BUDGET PROCESSES IN THE STATES

JANUARY 2002

NATIONAL ASSOCIATION OF STATE BUDGET OFFICERS

THE NATIONAL ASSOCIATION OF STATE BUDGET OFFICERS, founded in 1945, is the principal organization for the professional development of its members; for improving the capabilities of staff and information available to state budget officers; and for the development of the national fiscal and executive management policies of the National Governors Association. It is a self-governing affiliate of the National Governors Association. The National Association of State Budget Officers is composed of the heads of state finance departments, the states' chief budget officers, and their deputies. All other state budget office staff are associate members. Association membership is organized into four standing committees: Health, Human Services, and Justice; Financial Management, Systems, and Data Reporting; Tax, Commerce, Physical Resources, and Transportation; and Training, Education, and Human Resources Management.

CONTENTS

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 1999 edition.

The 2002 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

This report would not have been possible without the time and care of state budget officers and their staffs.

Greg Von Behren and Paul Korfonta prepared this update.

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 section outlines how the budget cycle unfolds and the role of its major participants. States generally have two different types of budgets: operating budgets and capital budgets. The operating budget is the budget established for operation of a state agency or program. The capital budget is the budget associated with acquisition or construction of major capital items, including land, buildings, structures, and equipment. Funds for these projects are usually appropriated from surpluses, earmarked revenues, or from bond sales. Unless otherwise noted, the budget cycle discussed in this document 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. The typical budget cycle is represented in the chart on the following page. Twenty-three states use a biennial budget cycle, including two 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, including most recently Arizona, 14 have legislatures that meet every year. In these states, the legislature may, and often does open the budget for review and revision in the non-budget year.

The Budget Office

The budget office is responsible for analysis of agency submissions by consolidating the requests into a statewide budget proposal for the governor's approval. 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 financial assumptions such as spending targets and inflation, and policy guidance on the governor's priorities. Guidelines generally are distributed to agencies in the summer months.

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

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

Governor Review and Final Recommendations

After review and analysis on the agencies' budget requests, the budget office staff make recommendations to the governor on the overall budget proposal. The governor reviews the recommendations and often provides additional direction on the recommendations that are incorporated into the budget proposal. The 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 considered by the legislature.

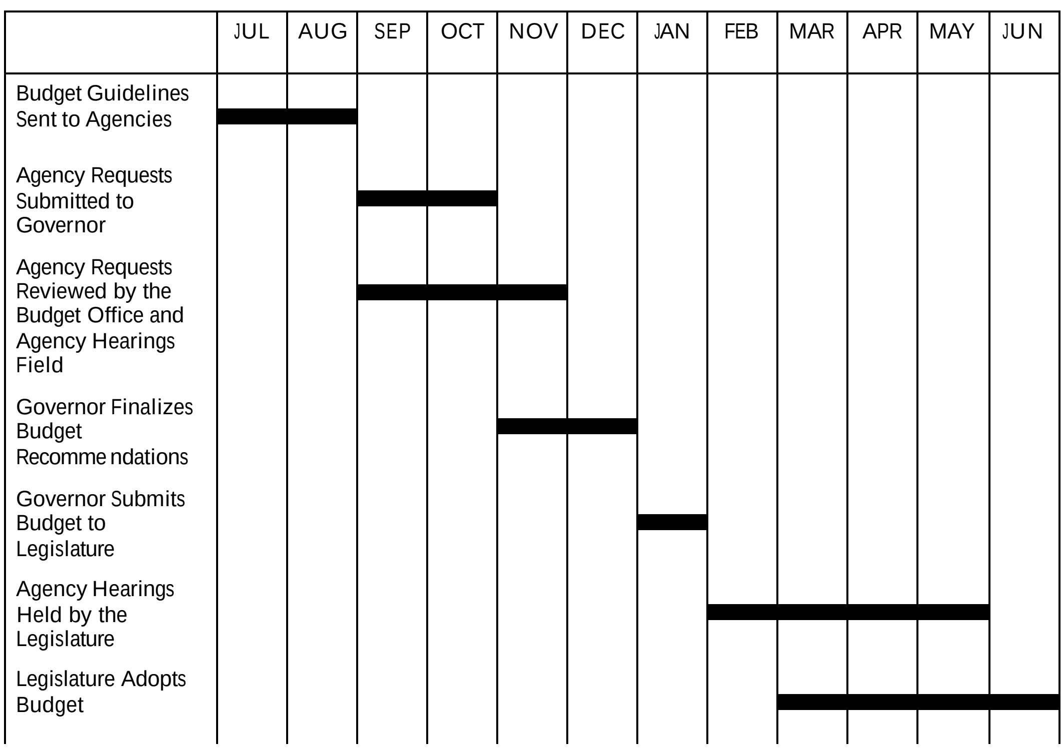
Legislative Review

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

Adoption of the Budget

Adoption of the budget occurs in the spring before the beginning of the state fiscal year. Fiscal years for all but four states -- Alabama, Michigan, New York, and Texas -- begin on July 1. The budget may be adopted with vetoes by the governor, depending on the governor's veto powers.

The State Budget Cycle



Monitoring and Oversight of the Budget

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

Assessing the Federal Impact

Currently, 35 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 states. (See table H)

Timing and Role of 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 and also the amount 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 (14) or the revenue office (4), or both (8). In 14 states, a separate forecasting board or commission conducts revenue estimating. The remaining states employ a combination of individuals to develop forecasts.

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

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	Sept./Nov.	December	May	July	A	A
Arizona	June 1	September 1	Nov./Dec.	January	Jan./April	July	A	B
Arkansas	March	July	August	Sept./Dec.	Jan./April	July	B	B
California	April-Nov.	September	Sept.-Nov.	January 10	June 15	July	B	A
Colorado	June	1-Aug	Aug./Sept.	November 1	May	July	A	A
Connecticut	July	September	January	February	June/May	July	A	B
Delaware	August	Oct./Nov.	Oct./Nov.	January	June 30	July	A	A
Florida	June	September	September	January	April/May	July	A	A
Georgia	June	September	Nov./Dec.	January	March	July	A	A
Hawaii	July/August	September	November	December	April, May	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	July	October 1	Nov./Dec.	January	April/May	July	A	A
Kansas	June	September	November	January	May	July	A	A,B*
Kentucky	July	October	Nov./Dec.	January	April	July	A	B
Louisiana	September	November	Jan./Feb.	Feb./March	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	August	November	December	*	June/July	Oct.	A	A
Minnesota	May/June	October 15	Sept./Dec..	Jan.(4th Tues.)	May	July	A	B
Mississippi*	June	August	Sept./Oct.	Nov./Jan.	Mar./Apr.	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	January	August	Sept./Dec.	January	May/June	July	B	B
New Hampshire	August	Oct.1	November	Feb.15	May	July	A	B
New Jersey	July/August	October	Nov./Dec.	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	September	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*	May/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	Feb.1*	April/May	July	A	A
Texas	March	July/September	July/Sept.	January	May	Sept.	B	B
Utah	July	September	Oct./Nov.	December	Feb./March	July	A	A
Vermont	October	November	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.	Jan./Feb.	March,April	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	March	Sept./Dec.	Aug-Sept/Dec-Jan	February	June	July	A	A

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

Notes to Table A

Hawaii: The state Constitution and statutes prescribe a biennium budget; in practice, a budget is submitted every year.

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

Louisiana: The governor is required to submit a copy of the executive budget to the joint legislative committee on the budget 45 days, except that during the first year of each term it shall be submitted 30 days, prior to the beginning of the regular session of the legislature. The governor shall transmit a copy to each member of the legislature on the first day of the regular session. The governor shall transmit to the legislature, no later than the eight day of the regular session, a proposed five-year capital outlay program.

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.

Mississippi: The executive budget is submitted in January during the first year of a governor's term. Governor does not hold separate agency hearings (from legislative hearings).

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.

North Carolina: The constitution requires the preparation of a biennial budget, the General Assembly routinely conducts a short session for adjustments to the second year of the biennium.

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.

West Virginia: The constitution of West Virginia requires the Governor to submit a proposed budget to the Legislature on the second Wednesday of January of each year, except the year following a gubernatorial election, at which time the proposed budget is submitted on the second Wednesday in February. The Legislature has a 60-day session that starts with the budget submission.

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	-
Connecticut	X	X	X	-	-	X	X
Delaware	-	X	X	X	-	X	-
Florida	X	X	X	-	-	X	-
Georgia	X	X	X	-	-	X	X
Hawaii	-	*	X	-	-	X	X**
Idaho	X	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	-	X	-
Louisiana	X	X*	X	-	X	X	X
Maine	X	X	X	-	-	X	X
Maryland	X	X	X	-	-	X	X
Massachusetts	X	X	X	X	-	X	-
Michigan	-	-	X	X	-	X	-
Minnesota	X	X	X	X	X	-	-
Mississippi	X	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	X
New Jersey	X	X	X	X	X	X	-
New Mexico	-	X	X	-	-	X	-
New York	X	X	X	-	-	X	X
North Carolina*	X	X	X	-	-	X	X
North Dakota	X	X*	X	X	X	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
Texas	-	X*	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	-
Wisconsin	-	X	X	X	X	X	X
Wyoming	-	X	X	-	X	X	-
Puerto Rico	-	-	X	-	-	X	X
TOTAL	38	42	50	18	15	46	19

Table B
Budget Agency Fu nctions, Cont.

State	*Data Processing*	*Planning*	*Program Evaluation*	*Tax Expen-diture 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	X
Arkansas	X	X	X	-	-	-	-	-
California	X	X	X	X	X	X	X	X
Colorado	-	X	X	-	X	X	X	X
Connecticut	-	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	-
Idaho	-	X	X	X	-	X	X	-
Illinois	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	-	X	-	-	X	X
Louisiana	-	X	X	-	-	-	X	
Maine	-	X	X	-	-	-	-	-
Maryland	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	X	-	-	-	X	-
Nebraska	-	-	X	-	-	-	-	-
Nevada	-	X	X	-	-	-	X	X
New Hampshire	X	-	-	*	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	-
North Dakota	-	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	-
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	-	X	-	-	-
TOTAL	21	43	46	14	20	22	37	19

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, and because of responsibility to ensure a balanced financial plan. 2) Review contracts costing $25,000 or more, including certain professional services. 3) The Office of Planning carries out long-term, strategic planning; the budget agency monitors short and long-term program, budget, and fiscal planning.

Louisiana: Selective input and review. The legislative staff is primarily responsible for preparing a fiscal note on each bill, however, significant input from the budget agency and appropriate administrative agencies.

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.

Michigan: Debt management and cash management are primarily duties of the state treasurer with assistance from the Office of the State Budget Director.

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. Fiscal notes are prepared for internal use.

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.

Pennsylvania: The tax expenditure report is prepared by the Department of Revenue and included in the governor's annual recommended budget that is published by the Office of the Budget. The Office of Budget also prepares cash flow estimates for the state treasurer and directs issuance of tax anticipation notes.

Texas: Legislative budget office responsible for fiscal notes, not the executive budget office.

Utah: The Governor's Office of Planning and Budget (GOPB) is not responsible for developing fiscal notes. It 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 2001 Salary Range	Director is Cabinet Member
Alabama	State Budget Officer	DG	P	$75,725-115,458	-
Alaska	Director, OMB	G	P	90,000	X
Arizona	Director, Office of Strategic Planning & Budgeting	G	P	110,000	X
Arkansas	Administrator, Fiscal and Budget	D	NS	95,000	-
California	Director of Finance	GS	P	126,358	X
Colorado	Director, Office of State Planning and Budgeting	G	P	121,200	X
Connecticut	Secretary, Office of Policy & Mgmt.	G	P	107,682-140,272	X
Delaware	Budget Director	G	P	105,300	X
Florida	Director	G	P	71,223-145,269	-
Georgia	Director, Office of Planning & Budget	G	P	90,000-120,000	-
Hawaii	Director of Finance	GS	P	85,302	X
Idaho	Administrator, Division of Financial Management	G	P	73,650-108,620	X
Illinois	Budget Director	G	P	117,000	X
Indiana	Budget Director	G	P	80,000-90,000	X
Iowa	Director, Dept. of Management	G	P	79,000-122,500	X
Kansas	Director of the Budget	G	P	83,989	-
Kentucky	State Budget Director	G	NS	95,525	X
Louisiana	State Director of Planning and Budget	D	NS	64,762-106,914	-
Maine	State Budget Officer	D	P	53,685-77,938	-
Maryland	Secretary of Budget and Management	GS	P	115,459-149-173	X
Massachusetts	Budget Director	DG	P	110,000	-
Michigan	State Budget Director	GS	P	125,000	X
Minnesota	Assistant Commissioner - State Budget Director	DG	P	62,953-89-763	-
Mississippi	Director, Office of Budget & Fund Mgmt.	DG	NS	55,993-97,987	-
Missouri	Deputy Commis. for Budget & Planning	DG	P	69,504-101,604	-
Montana	Director, Office of Budget & Program Planning	G	NS	72,000	X
Nebraska	State Budget Administrator	DG	P	92,000	X
Nevada	Director of Administration	G	P	92,914	X
New Hampshire	Budget Officer, Assistant Commissioner	DG	4 yrs.	56,496-76,603	-
New Jersey	Director, OMB and Comptroller	GS	P	106,530	-
New Mexico	Director, State Budget Division	D*	P	65,000-73,300	-
New York	Director, Division of the Budget	G	P	161,949	X
North Carolina	State Budget Officer	G	P	120,810	X
North Dakota	Director, Office of Mgmt. & Budget	G	P	96,228	X
Ohio	Director of Budget and Management	GS	P	73,715-132,350	X
Oklahoma	Director of State Finance	GS	P*	90,000	X
Oregon	Administrator, Budget and Management Division*	D	P	77,880-109,620	-
Pennsylvania	Secretary of the Budget	G	P	119,632	X
Rhode Island	Executive Director/State Budget Officer	DG	NS	88,861-98,515	-
South Carolina	State Budget Director	BC	P	90,000-100,000	-
South Dakota	Commissioner	G	P	93,928	X
Tennessee	Commissioner of Finance and Administration	G	P	127,308	X
Texas	Director of the Governor's Budget Office	G	P	90,000-110,000	-
Utah	Director, Office of Planning & Budget	G	P	76,000-102,600 *	**
Vermont	Commissioner of Finance & Management	GS*	P**	64,777-97,166	-
Virginia	Director, Dept. of Planning & Budget	G	P	113,295-116,977	-
Washington	Director, Office of Financial Mgmt.	G	P	131,000	X
West Virginia	Secretary of Administration	GS	P	70,000	X
Wisconsin	Administrator, Div. of Exec. Budget & Planning	DG	P	67,273-104,276	-
Wyoming	Administrator	DG	P	40,000-85,000	-
Puerto Rico	Director of Management & Budget	G	P	115,000	X
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: 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

