management: Negotiate and manage issuance of bonds and refunding.

Economic Analysis: Analysis of the national and state economy to develop predictions on level of state business activity and personal income.

Fiscal Notes: An estimate of the cost of legislative bills either drafted, introduced, or at a later state of consideration.

Fiscal Research: In-depth analysis of revenue trends, expenditure trends, and the fiscal impact of major executive and/or legislative proposals.

FY: Refers to the state fiscal year. The number following FY is the year the fiscal year ends.

GF: General Fund. The fund into which state general tax receipts are credited for discretionary appropriation, as opposed to earmarked or trust funds that may be spent only for specified programs or purposes.

Incremental Budgeting: An approach to budgeting that focuses on the budget request, with emphasis on increases from the current year. Analysts of such a budget normally want information on all activities being planned in the budget year, but most of their attention will be on the program changes from the current year.

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 (syntax).

Legislative Review: Review bills introduced into the legislature to inform the governor's office of program impact, compliance with policy, etc.

Glossary

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. For example, 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. i.e. federal standards for state and local ozone levels.

Object Classification: Analysis of obligations and expenditures according to the types of services, articles, or other items involved, e.g., personal services, supplies and materials and equipment, as distinguished from the purpose for which such obligations are incurred.

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.

Personnel Position Analysis: A report that examines the status of the state public employment, with emphasis on staffing levels, funded, unfunded, vacant and filled positions.

Program Budget: A budget format in which the budget material is arranged in such a way as to aid the executive and legislature to understand the broader policy implications of their decisions. Expenditures are assigned to specific delivery units with emphasis on the goals to be achieved by a given level of expenditure on a given program.

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: 1) Agency is responsible for making the estimates which are used as the basis of the executive budget, or 2) Agency performs revenue estimating analysis, but is not responsible for the estimates used for the executive budget.

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.

Glossary

Voucher: A document embodying a claim for goods or services rendered, which, upon certification by the appropriate officer, is authority for payment.

Zero Base Budgeting: An approach to public budgeting in which each budget year's activities are judged anew, with no reference to the policy precedents or dollar amounts of past years.