	Total Positions in:		Number of:			FY 2001	Appointment
State	Agency	Budget Function	Budget Analysts	Tech/ Computer	Support Staff	Salary Range For Analysts	Through Civil Service
Alabama	12	9	8	1	1	$25,641-73,882	X
Alaska	18	12	8	2	2	46,080-67,800	-
Arizona	24*	22**	15***	2	2	36,000-85,000	-
Arkansas	289	27	20	2	4	24,089-64,777	-
California	383	190	120*	31**	18***	39,468-84,504	X
Colorado	20	18	16	-	2	43,008-81,180	-
Connecticut	203	41	35	3	3	49,121-95,998	X
Delaware	47	37	11	3	5	37,638-79,188	X
Florida	144	101	51	40	21	28,490-98,323	-
Georgia	75	31	22	1	11	31,000-62,000	-
Hawaii	267	35	23	-	12	35,676-72,324	X
Idaho	25	8	7	2	2	44,200-69,050	-
Illinois	53	53	35	2	9	34,000-65,000	-
Indiana	35	35	19	2	6	34,000-65,000	-
Iowa	31	12	11	1	3	43,160-72,000	X
Kansas	894	22	16	-	3	32,884-68,370	X
Kentucky	35	35	15	4	10	26,544-69,684	X
Louisiana	41	36	28	-	5	28,755-62,225*	X
Maine	11	9	7	-	1	37,731-61,630	X
Maryland	514	49	31	3	7	31,456-82,805	X**
Massachusetts	38	28	14	9	3	42,786-54,274	-
Michigan	216	40	27	1	7	34,326-61,325	X
Minnesota	189	33	20	3*	13	34,874-72,495	X
Mississippi	367	7	5	-	1	25,839-80,492	X
Missouri	33	22	12	1	5	28,488-57,060	X
Montana	17	16	10	3	1	27,128-42,800	-
Nebraska	699	12	8	-	2	28,488-57,060	X
Nevada	23	14	11	2	3	47,460-67,985	X
New Hampshire	170	9	6	-	1	32,409-66,593	X
New Jersey	207	81	43	8*	14	30,303-80,667 *	X
New Mexico	151	20	18	1	3	40,000-55,000	X
New York	354	354	260	43	22	33,269-127,642	X*
North Carolina	52	18	18	3	13	39,768-77,978 *	-
North Dakota	132	5	4	*	**	37,176-61,956	X
Ohio	116	23	18	-	3	40,165-81,598	X
Oklahoma	140	13	10	-	1	27,500-58,000	-
Oregon*	39	30	13	7	5	52,572-77,880	X
Pennsylvania	1079*	26	18	2	3	36,088-81,546	X
Rhode Island	27	27	18	1	5	37,132-79,211	X
South Carolina	26	26	14	2	6	42,600-63,200	X
South Dakota	26.5	9	5	1	2	31,637-47,445	-
Tennessee	25	25	17	2	2	23,484-74,196	-
Texas	30	26	16	-	4	26,000-82,390	-
Utah	48	14	11	5	1	37,627-63,003	-
Vermont	34	11	6	0	2	43,481-54,601	X
Virginia	74	40	32	6	5	33,811-90,653	-
Washington	207	33	31	-	2	49,980-84,036 *	-
West Virginia	46	10	3	1	1	22,644-50,604	X
Wisconsin	1117	34	26	1	3	38,565-94-726	X
Wyoming	400	9	8	-	1	29,220-59,688	X
Puerto Rico	312	100	66	40	42	18,492-36,228	X
TOTAL							32

Notes to Table D

Arizona: 1) Agency personnel include one strategic planning position. 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.

Louisiana: Excludes management position salaries.

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

Michigan: In January 1998 the Department of Management and Budget was restructured and the governor appointed a separate State Budget Director. The State Budget Office employees include statewide support for budget development and implementation, accounting and payroll – functions, the state's financial management system, geographic data mapping, and demographic data functions.

Minnesota: Tech/computer data processing is only for budgeting functions – excludes accounting and payroll systems. Support staff is not clerical, but works on budget functions such as fiscal notes, forecasting, and communications.

New Jersey: Includes first level supervisors.

New York: Includes all supervisory staff except budget director and executive management.

North Carolina: Budget analyst only.

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

Oregon: 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).

Tennessee: Salary range reflects budget analysts and first-line supervisors.

Washington: Salary range reflects both operating and capital budget analysts and first level 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	-	-	A
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	10	11	

Codes: A...Administration MB... Mgmt/Budget
F...Finance

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.

Hawaii: The executive budget function is performed by a division within the Department of Budget and Finance, an Agency of the Executive Branch.

Idaho: The Division of Financial Management is a free standing agency within the executive office of the Governor.

Kansas: The Budget Division is located in the Department of Administration for budgetary purposes only. The budget director reports directly to the governor, and the office functions as the governor's staff.

Kentucky: The Governor's Office for Policy and Management is a freestanding agency within the Executive Office of the Governor.

Maine: Department of Administrative and Financial Service.

Massachusetts: The Fiscal Affairs Division is within the Executive Office of Administration and Finance.

Michigan: The State Budget Office reports directly to the governor and is an autonomous agency within the Department of Management and Budget.

New Jersey: The Office of Management and Budget is a division within the Department of Treasury.

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

Oklahoma: The budget division is a division in the Office of State Finance.

Vermont: The Budget and Management Division is in the Department of Finance and Management which is in the Agency of Administration.

Washington: The executive budget function is a division within the Office of Financial Management (OFM). OFM also has policy development, accounting and forecasting responsibilities.

Table F
Economic Advisors

State	*Council of Economic Advisors*	*Source of Authority*	*Official/Agency Providing Assumptions Going Into Executive Budget*
Alabama	X	I	Department of Finance
Alaska	X	AO	Office of Management and Budget, Department of Revenue, Dept. of Labor
Arizona	-	-	Office of Strategic Planning & Budgeting
Arkansas	X	I	Fiscal Officer; Budget Office; Economic Analysis; Tax Research
California	-	I	Department of Finance
Colorado	X	S	Governor's Revenue Estimating Advisory Committee
Connecticut	X	S	Office of Policy and Management
Delaware	X	EO	Delaware Economic and Financial Advisory Council
Florida	-	S	Consensus Revenue Estimating Conference
Georgia	-	-	Office of Planning and Budget
Hawaii	-	CS	Council on Revenues
Idaho	-	-	Division of Financial Management
Illinois	-	-	Budget Agency
Indiana	X	EO	Budget Agency
Iowa	X	-	Department of Management
Kansas	X	I	Budget Office; Revenue Department; Legislative Research Department
Kentucky	X	EO	Finance Secretary, Legislative Research Commission
Louisiana	X	C,S	Governor, Legislature, Revenue Estimating Conference
Maine	X	-	State Budget Officer; Consensus Economic Forecasting Commission
Maryland	X	I	Expenditures-Department of Budget and Management; Revenues-Board of Revenue Estimates
Massachusetts	X	I	Revenue Department/Fiscal Affairs Division
Michigan	-	-	Office of Revenue and Tax Analysis - Department of Treasury
Minnesota	X	EO	Department of Finance
Mississippi	-	S	Office of Budget and Fund Management
Missouri	-	-	Budget Office
Montana	-	-	Contract with forecasting firm - Wharton Economic Forecasting Assoc.
Nebraska	X	S	Revenue Department and Economic Forecasting Advisory Board
Nevada	X	S	Economic Forum
New Hampshire	-	S	Budget Office & Department of Revenue Administration
New Jersey	X	S	New Jersey Council of Economic Advisors
New Mexico	-	S	Economic Analysis Bureau; Department of Finance & Administration
New York	-	-	Division of the Budget
North Carolina	-	-	Office of State Budget and Management
North Dakota	X	EO	OMB contracts with econometrics forecasting firm
Ohio	X	I	Office of Budget and Management
Oklahoma	-	-	Oklahoma Tax Commission; Office of State Finance
Oregon	X	EO	Office of Economic Analysis within the Department of Administrative Services
Pennsylvania	-	-	Budget Office and Revenue Department
Rhode Island	-	-	Revenue Estimating Conference
South Carolina	X	S, Proviso	Board of Economic Advisors
South Dakota	X	EO	Bureau of Finance & Management
Tennessee	X	S	Center of Business & Economic Research - University of Tennessee
Texas	-	-	Comptroller's Office
Utah	X	EO	Office of Planning and Budget and Tax Commission
Vermont	X	I	Department of Finance & Management
Virginia	X	S	Department of Taxation
Washington	X	EO	Economic and Revenue Forecast Council
West Virginia	-	-	Department of Tax and Revenue
Wisconsin	-	-	Department of Revenue
Wyoming	X	S	Economic Analysis Division
Puerto Rico	X	EO	Planning Board; Government Development Bank
TOTAL	30		

Codes:
S...Statutory
C...Constitutional
EO…Executive Order
I...Informal
AO...Administrative Order

Table G
Revenue Estimates in the Governor's Budget

State	Who Prepares Estimate	Consensus Forecast	Who Revises	Revision is Binding	Statutory Requirement to Publish Revenue Estimates	When are Official Revenue Estimates Made (List By Month)
Alabama	B	X	G,L	-	X	February
Alaska	R	*	-	-	X	April,December
Arizona	B,R	*	G,L	-	X	
Arkansas	B,C	-	G	X	X	
California	B	-	B,G	-	X	January/May*
Colorado	B	-	L	-	X	Dec., March, June, Sept.
Connecticut	B	-	L	-	X	
Delaware	C	X	L	X	X	
Florida	C	X*	C	X	X	Fall/winter & when needed
Georgia	B	-	G	X	X	
Hawaii	C	-	C	X*	X	June, Sept., Jan., March
Idaho	B	-	B,L	-	-	Jan., August
Illinois	B	-	G	-	X	July,Oct.,Feb.,April
Indiana	B,C	X	B,C	X	X	
Iowa	C	X	C	X	X	
Kansas	C	X	C	-	-	
Kentucky	C	X*	C	X	X	
Louisiana	C	X	C	X	X	
Maine	C	X	C	X	X	
Maryland	C	X	C	-	X	December
Massachusetts	B,R	-	G,L	X	X	
Michigan	B,R,L*	X	B,R,L	X	X	January, May
Minnesota	B	-	B	X	X	
Mississippi	G,L	X	L	X	-	October
Missouri	B	X*	G	-	X	January
Montana	B,R	-	B,R	-	X	Apr.-May/Oct./Dec.*
Nebraska	C	X	C	X	X	03-Feb.Ap.Oct.02-Feb.Oct
Nevada	C	-	C	X	X	Dec. - Revised in May
New Hampshire	B,G	-	L	X	X	
New Jersey	B,R	-	G	X	X	
New Mexico	B,R,L	X*	G	-	X	
New York	B	X	G*	X	X	
North Carolina	B,G,L	X	B,G,L	X	X	
North Dakota	B,R	X	B,R	X	X	*
Ohio	B	-	B,L	-	X	Jan./June of odd # years
Oklahoma	B,R,C	-	B,R,C*	X	X	Dec., Feb., June
Oregon	B*	-	B	X	X	
Pennsylvania	B,R	-	B,R	X	X	May/June (Bud. Enactment)
Rhode Island	C	X	C	X	X	
South Carolina	C	X	C	-	X	Nov. , Feb.
South Dakota	B	-	L,B	X	X	
Tennessee	B	X	G	-	X	See Note
Texas	R	-	R	X	X	Jan./May odd years
Utah	B,R	X*	B,G,L,R	X	X	
Vermont	B*,L	X	B*,L	-	X	
Virginia	B,R,C	-	G*	X	X	December
Washington	B,C	-	C	-	X	November
West Virginia	B,R	-	G	X	X	January*
Wisconsin	R	-	L	-	X	Nov.20 - even # years
Wyoming	C	X	C	-	-	
Puerto Rico	R	-	G,L	X	X	
TOTAL		24		31	47	

Codes:
B...Budget Agency
R...Revenue Agency
C...Board/Commission
G....Governor
L....Legislature
NA...Not Avail.

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.

California: Revenue estimates are made public in January and May.

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, the Florida Department of Revenue and the Legislative Division of Economic and Demographic Research. The Consensus Estimate of Revenue Collections is based on current tax laws and current administrative procedures.

Hawaii: Statutes require that estimates "shall be considered;" differing revenue estimates by the governor or legislature may be used if "fact and reasons" are made public.

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.

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 fiscal 2001, the consensus was reached in May.

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.

Montana: Budget office prepares estimates in the spring and fall of even numbered years. The revenue and tax committee of the legislature adopts its estimate in December prior to convening in January.

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

New York: The governor revises estimates to reflect actions of the legislature. Per statute, joint executive-legislative consensus forecasting is required by March 10th. In the absence of consensus, the governor's estimate is official.

North Dakota: July and November of even numbered years and March of odd numbered years.

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. Such a revision would be made in June.

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

Pennsylvania: Revenue estimates are revised 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 November and May.

Tennessee: February (original estimate for succeeding fiscal year); May (revised estimate); July (revised estimate for enacted budget); February (revised estimate for current fiscal year); May (revised estimate for current fiscal year).

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: The governor revises as required by law, during fiscal year. Revenue estimates are published annually.

West Virginia: The Governor makes the official revenue estimate in January, except in the year following a gubernatorial election at which time the official revenue estimate is made in February.

Table H
State-Federal Liaison

State	*Budget Office Analyzes Federal Legislation*	*Representative in Washington, D.C.*	*Official/Agency to Whom D.C. Office Reports*
Alabama	X	X	Governor
Alaska	-	X	Governor
Arizona	X*	-	-
Arkansas	-	-	-
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	*	X	Governor's Office
Illinois	X	X	Governor
Indiana	X	X	Governor
Iowa	X	X	Governor
Kansas	X	-	-
Kentucky	X		Governor's Office
Louisiana	X	-	-
Maine	X		
Maryland	X	X	Governor
Massachusetts	X	X	Governor
Michigan	X*	X	Governor
Minnesota	X*	X	Governor's Office
Mississippi	X	X	Governor's Office
Missouri	X	X	Budget Director
Montana	X	-	-
Nebraska	X		Lt. Governor
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*	X	Governor
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	X	Governor
Tennessee	X*	-	-
Texas	X	X	Governor
Utah	X	X	Governor's Chief of Staff
Vermont	X*	-	-
Virginia	X	X	Governor
Washington	X	X	Governor
West Virginia	X	X	Governor
Wisconsin	X	X	Administration Secretary
Wyoming	X	-	-
Puerto Rico	X	X	Governor's Office
TOTAL	44	35	

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.).

Idaho: The analysis of federal legislation is primarily conducted by state agencies, not the budget office.

Michigan: The analysis of federal legislation is primarily conducted by the state agencies; the budget office monitors selected issues.

Minnesota: The analysis of federal legislation is primarily conducted by the state agencies; the budget office monitors selected issues.

North Dakota: The analysis of federal legislation is primarily conducted by the state agencies; the budget office monitors selected issues.

Oklahoma: The analysis of federal legislation is primarily conducted by the state agencies, not the budget office.

Tennessee: The analysis of federal legislation is primarily conducted by the state agencies, not the budget office.

Vermont: The analysis of federal legislation is primarily conducted by the state agencies, 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 23 states and Puerto Rico, spend unanticipated federal funds in 31 states and Puerto Rico, and reduce the budget in 36 states and Puerto Rico. 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 states and Puerto Rico 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 appropriation item veto authority, 14 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, advocates for a federal balanced budget often make comparisons to the states. 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 40 states and Puerto Rico require the legislature to pass a balanced budget, and with the recent addition of California and Illinois in the past two years, 34 states and Puerto Rico 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 11 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.

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

Tax and Expenditure Limitations

Table M shows the states that have tax and expenditure limitations (TELs), and what the limitations are. Of the 30 states with TELs, 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 TELs have been somewhat unsuccessful in constraining the rate of tax increases. Some would argue that laws requiring a supermajority (12 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	-	-	-
Arizona	X	X	X*	X**	-	-
Arkansas	-	X	X*	X**	X***	ATB
California	-	-	X	-	-	-
Colorado	X	X	-	X	X	-
Connecticut	-	X	-	X	X	MR
Delaware	X	X	-	-	-	X
Florida	*	X	**	X	X***	MR
Georgia	X	X	X	X	X	X*
Hawaii	X	X	*	partial*	X*	-
Idaho	X	-	-	X	X*	X*
Illinois	X	-	X*	X**	X	-
Indiana	X	X	X	X	X	-
Iowa	X	X	-	X	X	ATB
Kansas	X	X	-	X	-	ATB
Kentucky	X	X	X	X	-	X
Louisiana	X	X	-	-	X	MR
Maine	X	X	-	X	X	ATB
Maryland	X	-	X	X	X*	X**
Massachusetts	X	-	-	*	X	-
Michigan	X	*	X*	**	-	***
Minnesota	X*	X	X**	-	X	
Mississippi	X	X	-	X	X	ATB*
Missouri	-	X	-	*	X	-
Montana	-	*	X	X	X	MR**
Nebraska	-	X	X	X	-	X
Nevada	-	X	X	*	X	MR
New Hampshire	X	-	-	X	-	-
New Jersey	X	X	-	X*	X	-
New Mexico	X	X	-	X	-	-
New York	X	X	-	X	X*	**
North Carolina	-	X	X	X	X*	**
North Dakota	X	X	X*	**	X	ATB
Ohio	-	X*	-	-	X	X
Oklahoma	X	-	X*	X**	X*	X
Oregon	X	X	-	-	X	MR
Pennsylvania	-	*	X**	***	X****	X****
Rhode Island	X	-	X	-	X	X
South Carolina	X	X	-	-	X*	X
South Dakota	-	X	-	-	-	X
Tennessee	X	-	X	-	-	-
Texas	X	-	-	X	X	X*
Utah	X	X	-	X	X	-
Vermont	X	X	X*	X	X**	X**
Virginia	X	X	-	X	X*	MR
Washington	-		-	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	35	32	24	32	37	

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

Notes to Table I

Arizona: 1) Unless otherwise restricted by statute, the governor has the authority to reorganize agencies that have directors the governor has appointed. 2) Expenditure of unanticipated federal funds is only allowable in cases where the legislature doesn't have appropriation authority over the federal fund source.

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 and/or legislature 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 Legislative Budget Commission for the executive branch and the Chief Justice of the Supreme Court for the judicial branch are authorized to resolve deficits under 1.5 percent of the fiscal year appropriation. Deficits over the 1.5 percent amount shall be resolved by the legislature.

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, increase federal fund expenditures and reduce budgets can be done if consistent with general or specific law.

Idaho: The governor's authority to reduce budgets is temporary. The State Board of Examiners (governor, attorney general, and secretary of state) has permanent appropriation reduction authority.

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 nonappropriated 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 percent any appropriation that the governor considers unnecessary. 2) The governor may not, however, reduce an appropriation to the legislative or judicial branches of government; for the payment of principal and interest on state debt; the funding for public schools (K-12); or the salary of a public officer during the term of office.

Massachusetts: 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 Executive Budget is published. Agency requests are published to the extent that the requests are included in the Executive Budgets. 2) 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. 3) Only if the appropriations bill allows for spending unanticipated federal funds up to a pre-established spending level. 4) 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 that January 15 of each year submit to the legislature a bill making all statutory changes required by the reorganization order.

Mississippi: Above 5 percent or more.

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 principle 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 $100,000. However, any grant funding new personnel must be approved by the Legislature or the Interim Finance Committee when the Legislature is not in session.

New Jersey: Authorized to spend 25 percent above the originally estimated federal grant amount.

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. The governor is required to maintain a balanced budget for the fiscal period and has the authority through the Constitution and General Statutes to make reductions to insure there is no overdraft or deficit.

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.

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.

Texas: May transfer, reduce and increase agency budgets through joint budget execution authority with legislative budget board.

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

State	No Veto Power	Line Item Veto	Item Veto of Appropriations	Item Veto of Selected Words	Item Veto to Change Meaning of Words
Alabama*	-	X	X	-	-
Alaska	-	X	X	-	-
Arizona	-	X	X*	-	-
Arkansas	-	X	X	X	-
California	-	X	X	X*	-
Colorado	-	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	*	X*	X*	-	-
Massachusetts	-	X	X	X	-
Michigan	-	X	X	*	-
Minnesota	-	X	X	-	-
Mississippi	-	X	X	-	-
Missouri	-	X	X	X*	-
Montana	-	X	X	-	-
Nebraska	-	X	X	-	-
Nevada	-	-	-	-	-
New Hampshire	-	-	-	-	-
New Jersey	-	X	X	X	X
New Mexico	-	X	X*	X*	-
New York	-	X*	X	-	-
North Carolina*	X	-	-	-	-
North Dakota	-	X	-	-	-
Ohio	-	X*	X	X**	-
Oklahoma	-	X	X	-	-
Oregon	-	X	X	-	-
Pennsylvania	-	X	X	X*	-
Rhode Island	-	-	-	-	-
South Carolina	-	X	X	-	-
South Dakota	-	X	X	-	-
Tennessee	-	X	X	-	-
Texas	-	X	X	-	-
Utah	-	X	-	-	-
Vermont	-	-	-	-	-
Virginia	-	X*	-	-	-
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	14	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 legislature may not add to the budget bill as proposed by the governor, except in the legislative and judicial branches. The governor, however, may veto items included in supplementary appropriation bills.

Michigan: The Michigan Constitution provides "the governor may disapprove any distinct item or items appropriating moneys in any appropriations bill." An item in an appropriations bill contains the subject and the amount of an appropriation. The appropriation bill may contain one or more items. The line item may be a single line or contained in a numbered paragraph of an appropriations bill. The item must set apart a specific portion of money. (Attorney General Opinion No. 6399, November 13, 1986). In addition, language in an appropriations bill which does not specify the exact amount of the appropriation for a particular purpose is a valid exercise of the Governor's veto authority if the language sets apart a specific portion of money to be ascertained (i.e. calculated) on a date prior to payment as provided by law. (Attorney General Opinion No. 6929, December 30, 1996).

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

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.

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	May Carry Over Deficit
Alabama	x	C,S	X	S	-	-	
Alaska	X	S	X	S	X	S	
Arizona	X	C,S	X	C,S	X	C,S	
Arkansas	X	S	X	S	X	S	
California	X	C	-	-	X	S	Yes*
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	X	S	
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*	C,S	X*	C,S	X*	C,S	
Mississippi	X	S	X	S	-	-	
Missouri	X	C	-	-	X	C	
Montana	X	S	X	C	-	-	
Nebraska	X	C	X	S	-	-	No
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	No
Oklahoma	X	S	X*	C	X*	C	
Oregon	X	C	X	C	X	C	
Pennsylvania	X	C,S	-	-	X	C,S	X*
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	No
Texas	-	-	X	C,S	X	C	
Utah	X	C	X	C,S	X*	-	
Vermont	-	-	-	-	-	-	
Virginia	*	-	*	-	*	C	No
Washington	X	S	-	-	-	-	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	45		41		35		

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

Notes to Table K

California: May carry over deficit from current year to budget year. However, the budget for any year must be balanced when enacted.

Hawaii: A fiscal year may end with expenditures exceeding revenues for that fiscal year, if available carryover balances from prior years are sufficient to offset the deficit and result in a positive net ending balance for the fiscal year.

Idaho: The governor is not required to submit a balanced budget, but it would be political suicide not to do so. The constitution requires that the legislature pass a balanced budget. The governor, as the chief budget officer of the state, has always insured that expenditures do not exceed revenues.

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

Minnesota: The state constitution limits the use of public debt. The construction of this limit implicitly requires the state to have a balanced operating budget.

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.

North Carolina: The governor is not required to sign a bill for the bill to become law. This includes a bill that requires an appropriation. During the session any bill that has not been returned within 10 days with the governor's signature after it is presented to the governor shall become law in like manner. If the General Assembly has adjourned the bill shall become a law within 30 days after adjournment.

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.

Pennsylvania: The deficit must be paid from the next fiscal year's revenues.

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 by the end of the appropriation period.

Washington: Ability to carry over a deficit in any account must be approved by the Office of Financial Management for a specific time period.

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	C	-	$300,000	C	-
Alaska	U	-	-	U	C	-
Arizona	$350,000	C	-	*	-	-
Arkansas	$1,350,000,000	C	-	N	-	-
California	U	-	-	-	-	-
Colorado	U	C	-	N	S	X*
Connecticut	1.6 x Rev.	S	-	*	S	-
Delaware	*	S	-	-	-	-
Florida	-	C	-	N	-	-
Georgia	10% Rev.	C	-	-	-	-
Hawaii	*	C	**	-	-	-
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	U	-	-
Kentucky	$500,000	C	-	U	-	-
Louisiana	*	C,S	X	-	-	-
Maine	U	-	-	*	C	-
Maryland	*	**	-	$100,000,000	S	-
Massachusetts	*	S	-	*	-	-
Michigan	*	C,S	-	**	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/S	-	$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	*	*	C,S	*
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	C,S	X	-	-	X
Utah	20% of state appr. limit	C,S*	C**	-	-	-
Vermont	U	S*	-	**	S	-
Virginia	9,425,434,000	C	-	3,310,975,000	C	-
Washington	9%/7% of general revenue*	C,S	-	-	-	-
West Virginia	per amendment	C	-	per statute	S*	-
Wisconsin	formula*	C	X	10% of G.F.	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

**Please specify exact amount or formula for highlighted columns.

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. Applies to long-term general obligation debt.

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

Delaware: The state has a three-part debt limit. 1) Yearly authorization cannot exceed 5 percent of estimated net General Fund revenue for that fiscal year. 2) Aggregate maximum annual debt service payments on outstanding debt cannot exceed 15 percent of estimated aggregate annual revenue. 3) 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 percent 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 percent of the average annual revenues of the Bond Security and Redemption Fund for the last 3 fiscal years. As of June 30, 1999, the annual general obligation debt represented 36.35 percent 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, 1999, the amount of total general obligation bonds authorized was 11.37 percent of the bond authorization limit.

The constitution requires that general obligation debt limit be no more than 6 percent of the official revenue estimate by Fiscal 2003-2004. The statutes provide reduction targets for each year prior to Fiscal 2003-2004.

Maine: Ten percent of General Fund and Highway Fund revenue.

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

Massachusetts: Direct debt is limited to 105 percent of previous year's limit, or fiscal 2001 $11.076 billion (debt limit), but general obligation debt service appropriations cannot exceed 10 percent 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) Constitutional authority allows for long-term debt to be authorized by the legislature and approved by a majority vote of electors voting at any general election. 2) Short-term debt is limited to 15 percent of prior year undedicated general fund – general purpose revenues which translates into a $1.47 billion limit in fiscal year 2000-2001.

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 percent 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 percent 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, $725 million for water pollution control and $200 million for storm water control.

Nevada: G.O. bonds involving natural resources including water and sewer are exempt from the 2 percent debt limit. This allows the state to operate a Municipal Bond Bank for the benefit of local governments.

New Hampshire: The legislature shall not authorize any additional tax supported debt if projected debt service exceeds 10 percent 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.

The Debt Reform Act of 2000 implemented statutory initiatives intended to improve the State's borrowing practices. The Act applies to all new State-supported debt issued on and after April 1, 2000 and imposes phased-in caps on new debt outstanding and new debt service costs. The Act also limited the use of debt to capital works and purposes only, and established a maximum term of 30 years on such debt. The caps may only be exceeded unless the Governor, Senate, and Assembly declare a financial emergency.

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

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. Up to $200 million in conservation bonds can be outstanding at any one time, but no more than $50 million can be issued in any year.

In November 1999, an amendment to the constitution was adopted prohibiting the issuance of direct state debt if the debt service on the direct obligation would exceed in any future fiscal year, five percent of General Revenue Fund revenues plus net lottery proceeds for the current fiscal year. This limitation can be waived with a three-fifths vote of each house of the General Assembly.

With regard to short term debt, the state issues bond anticipation notes subject to the authorization limits of the particular bonds being issued. The short term debt carries the same override provisions as general obligation debt.

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 January 1, 1998, property true cash value was $34.9 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 times five-year average annual tax revenues.

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

Rhode Island: 1) Additional general obligation 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 percent of the actual General Fund revenue of the latest completed fiscal year.

Tennessee: Pledged revenues must be 150 percent of debt service requirements.

Utah: 1) The state also has a constitutional limit of 1.5 percent of the value of taxable property in state. 2) The constitutional limit may be overridden in case of war or insurrection.

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.

Virginia: For general obligation debt, the constitution provides that no debt shall exceed an amount equal to 1.15 times the average annual tax revenues of the Commonwealth derived from taxes on income and retail sales, as certified by the auditor of public accounts, for the three fiscal years immediately preceding the incurring of such debt.

Short term debt limit shall not exceed thirty percent of an amount equal to 1.15 times the average annual tax revenues of the Commonwealth derived from taxes on income and retail sales, as certified by the Auditor of Public Accounts, for the preceding fiscal year and that each such debt shall mature within twelve months from the date such debt is incurred.

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

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

Wisconsin: The constitution requires general obligation debt to be the lesser of ¾ of 1 percent of statewide assessed property value, or 5 percent 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 percent 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 7.41% of personal income	C	L,U	2/3 elected
Arkansas	Extraordinary vote required		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	Ongoing 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 elected
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	3/5 elected
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

Arkansas: The constitution provides that an increase in the rate of any tax in existence in 1934 requires a ¾ majority vote. This includes income tax, severance tax, and certain excise and privilege taxes. The most significant tax not in existence in 1934 is the sales tax that requires a simple majority.

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.

Michigan: The Michigan Constitution limits the amounts and types of taxes that can be imposed. In general, tax increases must be approved by a majority vote of the people.

Missouri: Legislature can approve tax and fee increases during a legislative session of no more than one percent of total state revenue as proscribed by the state's constitutional revenue and spending limit---roughly $70 million in fiscal 2002. Amounts above this level must be approved by the voters.

Oklahoma: Growth in appropriations also limited to 12 percent above the previous year's appropriations, adjusted for inflation and adjusted for funds not previously appropriated.

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. Tables O and P provide detailed information on collecting and reporting state performance measures. Most states have developed performance measures and fully incorporate the collection of performance measures into the budget process. Thirty-seven states collected performance measures at the program level. In addition, forty-one states have agencies that formally participate in performance measurement systems.

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 budget stabilization and contingency funds. (See tables Q and R)

Budget stabilization funds, also 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 lager structural reforms can be debated and implemented.

All but 5 states have budget stabilization funds now that Hawaii has recently implemented such a fund. 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 2 states have contingency funds, ranging from $14,031 to $438,431,815.

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 offices 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 state budget offices and Puerto Rico 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 GAAF	Provisions For Late Budget
Alabama	P,I	X	X*	X**	-	X***
Alaska	I	X	X	NA	X	none
Arizona	P,I	X*	-	X**	-	
Arkansas	P,PF	X	X	-	X	
California	Z,P,I	X	X	X*	X**	X***
Colorado	Z,PF	X*	X	X	-	
Connecticut	P,I	-	-	-	*	
Delaware	Z,P,I	-	-	-	-	none
Florida	P,I,PF,Z	X	X	-	-	
Georgia	Z	X	X	-	X	
Hawaii	P,I,PF	X	-	-	-	N/A
Idaho	P	X	-	X	*	None
Illinois	P	X	-	X	X	
Indiana	I	X	-	X	-	
Iowa	Z,P	X	X	-	X	
Kansas	P,I	X	X	x	-	
Kentucky	P,I	X	X	*	-	
Louisiana	P,PF	X	X	-	-	
Maine	PF	X	x	-	-	
Maryland	P	X	X	-	-	
Massachusetts	P	X	-	-	-	X*
Michigan	Z,P,I	X	X*	-	X	X**
Minnesota	P,I,PF	X*	X*	X*	-	
Mississippi	P,I	X	X	-	X	
Missouri	Z,I,PF	X	X	*	-	X*
Montana	Z,P,I,PF	X	-	X	X	None*
Nebraska	P,I,PF*	X	X	-	-	None
Nevada	P	X	X	*	-	
New Hampshire	I,PF	X	X	X	-	
New Jersey	P*	X	-	-	X	
New Mexico	PF*,I	-	X	-	X	
New York	P,I	X	X	-	X	
North Carolina	I,P,PF*	X	-	-	-	
North Dakota	Z,P,I,PF	X	X*	X**	-	
Ohic	Z,P*	X	-	-	**	
Oklahoma	P,I,	-	X	X*	-	
Oregon	Z,P,PF*	X	X	-	-	
Pennsylvania	P	X	X	*	**	None
Rhode Island	P,I	X	X	-	X	
South Carolina	P,I	X	-	-	-	None*
South Dakota	P,I	X	X	-	-	
Tennessee	P,I	X	X	-	*	
Texas	P*,PF	X	X	-	-	
Utah	P,I	X*	X	-	X	
Vermont	P,I	X	X	-	-	None
Virginia	Z,P,PF	X	X	-	-	
Washington	I,PF	X	-	-	X	
West Virginia	P,I,PF	X	-	-	-	
Wisconsin	P,I,PF	X	X	X	-	*
Wyoming	P,I,PF	X	X	-	X	
Puerto Rico	Z,P,I	-	-	-	-	
TOTAL		46	35	14	16	

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

Notes to Table N

Alabama: 1) There are several restricted revolving funds (e.g. liquor purchase) and trust funds (e.g. pension trust funds) which are not appropriated. The state does not appropriate tuition, fees, or other revenues of higher education institutions. 2) There is some continuous appropriation authority that has been granted in the enabling legislation. 3) If the budget does not pass in a regular session, the Governor calls a special session to address the budget.

Arizona: 1) TANF, CCDF, and Work Incentive Act federal funds are subject to legislative appropriation. Title XIX federal funds are restricted by legislative expenditure authority. All other material federal fund expenditures are not subject to legislative appropriation. 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 appropriates funds predominately through the annual budget bill but has selected permanent/continuous appropriations. 2) 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. 3) There are no general provisions to continue or temporarily establish spending authority when the state budget is not enacted on a timely manner. However, certain payments continue per other spending authority such as federal mandates, some multiple year appropriations, Constitutionally required school apportionments, court cases, and payments required in accordance with the Fair Labor Standards Act.

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

Connecticut: Effective with the 2003-2005 budget, GAAP will be reflected.

Georgia: Effective with the 2003-2005 budget, GAAP will be reflected.

Idaho: Separate generally accepted accounting principles (GAAP) financial statements are published annually.

Illinois: The governor can call a general session to convene the general assembly and deal with the issue at hand. The courts have the authority to step in and force the state to pay for items they deem important.

Kentucky: Only where specific legal authorization exists.

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.

Massachusetts: In years when it is apparent that we will not get a General Appropriations Act (GAA) by July 1, the Governor usually files, and the Legislature usually passes, an interim budget. The interim budget appropriates a lump sum of money to cover government operation for some interim period. When the GAA passes, the interim is in effect repealed and any action taken against the interim is charged against the GAA.

Michigan: 1) There are several restricted revolving funds (e.g., liquor purchase, prison industries) and trust funds (e.g., pension trust funds) which are not appropriated. 2) Agencies must discontinue spending for the new fiscal year until new budget authority is signed by the governor. The state constitution provides that no money shall be paid out of the state treasury except in pursuance of appropriations made by law.

Minnesota: The state constitution requires that "no money be paid out of the treasury…except in pursuance of an appropriation by law." Amounts collected in Federal and certain dedicated funds are appropriated via general statutory provisions, rather than by direct items of appropriation. Continuing appropriations are used for capital projects and certain other appropriations that are available until expended.

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. No spending can occur without an approved budget.

Montana: Article V.6 of the state Constitution states, "The legislature shall meet each odd numbered year in regular session of not more than 90 legislative days." The budget is always passed prior to adjournment.

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

Nevada: Continuous allowed for Capital Improvement Program; however, even these allocations are limited to a 4 to 6 year limit.

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.

New Mexico: All Executive agencies have transitioned to performance based budgeting. The Judicial and Legislative branches are in the initial process of moving into performance based budgeting.

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.

North Dakota: 1) The state does not appropriate tuition, fees or other revenues of higher education institutions. 2) There are a limited number of non-general and federal funds that have continuous appropriation. Examples include agriculture commodity fees used to promote the commodity.

Ohio: 1) Modified zero-based and program budgeting. 2) Separate GAAP financial statements are published annually. 3) If the state budget is not passed by June 30th, typically the General Assembly passes interim budgets until such time as the complete budget is approved.

Oklahoma: All funds are appropriated by constitutional requirement. Some are annually appropriated by the legislature, and some are based on "continuing" appropriations authority enacted by the legislature.

Oregon: The budget office uses modified zero based and program budgeting; working to incorporate performance measures into budgeting.

Pennsylvania: 1) No permanent appropriations for executive branch agencies; occasionally there are appropriations which have a two or three year life other than the normal one year appropriation. Appropriations for the legislative branch continue until the funds are expended or lapsed. 2) Uses program budgets; separate GAAP financial statements are published annually but not in the budget.

South Carolina: Has no late budget provisions. However, the Governor has the authority to call a special session of the General Assembly after the end of the legislative session, if necessary. In 2001, the legislature adjourned at the end of the regular session without having adopted a budget for fiscal 2001-2002. The Governor called a special session of the legislature so that action could be taken on the budget and other legislation.

Tennessee: Separate GAAP financial statements are published annually.

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

Utah: Legislature appropriates federal funds as an estimate only. The Utah Constitution requires the state legislature to pass a balanced budget during the annual General Session. The Utah legislature has always complied with this requirement. If the legislature failed to pass a balanced budget during the General Session, the governor could call a special session to address this issue.

Virginia: The Commonwealth of Virginia does not have a precedent to accommodate a "late" budget. The state constitution requires that all taxes, licenses, and other revenues of the Commonwealth shall be collected by its proper officers and paid into the State treasury. No money shall be paid out of the state treasury except in pursuance of appropriations made by law; and no such appropriation shall be made which is payable more than two years and six months after the end of the session of the General Assembly at which the law is enacted authorizing the same.

West Virginia: If the budget has not passed by the Legislature three days before the expiration of its regular 60-day session, the Governor shall issue a proclamation extending the session for such further period as may, in his or her judgment, be necessary for the passage of the budget. The extended session begins immediately following the expiration of the regular 60-day session. During the extended session, no bills or matters other than the budget may be considered, except a bill to provide for the cost of the extended session.

Wisconsin: If a new biennial budget has not been enacted by July 1 of the odd-numbered year, agencies are authorized to continue spending at the previously authorized level until enactment of the new budget.

Table O
Collecting Performance Measures

State	*Statewide Quality of Life Measures*	*Secretarial-or Cabinet-Level Measures*	*Agency-Level Measures*	*Measures for Key Gubernatorial, Secretarial/ Cabinet, Legislative Intitiatives*	*Program-Level Measures*	*Agencies that formally Participate in Performance Measurement System*
Alabama*	-	-	X	-	-	E,I
Alaska	-	-	X	X	X	E
Arizona	X	-	X	X	X	E
Arkansas	-	-	-	-	X	E
California*	-	-	-	-	-	-
Colorado	-	-	X	-	X	E,L,I
Connecticut	-	-	X	-	X	E,I
Delaware*	-	-	X	-	X	E,L,J,I,O
Florida*	X	Partially	Partially	X	Partially	E,L,J,I
Georgia	-	-	-	-	-	-
Hawaii	X	X	X	X	X	E
Idaho	-	-	X	X	X	E
Illinois*	-	-	X	X	X	E,I
Indiana	X	-	X	-	X	E,I
Iowa	X	X	X	X	X	E
Kansas	-	-	-	-	X	-
Kentucky	X	X	-	X	X	E,L,I
Louisiana	X	-	-	-	X	E
Maine	-	-	-	-	X	E,I
Maryland	X	X	X	-	X	E,I
Massachusetts	-	-	-	-	-	-
Michigan	-	-	X	-	X	E,J
Minnesota	-	-		-		
Mississippi	-	-	X	-	X	E,L, I,J
Missouri*	X	-		X	-	E
Montana	X	X	X	-	X	E
Nebraska	-	-	X	-	X	E,L,I,J
Nevada	-	-	X	-	X	E
New Hampshire	-	-	-	-	X	E
New Jersey	X	-	X	X	X	E,I
New Mexico	X	X	X	X	X	E,L,I
New York*	X	X	X	X	X	E
North Carolina*	X	-	X	X	X	E,J,O
North Dakota	X	-	-	-	-	E
Ohio	-	-	-	-	-	-
Oklahoma	X	-	X	X	X	E
Oregon	-	-	X	-	-	E
Pennsylvania	-	-	X	X	X	E
Rhode Island	-	-	-	-	X	E,I,J
South Carolina	-	-	X	X	X	E,I
South Dakota	-	-	-	-	-	-
Tennessee	-	-	X	-	X	E,I
Texas	X	-	X	-	X	E,L
Utah	X	-	X	-	X	E,I
Vermont *	-	-	-	-	X	-
Virginia	X	-	X	-	-	E,I
Washington*	X	X	X	X	X	E,I,O
West Virginia	X	-	X	-	X	E,L, I,
Wisconsin	-	-	X	X	X	E,L
Wyoming	-	-	-	-	-	-
Puerto Rico	-	-	-	-	-	-
Total	21	8	32	**18**	37	

Codes:
E...Executive Branch Agencies
L...Legislative Branch Agencies
J...Judicial Branch Agencies
I.....Independent Agencies
O...Other

Notes to Table O

Alabama: Selected independent agencies.

California: California no longer has performance based budgeted departments.

Delaware: Other agencies with formal performance measurement systems include the Attorney General, Public Defender, Board of Parole, State Treasurer's Office, Auditor of Accounts, and the Insurance Commissioner.

Florida: Agencies are required to identify, in priority order, goals with associated objectives and performance outcome measures. These are reported in the agency's long-range programs plans, but not in the legislative budget requests or the General Appropriations Act. Agencies, including cabinet agencies, must prioritize their programs, goals and objectives with agency-head approval. Therefore, the performance outcomes associated with the agency's goals and objectives are secretarial and/or cabinet level measures. Some measures, particularly administrative measures (e.g. executive direction and support) are used by all agencies. However, very little of Florida's performance measurement system is focused at the agency level. In Florida, programs are measured through the services and associated activities which comprise the programs.

Illinois: Some, but not all, independent agencies have formal performance measurement systems.

Missouri: Missouri's official, statewide performance measurement system, the Show Me Results, is mainly comprised of broad, statewide quality of life measures in the areas of Prosperous Missourians, Educated Missourians, and Safe Missourians. Agency and program level measures are included in agency strategic plans and budget requests. Several responsible Government measures support key gubernatorial and legislative initiatives. These measures include: decreased ratio of state government operating expenditures to Missouri personal income; improved protection of the public's investment in state-owned capital assets (roads, bridges, and buildings); and increased representation of minorities and women in upper level salary ranges in state government and in state purchasing. All 16 executive branch agencies, several of which are headed by commissions, participate in the Show Me Results performance measurement system.

New York: The state's financial planning and budgeting process is used as both a statewide strategic plan and a statewide system of measuring performance. Financial plans reflecting detailed projections of receipts and disbursements are the core of the Executive Budget proposal to the legislature. These public projections comply with specific information requirements defined by the state constitution, statute and established practices. The general fund financial plan is updated and re-published to reflect any amendments by the Governor to the executive budget proposal; and again when the budget is enacted; and quarterly for the remainder of the fiscal year. Each estimate of receipts from a particular revenue source, and each projection of disbursements for an agency or program, is in effect an outcome measure. These measures are used throughout the year to monitor actual performance and as a guide to taking corrective actions when appropriate to maintain the Governor's strategic fiscal and policy goals. In recent years the state's financial plans have become increasingly comprehensive, covering a multi-year timeframe and emphasizing "all governmental funds" in addition to the primary general fund focus. The executive budget documents also include a five-year capital program and financing plan (also required by statute), which is updated after budget enactment and during the fiscal year. The plan serves as an ongoing framework for capital projects spending, provides a backdrop for capital decisions, and provides detailed estimates of disbursements for use in monitoring/measuring progress of the capital program. Executive budget decision-making in each major program area, although no standard format or methodology is prescribed, reflects in-depth analysis of historical results, and focuses on measurable programmatic and fiscal goals for the ensuing year or over a multi-year horizon. Multi-year plans for all major agencies and programs (e.g., Medicaid, transportation, school aid), are addressed formally through the budget making process. The fiscal impacts of all decisions are projected for the upcoming year and for the following two years, and feed into the financial plan.

Table P
Reporting Performance Measures

State	Method of Reporting Performance Measures and Actual Performance Data	Method Used to Submit Performance Measures to Budget Office	Performance Measures Required as Part of Each Agency Budget Request
Alabama*	T,A	H	X
Alaska*	T,O	E	X
Arizona*	TA,SA	H,E	X
Arkansas*	By Program	H,E	Preset Number
California*	-	-	-
Colorado*	T	H,E	Variable
Connecticut	T	E	one
Delaware*	BD	H,E	For Internal Program Units
Florida*	TA,SA	H,E	X
Georgia	-	-	-
Hawaii*	T,SA	H	X
Idaho	SA	H	Various
Illinois	T,SA	H,E	Multiple per program
Indiana*	BD,SA	H,E	X
Iowa*	T	H,E	X
Kansas	BD	E	X
Kentucky*	T(Pilot Programs), O	H,E,O	X (# not dictated)
Louisiana*	T,LAPAS	H,LAPAS	X
Maine	T	E	1 to 6
Maryland*	T	E	X
Massachusetts	-	-	-
Michigan*	T	H,E	4 to 6
Minnesota	-	-	-
Mississippi	BD,AA	H	X
Missouri*	T,BD,O	H,E	X
Montana*	T,O	E,I	X
Nebraska	T	H,E	X
Nevada	T	H,E,I	X
New Hampshire	T	H	X
New Jersey*	T,SA,O	H,E,I	Agency discretion
New Mexico*	BD,AA,SA,O	H,E	X
New York*	T	H,E	-
North Carolina	T	H,E	Three or more
North Dakota	SA	H	-
Ohio	-	-	-
Oklahoma	T	H,I	X
Oregon	BD	H	All agency-level measures
Pennsylvania	BD	H,E	X
Rhode Island*	-	H,E	Up to 3 per program
South Carolina	SA	H,E,I	X
South Dakota	-	-	-
Tennessee	T	E	X
Texas	T,TA	I	over 7,000
Utah	SA	E	1 to 5 per program
Vermont	T	E	1 or 2
Virginia*	O	-	-
Washington*	T,O	H,I	X
West Virginia	T	H,E	3 per program
Wisconsin*	T	E	X
Wyoming	-	-	-
Puerto Rico	-	-	-

Codes:
BD…In One Section of Budget Document
T…..Throughout the Budget Document
AA…In One Section of Appropriation Act
TA…Throughout the Appropriation Act
SA…In Stand-Alone, Separate Document
O…..Other
H….Hard Copy
E….Electronic Files
I……Internet Forms

Table P
Reporting Performance Measures, Cont.

State	*Budget Staff Surveyed to Determine Usefulness of Submitted Measures*	*Formal Performance Measure Review Process*	*Track the Costs of Administering Performance Management System*
Alabama*	-	Under Review	-
Alaska*	-	A	-
Arizona*	-	-	-
Arkansas*	X	X	M
California*	-	-	-
Colorado*	A	A	-
Connecticut	-	-	-
Delaware*	A	A	-
Florida*	X	X	-
Georgia			
Hawaii*	-	B	-
Idaho	-	-	-
Illinois	A	-	Central administrative costs
Indiana*	-	B	-
Iowa*	-	Q	-
Kansas	-	-	-
Kentucky*	X(Part of Pilot Project)	X	X
Louisiana*	A	Q,A	-
Maine	B	B	-
Maryland*	-	A	-
Massachusetts	-	-	-
Michigan*	A	-	-
Minnesota			
Mississippi	-	-	-
Missouri*	A	Q	-
Montana*	B	-	-
Nebraska	-	-	-
Nevada	-	-	-
New Hampshire	-	-	-
New Jersey*	A	Q	-
New Mexico*	-	-	-
New York*	X	A	
North Carolina	-	-	-
North Dakota	-	-	-
Ohio	-	-	-
Oklahoma	X (often)	-	-
Oregon	-	-	-
Pennsylvania	X (on-going)	A	-
Rhode Island*	A	A	-
South Carolina	-	*	-
South Dakota	-	-	-
Tennessee	-	-	-
Texas	B	B	-
Utah	A	B	B
Vermont	A	-	-
Virginia*			
Washington*	-	B	-
West Virginia	-	-	-
Wisconsin*	X	X	Absorbed within base budget
Wyoming			
Puerto Rico			

Codes:
M....Monthly
A....Annually
B....Biennially
Q....Quarterly
S....Semi-annually

Notes to Table P

Alabama: For selected agencies only---no specific number.

Alaska: Stand-alone, separate legislative bill.

Arizona: This year, a partial number of measures and related data are reported to the Joint Legislative Budget Committee (JLBC) through the budget document. Others are reported in the master list biennially. For decision packages in the agency budget request, no specific number of measures is required. These should follow through into the plan if the funds are provided.

Arkansas: The formal performance measure review process has been carried out once in the executive and legislative phase.

California: California no longer has performance based budgeted departments.
Colorado: Whether measures are required as part of the agency budget request is dependent on the agency. The budget staff is informally surveyed about the usefulness of measures.

Delaware: Performance measures are reported in volume one of the Governor's recommended budget book. A formal review of performance measures is performed on an annual basis at the budget office hearings in November and at the Joint Finance Committee Members hearings in February and March.

Florida: The Legislature lists some performance measures in the General Appropriations Act; however, a significant majority of the performance measures and associated performance standards are included in the implementing legislation. All performance measures and standards are reported in the agencies' annual long-range program plans. Also, during the recent legislative session, a document was produced titled "Florida Budget 2001 Agency Performance Measures and Standards Approved by the Legislature for fiscal 2001-2002." For the most part, each agency's performance measures are agency unique. Therefore, the number of performance measures is different for each agency. For all agencies combined, there are several hundred performance measures. All performance measures are created, evaluated and approved by the budget staff of the agencies during the development of the agency legislative budget request, and reviewed and approved by the Executive Office of the Governor during the development of the Governor's budget recommendations and by the Legislature during the development of the

General Appropriations Act.
Hawaii: Performance measures are reported in a program memorandum and various reports. Agency budget requests include a maximum of 10 each of measures of effectiveness, activity measures, and target groups.

Indiana: Only certain agencies are required to include performance measures in their budget requests.
Iowa: The state separates performance measures and actual performance data from the budget document. Each program is required to include three performance measures in its budget request.

Kentucky: Statewide and cabinet-level measures are reported through the strategic planning process. Agency and program level performance measures are reported in agency budget request process. Measures are reported via electronic means for current pilot programs-performance budgeting pilot project. The state has a formal, regularly scheduled, and documented review process only for pilot projects. The state tracks costs for current pilot projects.

Louisiana: Measures are reported through the Louisiana Performance Accountability System (LaPAS). Operational plans are reported in hard copy form, LaPAS is submitted via the Internet. Performance measures are required in agency budget requests as needed, including indications of input, output, outcome, efficiency and quality.

Maryland: Measures are required for each program. The number depends on the components of an agency's strategic plan.

Michigan: Measures are reported through annual agency reports; press releases; newsletters; reports to citizens; stakeholders; elected officials; and to the Governor; and through Michigan's Comprehensive Annual Financial Report.

Missouri: Show Me Results performance measure data are included in both a separate chapter of the Governor's executive budget and in individual agencies' executive budget chapters. Show Me Results data also are included in agency strategic plans and budget requests. In addition, the Show Me Results measures and data are included on a web site: *http://www.mri.state.mo.us/smr/mo_smr_title.htm*. Performance measures are submitted to the budget office through hard copy or electronic files depending on the measure. Some national comparison data are available online. Measures of broad, statewide quality of life—including the Show Me Results measures—are included in agency budget requests. While no particular number of measures required, agencies include as many measures as are needed to fully explain the problem/opportunity being discussed and to justify the requested funding. Missouri's Director of Performance Measurement discusses with budget staff each year the usefulness of the submitted performance measures: a formal survey of budget staff is not done. Show Me Results measures are annual measures. National comparisons also are tracked when available. Updated data for these measures are available at different times during the year. Approximately four times a year, senior staff from the Governor's Office and the Division of Budget and Planning review the measures which have new data.

Montana: Measures are reported through the budget document and on the Internet. Each program is required to include between two and four measures in it's budget request.

New Jersey: Measures reported via Internet forms are planned for the 2003 cycle. Performance measures and actual performance data are reported in a separate section within an agency or key program area. A formal review process is implemented for selected new initiatives.

New Mexico: Measures are contained in a database created to hold performance data. By law agencies are required to submit at least two measures per program. Agencies are not given a limit on the numbers of programs they can have.

New York: Agencies' formal budget requests are submitted in hard copy. Apart from the formal request, other supporting documentation including performance measures is submitted both in hard copy and electronic form. Performance measures are usually submitted as part of the agency budget request based on historical practice and judgments by agency management and their budget division counterparts. Inclusion of such measures is not mandated by the statewide guidelines, and no set numbers of measures is required if measures are included. Since the measures are agency-specific and developed with the concurrence of the responsible budget division staff, they always reflect the latest feedback from those staff with regard to the usefulness and appropriateness of particular measures. These measures are reviewed through the formal, structured process of developing budget recommendations at the staff level, then presenting and justifying those recommendations to the Budget Director of subsequently to the Governor (using performance measures where appropriate). Because the performance management system described is an intrinsic part of the budgeting process (and of other internal agency management processes), no discrete costs are calculated.

Rhode Island: Measures are reported with program budgets and in separate appendices. Formal reviews are conducted annually as part of agency presentation to budget staff and director.

South Carolina: Measures are reviewed by the Ways and Means Committee's subcommittees as part of annual budget deliberations.

Virginia: Measures are reported on the Internet.

Washington: The central budget office website features agency estimates and actuals. The appropriations act and selected legislation also may contain performance measure descriptions or targets. Agencies are encouraged to submit the most vital measures related to the overall budget and the measures required to justify budget additions or reductions.

Wisconsin: Measures are reported in the budget document in each agency's relevant section. The budget staff is surveyed regarding measures' usefulness before they are formally proposed to be submitted for the budget. Before they are formally submitted for the budget.

Table Q
Budget Stabilization or "Rainy Day" Fund

State	Fund Name	Determination of Fund Size**	Procedure for Expenditure
Alabama	Education Trust Fund - Proration	20 percent of Education Trust Fund from preceding Fiscal Year as beginning balance in current fiscal year, up to $75 million.	1) Extent necessary to avoid across-the-board cuts by certification of the Governor. 2) 2/3 vote of the Legislature in each chamber.
	Prevention Account		
	General Fund-Rainy Day Fund	Appropriated by legislature	Same as Education Trust Fund
Alaska	Budget Reserve Account	Unexpended balance and appropriations	Appropriation
	Constitutional Budget Reserve Fund	Oil and Gas litigation/disputes settlements	3/4 vote of legislature
Arizona	Budget Stabilization Fund	*	1) By formula with majority legislative appropriation. 2) Non-formula with 2/3 legislative approval
	Medical Services Stabilization Fund	No limit.	Upon notice of a deficiency, the Joint Legislative Budget Committee may recommend that a withdrawal be made.
Arkansas	-	-	-
California	Special Fund for Econ.Uncertainties	Appropriation by Legislature	Appropriation by Legislature
Colorado	Tabor Reserve	Constitutional 4 percent of revenues	Procedure has not been tried thus far
Connecticut	Budget Reserve Fund	5 percent of net General Fund appropriations	Fund deficit after the books have been closed.
Delaware	Budget Reserve Account	Excess unencumbered funds, no greater than 5 percent of gross General Fund revenues	3/5 vote of legislature for unanticipated deficit or revenue reduction resulting from legislative action
Florida	Working Capital Fund	Appropriations Act	Governor declared emergency / or if Legislature
	Budget Stabilization Fund	1 percent of General Fund in Fiscal 1995, building to 5 percent by Fiscal 1999	Legislative appropriations to cover revenue shortfalls
Georgia	Revenue Shortfall Reserve	3 percent of prior year net revenue	Revenue shortfall during current year.
Hawaii	Emergency & Budget Reserve Fund	No limit. Receives 40 percent of tobacco	2/3's vote of Legislature
Idaho	Budget Stabilization Fund	If General Fund grew more than 4 percent in the previous Fiscal Year, 1percent is transferred to the Budget Stabilization Fund. The Budget Stabilization Fund is capped at 5 percent of the General fund.	Legislative Action. The State Board of Examiners may take money from the BSF at the end of the fiscal year if they determine that there will be insufficient General Fund revenue to cover that year's appropriations.
Illinois	Budget Stabilization Fund	$225,000,000 (no limit)	Comptroller can direct tranfers to General Fund
Indiana	Counter-Cyclical Revenue	Cap is 7 percent of state revenue	Statutory formula
Iowa	Cash Reserve Fund	5 percent of net General Fund Revenue	Simple majority of General Assembly for 40 percent of the fund. 3/5's majority of General Assembly for 60 percent of the fund.
	Economic Emergency Fund	5 percent of net General Fund Revenue	Simple majority of General Assembly
Kansas	*	-	-
Kentucky	Budget Reserve Trust Fund	Goal of 5 percent of General Fund Budget	Budget Reduction Plan -- statute
Louisiana	Budget Stabilization Fund	Revenues exceeding $750 million from production and exploration of minerals and 25 percent of nonrecurring revenue, which includes General Fund balances.	1/3 of fund with legislative approval
Maine	Rainy Day Fund	6 percent of General Fund in immediately preceding Fiscal Year	Legislation
Maryland	Revenue Stabilization Fund	Statutory- 5 percent of estimated General Fund revenues for that fiscal year.	Act of the General Assembly or authorized specifically in Budget Bill
Massachusetts	Commonwealth Stabilization Fund	*	Appropriation
Michigan	Countercyclical Budget and Economic Stabilization Fund	Cap set at 10 percent combined General Fund / General Purpose and School Aid Fund year-end balance.	Statutory formula
Minnesota	Budget Reserve	Set in Statute at $622 million.	Commissioner of Finance with the approval of the Governor and after consulting Legislative Advisory Commission
	Cash Flow Account	Set in statute at $350 million.	Used if needed to meet cash flow deficiencies resulting from uneven distribution of revenue collections and required expenditures during a fiscal year.
Mississippi	Working Cash Stabilization Reserve Fund	7 1/2 percent of the General Fund Appropriations*	Appropriation
Missouri	Budget Reserve Fund	Minimum 7.5 percent of net general revenue used for cash flow and rainy day fund. Can go as high as 10 percent with legislative approval.	Governor determines shortfall, 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	Statute
Nevada	Budget Stabilization Designation	By comptroller for account purposes when reporting financial portion of fund balance; 40 percent of excess fund balance. A maximum of 10 percent of the General Fund.	Statute
New Hampshire	Revenue Stabilization	5 percent by statute	Statute
New Jersey	Surplus Revenue Fund	50 percent of amount by which actual revenue exceeds anticipated revenues added to the fund. The cap is set at 5 percent of anticipated revenues.	The Governor certifies to the Legislature that revenues are estimated to be less than certified. The Legislature appropriates the funds. Also, if the Governor declares an emergency and the Legislature approves.
New Mexico	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 percent of the amount appropriated the preceding year for the 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 percent below forecast before the Governor can access the funds.
Ohio	Budget Stabilization Fund	By statute the stated intent is to have an amount in the fund that is approximately 5 percent of the General Revenue fund revenues for the preceding fiscal year.	Legislative action necessary.
Oklahoma	Constitutional Reserve Fund	Max of 10 percent of preceding year's general revenue. Revenues accrue when actual general revenue collections exceed 100 percent of the certified estimate.	Up to 1/2 if revenue certification is below previous year; 1/2 can be used upon declaration of the Governor and 2/3's vote of the Legislature, or by legislative declaration of emergency and 3/4's legislative vote.
Oregon	-	-	-
Pennsylvania	Tax Stabilization Reserve	Goal of 6 percent of General Fund revenue estimates. Receives revenue from sale of assets and annual transfer of 10 percent of the General Fund year-end surplus plus occassional non-recurring transfers.	2/3 legislative vote with the Governor's request
Rhode Island	Budget Reserve and Cash Stabilization Account	3 percent of resources	Used to cover deficit caused by general revenue shortfall.
South Carolina	Capital Reserve Fund	2 percent of General Fund Revenue of last Fiscal Year	Use when year-end deficit is projected.
	General Reserve Fund	3 percent of General Fund Revenue of last Fiscal Year	Shortfall must be identified & CRF depleted.
South Dakota	Budget Reserve Fund	5 percent of General Fund in prior year's General Appropriations Act.	Legislative appropriation.
Tennessee	Reserve for Revenue Fluctuations	By appropriation	Revenue shortfall
Texas	Economic Stabilization Fund	Capped at 10 percent of general revenue fund deposits (excluding interest & investment income) during the preceding biennium.	3/5 vote of each house of Legislature to remedy deficits after budget adoption. Other appropriations from this fund require a 2/3's vote.
Utah	Budget Reserve Account	*	**
	Medicaid Transition Account	No Cap	***
Vermont	Budget Stabilization Trust Fund	Capped at 5 percent of prior year appropriations.	Automatic when deficit occurs at year end
Virginia	Revenue Stabilization Fund	Capped at 10 percent of average annual tax revenues on income and retail sales for the 3 years immediately preceding.	Legislative Appropriation
Washington	Emergency Reserve Fund	State general fund revenues in excess of expenditure limit are transferred to Emergency Reserve Fund by Treasurer	Legislative appropriation
West Virginia	Revenue Shortfall Reserve Fund	Capped at 5 percent of the General Fund Appropriation	Legislative Appropriation
Wisconsin	Budget Stabilization Fund	50 percent of unanticipated revenues	Legislative Appropriation
Wyoming	Budget Reserve Account	Appropriation of unexpended appropriated balance	Legislative appropriation
Puerto Rico	Rainy Day Fund	1.0 percent of net revenue from previous fiscal year	Budget Director determines shortfall, then authorizes transfer to the GF. Gov. then issues an order to fund unappropriated activities.

Notes to Table Q

Arizona: Capped at 7.0 percent for FY 2000 and thereafter. Based on formula, withdrawals can occur only when annual adjusted income growth is both below 2% and below the 7 year average trend. 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.

Illinois: The governor's comptroller can direct transfers to the general fund, but the funds must be paid back by the end of the year.

Kansas: Although Kansas has no separate "rainy day" fund as commonly defined, there is a statutory requirement for the ending balance in the general fund to be at least 7.5 percent of total expenditures for the forthcoming fiscal year. This balance requirement has served the same purpose as a rainy day fund and has been sufficient to ensure the state's financial solvency and maintain fiscal responsibility.

Kentucky: Funds from the budget reserve trust fund may be appropriated by the general assembly in either a regular or special session. Funds may also be utilized in instances where actual general fund revenue receipts are insufficient to meet appropriation levels authorized by the general assembly; in such instances, the Finance and Administration Secretary must formally notify the Interim Joint Committee on Appropriations and Revenue.

Massachusetts: Of fiscal year-end surpluses, an amount equal to 0.5 percent 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 percent, 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 percent) is deposited in the Commonwealth Stabilization Fund, up to 7.5 percent of total budgeted revenues. Any excess of the 7.5 percent 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.

North Dakota: During the 2001-2003 biennium, an additional $25 million is available from the Bank of North Dakota if revenues fell below projections.

Utah: 1) 25 percent of General Fund year-end surplus shall be transferred to the account, except the account balance may not exceed 8 percent of the General Fund appropriation for that fiscal year. 2) Expenditures limited to retroactive tax refunds and operating deficits, upon legislative appropriation.

Table R
Contingency/Emergency Funds^

State	*Fund Name*	*FY 2001 Amount*	*Official/Agency Authorized to Allocate Funds*	*Purposes for Which Funds May Be Used*	*Unexpended Funds May be Carried Forward*
Alabama	Departmental Emergency Fund	$3,055,000	Finance Director	ND,U,A,S,D	-
Alaska*	Disaster Relief Fund	-	Governor	ND	X
	Governor's Contingency Fund	410,000	Governor	U,A	-
Arizona	Gov.'s Cont. and Emerg. Fund	4,000,000	Governor	ND,S,A	*
	Wild Land Fire Emergency Fund	3,000,000	Emergency Council	ND,S,A	*
Arkansas	Governor's Emergency Fund	500,000	Governor	D,A,S,U,O	-
	Disaster Assistance Fund	9,500,000	Governor	ND	-
California	Augmentation for Contingencies and Emerg.*	5,000,000	Department of Finance	D,A,S,U,ND	X
Colorado	Emergency Fund	3,500,000	Governor	ND,S	X
Connecticut	Governor's Contingency	18,000	Governor	A,U,ND,S	-
Delaware	Contingency Funds	19,450,000	Budget Director	U,A	X*
Florida	Deficiency Fund	400,000	Leg. Budget Commission	U,D	-
	Emergency Fund	250,000	Governor	ND,S	-
Georgia	Governor's Emergency Fund	22,862,000*	Governor	ND,U,A,S	-
Hawaii	Governor's Contingency Fund	14,031	Governor	U	-
	Major Disaster Fund	600,000	Governor	ND	-
Idaho	Governor's Emergency Fund	192,300	Governor	ND,S	X
	Disaster Emergency Fund*	40,100	Governor	ND.S	X
Illinois	General Revenue Fund	326,000,000	Governor, Legislative Leaders	ND	-
Indiana	Personal Services Contingency Fund	38,500,000	Governor	A,U,D	*
	Dept. & Institutional Contingency	5,000,000			
Iowa	Performance of Duty	2,500,000	Executive Council	A,ND,U	X
Kansas	State Emergency Fund	45,000	State Finance Council	ND,S,O*	-
Kentucky	Surplus Account	*	Governor	ND,S,O*	-
Louisiana*	Interim Emergency Board Fund	9,500,000	Interim Emergency Board	ND,U,S,O*	-
Maine	State Contingent Account	300,000	Governor	N,D,U	X
Maryland	Contingent Fund	750,000	Board of Public Works*	Any	-
	Catastrophic Event Fund	1,700,000	Governor, with Legislative Policy Comm. approval	ND	X
Massachusetts	Welfare Caseload Increase Mitigation Fund	153,000,000	Governor, Legislature	U,A	X
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	438,431,815	Social Services	A	-
	Corrections growth pool	31,755,958	Corrections	A	-
Montana	Governor's Emergency Fund	12,000,000 *	Governor	ND,S	-
Nebraska	Governor's Emergency Fund	3,891,817	Governor	ND,S	-
Nevada	Statutory Contingency Fund	3,000,000	Board of Examiners	A	-
	Emergency Fund	400,000	Board of Examiners	-	-
	Interim Finance Contingency Fund	11,000,000	Interim Leg. Finance Com.	U,O(Emerg.)	-
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*	*FY 2001 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	151,211,000	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	300,000	Emergency Commission	U,ND,S	-
Ohio	Emergency Purposes Account	6,000,000	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	40,000,000 *	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	280,602	Budget and Control Board	ND,U,A,S	-
South Dakota	General Contingency Fund	*	Governor*	U	X
Tennessee	Emergency and Contingency Fund	819,300	Governor	D,A,S,U,ND	-
Texas	Disaster Contingency Grants	4,000,000*	Governor	ND	X
	Deficiency and Emergency Grants	4,500,000*	Governor	D,U,ND	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	2,000,000	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	20,066,242	Legislature	ND	X**
West Virginia	Contingency Fund	10,701,000	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	65,983,650	Emergency Board; Governor	ND,S	X

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

Alaska: Funds are not regularly appropriated to be available for future disasters. As disasters occur, the declaration process is used to make funds available. Retrospectively, the legislature passes supplemental appropriations to the disaster relief fund.

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.

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.

Georgia: The fiscal 1999 amount includes $19,231,789 state match for federal relief funds.

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: Under a new law passed in 2000, after the State Finance Council has approved the use of emergency funds, the amounts are certified (up to $10 million) by the director of the budget and the funds are transferred to the state emergency fund. With this arrangement, only a small balance is maintained in the fund to pay rewards. Other purposes for which funds may be used include rewards for wanted criminals.

Kentucky: The June 30, 2001 balance was approximately $0.2 million. These funds can be used for the purposes identified and to the extent that funds accrue as a result of a revenue overage.

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

Minnesota: Unexpended funds maybe carried forward within a biennium.

Montana: A maximum of $12 million for disasters declared by the governor.

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 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, 1999 for the 2001-2003 biennium. Excludes employee compensation and other special purpose appropriations or reservations.

Pennsylvania: For a declared disaster emergency, the governor has authority to transfer up to $10 million of unused monies in the General Fund. 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.

Texas: The 2001 amounts are estimated unexpended balances from fiscal 2000. These funds are appropriated on a biennial basis with ongoing unexpended balance authority.

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	-	-	-	-	-
Arizona	-	-	-	-	-
Arkansas	-	-	-	-	-
California	X	X	X	X	S,C
Colorado	X	-	X	X	-
Connecticut	X	X	X	-	-
Delaware	X	-	-	-	-
Florida	X	X*	X*	X	C
Georgia	-	X	X	-	-
Hawaii	X*	X	-	X	C
Idaho	-	-	-	-	-
Illinois	X	X	X	X*	S
Indiana	X	X	-	-	-
Iowa	X	X	X	-	-
Kansas	X	-	X	X	S
Kentucky	X	X	X	-	-
Louisiana	X	-	-	X	S,C
Maine	-	X	X	X	S
Maryland	X*	X**	-	***	***
Massachusetts	-	X	-	X	S
Michigan	X	X	-	X	C
Minnesota	X	X	X	-	-
Mississippi	X	X	-	-	-
Missouri	X	X	X	X	C
Montana	X	X	X	X	S
Nebraska	X	X	X	X	-
Nevada	X	-	X	-	-
New Hampshire	-	X	-	X	S
New Jersey	-	X	X	X	C*
New Mexico	X	-	-	-	-
New York	-	-	X*	-	-
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	37	32	25	

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: Estimates prepared for selected programs.

Illinois: The Illinois State Mandate Act requires the state to reimburse most types of mandates at 100 percent 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) Local Governments are not reimbursed unless specifically required by statute.

New Jersey: In the November 1995 general election, the voters approved a constitutional amendment stipulating 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.

Texas: Estimates and fiscal notes prepared by legislative budget office.

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	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,O	G,BA,T,AU,A	C
Alaska	A*	NA	AC,PY	BA,A	BA,O**
Arizona	A	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,T,AU,A,L	BA,O
Connecticut	A	-	-	-	C
Delaware	S	-	-	-	C,BA
Florida	A	N	-	-	C,O
Georgia	-	X	AC,PY,P,L	BA,L,AU,A	C
Hawaii	S	-	-	-	BA,C,O
Idaho	S	X	AC,PY,P,L,B,FN	G,BA,L,T,AU,A	BA,C
Illinois	N	-	-	-	C
Indiana	A	-	AC,PY,O	G,BA,L,T,AU,A, O	BA,O
Iowa	A	X	AC,PY,L,P,B	G,BA,T,AU,A	C,BA
Kansas	A	X	AC,PY,P,B	BA,L,A	C,O
Kentucky	A	X	AC,PY,P,B,O,L,FN,F	BA,G,A,T,AU,L	BA,C,O
Louisiana	N	X	AC,PY,P,B	G,BA,L,T,AU,A	BA,O,C
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	C
Michigan	N	X	AC,PY,P,O	G,BA,L,T,AU,A	C,BA,O
Minnesota	A	X	AC,PY,P,O	G,BA,L,T,AU,A	BA,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	A	-	-	-	BA,C
Nevada	NA	X	AC,PY,P,B,FN	BA,T,A	C,BA,O
New Hampshire	A	X	AC,PY,P,L,B	G,BA,L,T,AU,A	C
New Jersey	N	*	-	-	BA,C
New Mexico	S	X	AC,PY,B	A	BA,C
New York	N	*	AC,PY,B**,F	BA,A	BA,C
North Carolina	A	X	AC,PY,B	G,BA,LT,AU,A,O	O
North Dakota	A	X	AC,PY,B,L	G,BA,L,T,AU,A,O	BA,C
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	BA,C*
Rhode Island	S*	X	AC,PY,P,B	A	BA
South Carolina	A	X	AC,PY,P,L	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	X	AC,PY,P,B	BA,L,T,AU,A	BA,C
Texas	A	X	AC,PY,P	G,BA,L,AU,A	BA*
Utah	S	X	AC,PY,P,B	G,BA,L,T,AU,A	BA,G
Vermont	A	X	AC,PY	G,BA,L,T,AU,A	BA,C
Virginia	A	-	-	-	BA
Washington	A	X	AC,PY,P	G,BA,L,T,AU,A	BA.,C,O
West Virginia	N	X	AC,B,O	G,BA,AU,T,A,L	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,AC,PY,P	G,BA,A	BA

Agency Budgets Submitted On-Line	Integrated Financial Mgmt. Sys. Includes:	Access to Integrated Financial Mgmt. Sys.	Approves IT requests
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		

Table T
State Budget Office Web Address

State	Budget Office Web Address
Alabama	http://www.budget.state.al.us/
Alaska	http://www.gov.state.ak.us/omb/akomb.htm
Arizona	http://www.state.az.us/ospb
Arkansas	http://www.state.ar.us/dfa/budget/index.html
California	http://www.dof.ca.gov/
Colorado	http://www.state.co.us/gov_dir/govnr_dir/ospb/index.html
Connecticut	http://www.opm.state.ct.us/
Delaware	http://www.state.de.us/budget/
Florida	http://www.myflorida.com/myflorida/government/contacts/opbOffice.html
Georgia	http://www.opb.state.ga.us
Hawaii	http://www.state.hi.us/budget/index.htm
Idaho	http://www.state.id.us/dfm/dfm.htm
Illinois	http://www.state.il.us/budget
Indiana	http://www.in.gov/sba/
Iowa	http://www.state.ia.us/government/dom/index.html
Kansas	http://da.state.ks.us/budget
Kentucky	http://www.osbd.state.ky.us/
Louisiana	http://www.doa.state.la.us:80/opb/opb.htm
Maine	http://www.state.me.us/budget/homepage.htm
Maryland	http://www.dbm.state.md.us
Massachusetts	http://www.magnet.state.ma.us/bb
Michigan	http://www.state.mi.us/dmb/budget
Minnesota	http://www.finance.state.mn.us/
Mississippi	http://www.dfa.state.ms.us/bdgtfundx.html
Missouri	http://www.oa.state.mo.us/bp/index.shtml
Montana	http://www.mt.gov/budget/index.htm
Nebraska	http://www.budget.state.ne.us/
Nevada	http://www.budget.state.nv.us/
New Hampshire	http://www.state.nh.us/das/budget/index.html
New Jersey	http://www.state.nj.us/treasury/omb/
New Mexico	http://www.state.nm.us/clients/dfa/sbd/
New York	http://www.state.ny.us/dob/
North Carolina	http://www.osbm.state.nc.us/
North Dakota	http://www.state.nd.us/omb
Ohio	http://www.ohio.gov/obm/
Oklahoma	http://www.oklaosf.state.ok.us/osf.html
Oregon	http://www.bam.das.state.or.us
Pennsylvania	http://www.budget.state.pa.us/budget/site/default.asp
Rhode Island	http://www.budget.state.ri.us
South Carolina	http://www.state.sc.us/osb
South Dakota	http://www.state.sd.us/bfm/index.htm
Tennessee	http://www.state.tn.us/finance/bud/budget.html
Texas	http://www.governor.state.tx.us
Utah	http://www.governor.state.ut.us/gopb/
Vermont	http://www.state.vt.us/fin
Virginia	http://www.state.va.us/dpb/
Washington	http://www.ofm.wa.gov/budget.htm
West Virginia	http://www.state.wv.us/admin/finance/budget
Wisconsin	http://www.doa.state.wi.us/debf/sbo/index.asp
Wyoming	http://www.state.wy.us/ai/budget.html
Puerto Rico	http://www.ogp.gobierno.pr

Notes to Table T

Alaska: 1) Almost all agencies submit budget via Automated Budget System (ABS). 2) Telecommunications Information Council (TIC) Policy Committee and Technical Advisory Committee (TAC).

Arkansas: The legislature provides appropriation to agencies. The Department of Information Systems and the Chief Information Officer of the state review and approve data processing equipment and information system needs.

Kansas: In addition to the Chief Information Technology Officer, IT projects are approved by the Information Technology Executive Council of the Executive Branch and the Joint Committee on Information Technology of the Kansas Legislature.

Kentucky: All agency biennial budgets will be submitted on-line beginning in fiscal year 2000. As part of the state EMPOWER project, Kentucky is implementing a statewide Management Administrative and Reporting System (MARS) to tie together financial, travel, procurement, budget and management reporting to improve operations.

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

Montana: Integrated system has been partially implemented.

New Jersey: The state is in the process of establishing an integrated financial management system.

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 Financial Plan estimates, and data on cash disbursements, appropriations, workforce, and local cost-benefit estimates.

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 reviews all IT requests and makes recommendations for major IT acquisitions. The Office of the Budget approves funding for all

IT purchases.

Rhode Island: 1) Most agency budgets are submitted on-line. Smaller agencies can still submit their budgets on paper.

Texas: Legislative budget office approves IT requests and plans beginning fiscal 2002.

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 35 states and Puerto Rico, 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 Operating Expenditures for Capital Projects	Name of Capital Budget Document	Capital Budget Analysis: Executive Budget Agency	Capital Budget Analysis: Name of Other Agency Involved in Analysis
Alabama	1	X	-	Executive Budget Document	X	-
Alaska	5	X	X	Capital Appropriations Bill	X	OMB
Arizona	4	X	X	Executive Budget/Capital Improvement Plan	X	Department of Administration
Arkansas	2	X	X	Request for Capital Improvement Projects	X	State Building Services
California	0*	X	X	Capital Outlay Budget Change Proposals	X	Department of General Services
Colorado	5	X	X	Governor's Budget	X	State Bldg. Prog/Captial Dev. Committee
Connecticut	3	X	X	Governor's Recommended Budget	X	Debt of Public Works
Delaware	2	X	X	Bond and Capital Improvement Act	X	-
Florida	4	X	X	Capital Improvement Program	X	Dept. of Management Services
Georgia	4	X	X	Budget Report	X	-
Hawaii	4	X	X	Executive Budget	X	Office of Planning
Idaho	6	X	X	Executive Budget	X	Division of Public Works
Illinois	5	X	X	Executive Budget	X	Capital Dvlpmt. Brd.; Dept. of Transportation
Indiana	2	X	X	Governor's Budget	X	-
Iowa	5	X	X	Capital Project Budget	X	-
Kansas	5	X	X	Governor's Budget Report	X	Architectural Services
Kentucky	4	X	X	Executive Budget	X	Capital Planning Advisory Board
Louisiana	4	X	X	Executive Budget	X	Office of Facility Planning
Maine	0	X	X	Executive Budget	-	Bureau of Public Improvements
Maryland	4	X*	X	Capital Budget	X	-
Massachusetts	4	X	X	Capital Spending Plan	X	Exec. Office for Admin. and Finance
Michigan	5	*	X	Executive Budget	X	**
Minnesota	4	X	X	Strategic Capital Budget Plan	X	Department of Administration
Mississippi	4	X	-	Capital Improvement Report	X	Bur. of Bldg., Grounds & Real Prop. Mgmt.
Missouri	4	X	X	Executive Budget	X	Division of Design & Construction
Montana	4	X	X	Long-Range Building Program	X	Department of Administration
Nebraska	2	X	X	Executive Budget	X	Bldg. Div. of Dept. of Admin. Services
Nevada	5	-	X	Executive Budget/Capital Improvement	-	Public Works Board
New Hampshire	4	X	X	Capital Budget	X	Public Works
New Jersey	6	X	X	Capital Construction Budget	X	Comm. on Cap. Bdgtng. and Plng.
New Mexico	*	X	X	Capital Budget	X	State Budget Division
New York	5	X	*	Capital Program and Financing Plan	X	State Budget Division
North Carolina	4	X	X	Capital Budget	X	State Construction Office
North Dakota	4	X	X	Executive Budget Recommendations	X	State Facility Planner
Ohio	4	X	X	Capital Improvement Report	X	-
Oklahoma	5	X	X	Capital Budget	X	Long-Range Capital Planning Comm.
Oregon	4	X	X	Governor's Recommended Budget	X	Capitol Planning Commission, ORS 276.030
Pennsylvania	4	X	X*	Governor's Executive Budget	X	-
Rhode Island	4	X	X	Capital Budget	X	Capital Dvlpmt. Plng. & Oversight Comm.
South Carolina	4	X	X	Overall Permanent Improvement Plan	X	Joint Bond Review Committee
South Dakota	3	X	X	Governor's Budget	X	-
Tennessee	0	X	X	Executive Budget	X	-
Texas	4	X	X	Six-Year Capital Improvement Plan	X	Leg. Budget Board, Bond Review Board
Utah	4	X	X	Five Year Building Program	X	Div. of Facilities and Construction
Vermont	5	X	X	Capital Budget	X	Buildings and General Services Department
Virginia	6	X	X	6 Year Capital Plan	X	Department of General Services
Washington	8*	X	X	State Facilities and Ten Year Capital Plan	X	-
West Virginia	4	X	X	Executive Budget Document	X	-
Wisconsin	4	X	X	6 Year Capital Plan	X	-
Wyoming	0	X	X	Capital Budget	X	-
Puerto Rico	3	X	X	Incorporated in Budget Document	X	Planning Board
TOTAL		49	48		49	

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 five-year capital plan is prepared by state agencies and submitted to the Department of Finance; however, this information is not incorporated into the capital budget, which is a one-year budget. Beginning with the 2002-2003 fiscal year, the Governor will submit a 5-year capital outlay spending plan to the legislature.

Maryland: Cost estimates are revised by the Department of General Services prior to final budget recommendations.

Michigan: 1) Estimates are originated by Higher Education institutions and State agencies for the purposes of Capital Outlay to the extent they have the information available. Professional estimates of physical plant needs are preferred. 2) State Budget Office, State Building Authority, Office of Design and Construction (within the Dept. of Management and Budget), Legislature.

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^

	Budget Format Contained in:			
State	*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	A,B,C,D	A,B,C,D	A,B,C,D	A,B,C,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	B,C,D	B,C,D	B,C,D	B,C,D
Hawaii	B,C,D	A,B,C	A,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	A,B,C,D
Louisiana	C,D	A,C,D	A,C,D	A,C,D
Maine	C,D	C,D	C,D	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	A,B,C,D
Mississippi	B,C,D	B,C,D	A,B,C,D	B,C,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	A,B,C,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	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,D*	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*,D	B,C	C*	A,B,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	B	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
B....Organizational Unit/Department
C....Program/Service Level
D....Object Classification or Line Item

^See Glossary for definitions of format types

Notes to Table V

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

Rhode Island: The governor's budget document, with few exceptions, is presented by program within each department and is consistent with the line items in the appropriations bill. Object code data are not reflected in the documents or appropriations act.

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

Table W
Budget Document Content

State	Economic Analysis	Revenue Estimates	Program Descript.	Justifi-cation	Case-Load	No. of Employees	Performance Measures	Personnel Position	Budget Summary	Capital Budget
	Narrative			*Numerical Supporting Data*				*Special Analyses*		
Alabama	-	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	-	I,PS	I,PS	I
Colorado	-	-	X	X	X	X	X	I	I	PS
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	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	I	X	I	-	PS	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	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
Michigan	X	X	PS	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	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	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	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	I	NP	PS	PS
North Dakota	X	X	X	X	X	X	-	I	I	I
Ohio	X	X	PS	-	NP	X	-	NP	PS	PS
Oklahoma	X	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	X	-	-	X	X	I	I	I
Texas	I	I	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	-	-	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	43	49	50	42	42	50	45			

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

Notes to Table W

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.

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, twenty-one 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 about 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, 32 state budget offices conduct multi-year expenditure forecasts. The forecasts cover one to ten 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 Expen-diture Monitoring Reports Issued*	*Frequency of Interim Reports*
Alabama	A*	Q*	AA,AF	X	M
Alaska	-	-	-	-	-
Arizona	A*	Q	AA,AF	X	M
Arkansas	Q	M	AA	X	M
California	A	A	AA,AF	X*	M,Q,R
Colorado	-	-	-	-	-
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,R	Q,R	AA*	X	R
Idaho	A	A	AA,AF	X	M
Illinois	-	-	-	X	Q,M
Indiana	A	Q	AA,AF	X	R
Iowa	Q	Q	AA	X	M
Kansas	-	-	-	-	-
Kentucky	A,R	Q	AA,AF	X	M
Louisiana	R,M	R,M	AA,AF	X	M
Maine	R	Q	AA,AF	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,AF	X	M
Missouri	A,Q,R	Q	AA,AF	X	M,R
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	A,R	A,R	AA,AF	X	Q
New Mexico	*	M	AA,AF	X	M
New York	Q	Q*	AA,AF	X	M
North Carolina	Q	Q	AA	X	M
North Dakota	-	-	-	X	M
Ohio	A	A,Q	AA,AF	X	M,R
Oklahoma	A	A	AA,AF	X	M
Oregon	Q	Q	AA,AF	-	-
Pennsylvania	A*	A	AA,AF	X	M
Rhode Island	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	-	-	-	A,R	A,R
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,AF	X	M
Wyoming	-	-	-	-	-
Puerto Rico	S	S	AA	X	M
TOTAL				41	

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.

California: Individual departments issue interim reports.

Hawaii: Certain trust funds are exempt from allotment requirements.

Massachusetts: Allotments are made at the Fiscal Affairs Division discretion in units of months.

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

Mississippi: Revisions are made when necessary.

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 Office of the Budget has delegated allotments of minor objects to agencies.

Tennessee: Revisions are made when necessary.

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

Table Y
Transfer of Appropriations

State	Official/Agency Authorized To Transfer Appropriations Between: Depts. or Programs in Separate Departments	Program or Unit within a Department	Object Class Within a Program or Unit	Maximum Amount of Transfer Between: Depts. or Programs in Separate Departments	Program or Unit Within a Department	Object Class Within a Program or Unit
Alabama	G*	G	E	*	U	U
Alaska	N/A	N/A	A,E	N/A	N/A	U
Arizona	L	E*	E*	N/A	U	U
Arkansas	N/A	E,L	E,L	N/A	U	U
California	E*	E	A	E	$400,000	U
Colorado	L	E,G,L	G,E,A	N/A	$2 million	U
Connecticut	L	A	G	-	-	*
Delaware	A*,E,L	A*,E,L	A,E,L	U	U	U
Florida	L*	A,E,G,CB	A	U	U	U
Georgia	N/A	A	L	N/A	U	U
Hawaii	N/A*	A,E,G*	A,E	*	U**	U***
Idaho	L	E	E	U	10%	*
Illinois	N/A	A,G,E	A,G,E	N/A	2% of appropriation	2% of appropriation
Indiana	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	G,L	G,L	N/A	U	U
New Hampshire	-	*	*	-	-	-
New Jersey	E/L	E*,L**	A	U	U	U
New Mexico	N/A	E	E	N/A	*	U
New York	E*	E	E	N/A*	**	U
North Carolina	N/A	E	A	N/A	*	*
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/L	E	A,E	U	U	U
Tennessee	L	E,L	A,E	U	U	U
Texas	E,G,L	A	A	U	25%	U
Utah	N/A	G	G	N/A	U	U
Vermont	CB	E	E	U*	$50,000**	U
Virginia	E	E	A,E	15%	15%	U
Washington	L	A	A	U	U	U
West Virginia	L	A,CB,L*	A*	U	5%	U
Wisconsin	L	L	E	U	U	U
Wyoming	G	G	E	N/A*	U	U
Puerto Rico	N/A	E	A	N/A	U	U

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

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

Notes to Table Y

Alabama: Only when appropriations are insufficient to pay salaries in that department.

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 percent 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 Legislative Budget Commission to implement agency reorganizations specifically authorized by special legislation.

Hawaii: Transfers must be authorized in an appropriation act and/or by general statute, reviewed by executive budget agency, and approved by the Governor; 2) As reviewed by executive budget agency and approved by Governor; and 3) as approved by executive budget agency.

Idaho: Object class transfers cannot be made into personnel costs or out of capital outlay.

Iowa: Transfers in separate departments that are not entitlements (indigent defense, foster care, state supplementary assistance, medical assistance, and the family investment program) may not be made while the Legislature is in session and may not exceed 50% of the original appropriation. Entitlements are exempt from both of these restrictions.

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

Michigan: The governor has constitutional authority to make departmental changes he considers necessary for efficient administration. Where these changes require the force of law, they are set forth in executive orders and submitted to the legislature. The transfer of a program between departments also results in the transfer of the related appropriations. Where an executive order is not needed, additional appropriations are accomplished via the supplemental process and approved by the legislature.

Minnesota: Transfers between agencies are not allowed except pursuant to a reorganization order issued by the Commissioner of Administration. Agencies may transfer operational money between programs with Department of Finance review and reporting to 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 percent 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, these across fund categories require approval by the Legislature's Office of Legislative Services.

New Mexico: Divisions within a department may transfer up to 5 percent of their budgets to another division; more if it is an emergency or necessary for efficiencies. All transfers are subject to agency specific authorization by the legislature.

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 percent of program appropriation for the first $5 million, 4 percent for the second $5 million, 3 percent 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 percent 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: The Emergency Commission has authority to transfer funds between line items.

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 equal to their direct purchasing authority limit, i.e. $50,000 for most agencies and $75,000 for institutional agencies.

Oklahoma: Transfers up to 25 percent may be approved by the Director of State Finance if not disapproved by a Joint Legislative Committee on Budget and Program Oversight. Transfers up to 40 percent may be approved by the Contingency Review Board (Governor, Speaker, Pro Tem) if not disapproved by the joint committee.

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 $50,000 may be transferred with the approval of the Emergency Board.

West Virginia: All transfers require executive budget agency approval with the exception of those directed by the Legislature.

Wyoming: For 1999-2000 biennium the governor was appropriated $1.5 million general fund transfer to agencies from the governor's budget as needed.

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	X	1	X	X	B
Connecticut	X	3	X	X	PS
Delaware	X	5	-	X	NP
Florida	-	-	-	-	B*
Georgia	X	1	X	X	B
Hawaii	X	4	X	X	B
Idaho	-	-	-	-	-
Illinois	X	1	-	X	NP
Indiana	-	-	-	-	-
Iowa	X	4	X	X	B
Kansas	X	3	X	-	B
Kentucky	X	4	-	-	NP
Louisiana	X	4	X	X	PS
Maine	X	2	X	X	PS
Maryland	X	4	*	**	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	X	4-10	-	-	PS
New Hampshire	-	-	X	X	B
New Jersey	X	3	X	X	NP
New Mexico	-	-	X	-	NP
New York	X	2	*	X	B
North Carolina	X	4	-	X*	NP
North Dakota	-	-	X	X	B
Ohio	-	-	X	-	NP
Oklahoma	X	5	X	X	NP
Oregon	X	4	-	-	PS
Pennsylvania	X	4	X	X	B
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	X	4	-	X*	NP
Wisconsin	X	2	-	X	*
Wyoming	-	-	-	-	NP
Puerto Rico	-	-	-	-	NP
TOTAL	32		24	31	

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 73 percent of the total budget.

Nevada: New Long Range Economic Policy and Fiscal Analysis Program effective July 1, 1999.

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

North Carolina: The expenditure forecast is prepared for the general fund programs or for impact to the general fund from receipt of federal or private grants.

West Virginia: Includes only those programs funded from general revenue and lottery funds.

Wisconsin: Starting with 2003-2005.

GLOSSARY

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

Base: The base is the component of a budget request or recommendation which reflects previous fiscal year appropriations. It may include inflation for an agency's ongoing programs.

Bond Rating: A judgement of credit quality based on detailed analysis of specific data given to a state by a rating agency such as Moody's Investors Service, Standard and Poor's Corporation, and Fitch's Investors Service. Factors that are evaluated in determining bond ratings include a state's ability to raise taxes, sovereignty, and the relative size and diversity of a state's economic base.

Budget: A budget is a plan for the expenditure of funds to support an agency, program, or project.

Capital Budget: The capital budget is the budget associated with acquisition or construction of major capital items, including land, buildings, structures, and equipment. Funds for these projects are usually appropriated from surpluses, earmarked revenues, or from bond sales.

Consensus Forecast: A revenue projection developed in agreement through an official forecasting group representing both the executive and legislative branches.

Contingency Fund: A fund set apart to provide for unforeseen expenditures or for anticipated purposes of uncertain amounts.

Current Services: Current services is a budget recommendation or request that encompasses the base budget plus allowances for addressing demand such as caseload growth or phased-in statutory responsibilities.

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

Earmarked Revenues: Earmarked revenues are the designation of certain sources of revenue for support of specific programs or agencies by statutory or constitutional provision.

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

Expansion/Program Change: Expansion or program change is the component of a budget request or recommendation which includes programs or purposes not previously funded by the legislature (for example, new programs, additional positions, or expansion of existing programs beyond the scope for which they were initially authorized).

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

GF: General Fund. General fund refers to revenues accruing to the state from taxes, fees, interest earnings, and other sources which can be used for the general operation of state government. General fund revenues are not specifically required in statute or in the constitution to support particular programs or agencies.

Incremental Budgeting: An approach to budgeting that requires that only additions or deletions to current budgeted expenditures be explained and justified. Funding decisions are made on the margin, based on the justification for the increased costs of operating agencies or programs. This process can be used in conjunction with either line-item budgeting and/or program budgeting.

Indirect Measures: Type of performance measure that relies on indirect analyses such as the amount of highway construction dollars available.

Item Veto: Veto power that allows the governor to reject particular items in a piece of legislation such as a sentence, paragraph, or part of a sentence (syntax).

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

Line-Item Budgeting: Line-item budgeting refers to objects or lines of expenditures (for example, personnel, supplies, contractual services, capital outlay) that are the focus of development, analysis, authorization and control of the budget.

Line Item Veto: A provision that allows a governor to veto components of the legislative budget on a line-by-line basis.

Lump Sum Appropriations: Made for a state purpose, or for a named department, without specifying further the amounts that may be spent for particular objects of expenditure. An example is an appropriation for the corrections department that does not specify the amounts to be spent for salaries and wages, travel, equipment, and so forth.

Mandate: A law, policy, program or provision that is passed by one level of government but applies to another. i.e. federal standards for state and local ozone levels.

Nonrecurring/One-Time Appropriation: An appropriation made for one-time items or projects. Examples include capital or major equipment purchases, special studies, and information technology upgrades.

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

Ongoing Appropriation: This type of appropriation is made for ongoing programs for which future appropriations will have to be made.

Operating Budget: The budget established for operation of a state agency or program, typically based on legislative appropriation.

Organizational Unit: A budget format that assigns expenditures by department level, without specification as to what the funding level is for specific programs.

Organization and Management Analysis: Studies and assistance to agencies on organization procedures and systems.

Outcome Measures: Outcome measures are tools or indicators to assess the actual impact of an agency's actions. An outcome measure is a means for qualified comparison between the actual result and the intended result.

Output: An output is the good or service produced by an agency.

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.

Performance Budgeting: Performance budgeting is similar to program budgeting. Performance budgets are constructed by program but focus on program goals and objectives; measured by short-term outputs, projected longer term outcomes, and cost/benefits analysis. Appropriations are not only linked with programs, but also with expected results specified by these performance criteria.

Program Budget: Program budgeting refers to budgets that are formulated and appropriations that are made on the basis of expected results of services to be carried out by programs. The focus on outcomes is usually over multiple years. The budget material is arranged in such a way as to aid the executive and legislature in understanding the broader policy implications of their decisions.

Program Evaluation: Preparation of reports with detailed analytical back up to determine to what degree programs are effective and are accomplishing their objectives. Emphasis is on analyzing proposed activities.

Relational Measures: Type of performance measure that uses comparisons to other states. For example, reduced transportation costs, relative to other states.

Revenue Estimating: The process used by a state to project available revenues for the support operating costs and capital outlays in the current and future fiscal years.

Structural Deficit: Structural deficits occur when growth in spending needed to maintain current services and growth in revenues from current taxes and other revenue sources are inconsistent.

Supplemental Appropriation: A supplemental appropriation is an appropriation made to an agency or program during the current operating fiscal year to cover unforeseen events, projected over expenditures, or to replace revenue shortfalls.

Tax Expenditure: Revenue foregone because of special tax exemptions, deductions, exclusions, credits, preferential tax rates, or deferrals.

Trust Funds: Amounts received or appropriated and held in trust in accordance with an agreement or legislative act which may be expended only in accordance with the terms of such trusts or act.

Zero Base Budgeting: Zero based budgeting subjects all programs, activities and expenditures to justification (in contrast to incremental budgeting). Funding requests, recommendations and allocations for existing and new programs are usually ranked in priority order on the basis of alternative service levels, which are lower, equal to and higher than current levels. This process can be used in conjunction with either line-item budgeting and/or program budgeting.