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CONSTITUTIONAL BUDGETARY AND APPROPRIATION PROVISIONS

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TABLE OF CONTENTS

Page

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I. Introduction

Little consideration was given to the problem of financial administration when the first state constitutions were adopted. It was assumed that the legislature would levy taxes and that expenditures of revenue would be made as authorized by appropriation measures enacted by the legislature. Since that time financing government, state as well as federal, has become an extremely complex business involving the expenditure of money in sums beyond the comprehension of the founders of our country. As a result of the problems inherent in sheer volume of expenditures and the necessity for improving and refining the methods of governmental finance, the concept of the public budget has gradually evolved. At the various stages of its development the budget has been:[1] (i) schedule of proposed expenditures; (ii) document showing an estimate of anticipated revenue and expenditures; (iii) plan for preventing fiscal irregularities involving estimates of revenues and expenditures by the executive, approval by the legislature, and execution by the administration; (iv) comprehensive and flexible financial plan emphasizing positive executive assistance to revenue collecting and to spending agencies in the economical management of functional activities and stressing the general, rather than merely the fiscal, control possibilities of budgeting.

Parallel to the widening scope of the budget was the transition from the legislative to the executive budget. Although the states have not developed along uniform lines in this respect, Arkansas is at present the

[1]Martin, James W. "Tax Administration and the Control of Expenditures," The Book of the States, 1945-1946, pp. 212-213.

only state in which the budget is prepared by a legislative body without responsible participation by the governor or other executive officers. In all other states the governor is either solely responsible or is authorized to participate in the preparation and execution of the budget.

With the exception of a few states which have laid the basis for a budget system through constitutional amendment, the study of budget provisions in state constitutions is primarily a problem of gauging the effect of isolated sections pertaining to legislative procedures, to executive organization, to taxation and debt limits, and to the administrative and post audit on providing a budget system by statute. Occasionally, constitutional provisions have been so restrictive or cumbersome that the states have evaded them through the utilization of unique procedures or the confusion of terms; especially is this true concerning the administrative and post audit functions of auditors and comptrollers. As a consequence, constitutional budgetary requirements are of value chiefly as a general guide rather than as an outline of the actual practices of the various states.

II. Budget Preparation

A. Responsibility:

Seven state[2] constitutions specifically provide that the governor shall submit a budget to the legislature at a designated time. In addition, seven[3] other constitutions include a general provision that the governor shall "at the beginning of each regular session present estimates of the amount of money required to be raised by taxation for all purposes of the

[2] California, Georgia, Maryland, Massachusetts, Missouri, Nebraska, New York.

[3] Alabama, Colorado, Idaho, Illinois, Montana, Texas, West Virginia.

state." Among these fourteen states, West Virginia is the only one in which responsibility for presenting a budget is constitutionally vested in a plural agency, the board of public works of which the governor is a member. Recently the Oklahoma and Texas constitutions have been amended to provide that the state board of equalization and the comptrollers of public accounts shall present to the legislature of their respective states a report of the estimated revenue for the coming biennium; no comparable provision is made in either of these states for a similar estimate of expenditures.

In the remainder of the states responsibility for preparing a budget has been fixed by statute rather than by constitution.[4] At the present time Arkansas is the only state which has retained the purely legislative budget, prepared and presented by a joint budget committee with no representation of the executive branch of the government. Indiana, North Dakota and South Carolina are in transition from the legislative to the executive budget system and have placed responsibility in a board composed of the governor and other designated representatives of both the legislative and executive branches of the government. An administrative board, with the governor as chairman, is charged with the preparation of the budget in Delaware, Florida, Montana and Texas. In the remainder of the states the governor alone is given budget making authority.[5]

B. <u>Staff Assistance</u>:

Missouri and Nebraska are the only states in which the constitution

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[4]The voters of Florida recently rejected a constitutional amendment providing for a director of the budget to be appointed by a joint resolution of the senate and house of representatives.

[5]See Appendix.

specifically mentions staff assistance in the preparation of the budget. The newly adopted constitution of Missouri creates a department of revenue to prepare "estimates and information concerning receipts and expenditures of all state agencies as required by the governor and general assembly." The Nebraska constitution merely states, "Said budget shall be prepared with such expert assistance and under such regulations as may be provided by law."

A recent study completed by the Bureau of Business Research, University of Kentucky[6] indicates that four general types of staff agencies have been created by statute in the various states. Fifteen states[7] have departments of general financial administration which have powers covering important phases of fiscal management in addition to budgeting -- the maintenance of control accounts and pre-audit functions for other state spending agencies, the installation of a uniform accounting system, and centralized purchasing duties.

According to the Kentucky study a slightly more popular form of staff agency is the budget bureau, office, or officer connected with or subordinate to the executive department. The functions of these agencies are more limited than the departments of finance and generally deal only with the preparation of the budget, and to a limited extent with supervision of its execution. Seventeen states,[8] all with executive budget systems, employ this type of

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[6] The Kentucky State Budget System. Bureau of Business Research, James W. Martin and Vera Briscoe, 1945, p. 45. See Appendix for a similar study presented by Book of the States.

[7] Alabama, California, Connecticut, Illinois, Kentucky, Louisiana, Maine, Massachusetts, Minnesota, New Jersey, Ohio, Rhode Island, South Dakota, Utah and Washington. In addition, Missouri has this form as created by constitutional provision. New York's constitution establishes a department of taxation and finance separate from its department of audit and control.

[8] Colorado, Georgia, Idaho, Kansas, Maryland, Michigan, New Hampshire, New York, North Carolina, Oklahoma, Oregon, Pennsylvania, Tennessee, Vermont, Virginia, Wisconsin and Wyoming. The Kentucky State Budget System, op. cit. p. 45.

staff agency. Nevada, although having an executive budget, provides the governor with no staff assistance.

In states utilizing the board type of budget authority, the office force of the members of the board often serve as the staff agency. In other instances the board appoints a budget director or creates a budget division. Nine states are in this group.[9]

No provision is made by law for a budget staff agency in Arizona, Arkansas, Iowa, Nebraska and New Mexico. In those states the duty of supplying information for budget preparation is assigned to one or several of the existing financial officers of the state.

C. <u>Authority to Require Information</u>:

When a state has many officers and employees popularly elected or in other ways chosen independently of the governor it is often difficult to have an efficient and comprehensive budget system, due to uncooperativeness, political rivalry and disinterest. In order to enable the governor to cope with these factors many states have given him constitutional authority to require information from the agencies, institutions and departments. A good example of this grant of authority is found in Maryland's constitution:

> The Governor for the purpose of making up his budgets shall have the power, and it shall be his duty, to require from the proper State officials, including herein all executive departments, all executive and administrative offices, bureaus, boards, commissions and agencies, expending or supervising the expenditure of, and all institutions applying for State moneys and appropriations, such itemized estimates and other information, in such form and at such times as he shall direct. (Art. III, Sec. 52).

[9]Delaware, Florida, Indiana, Mississippi, Montana, North Dakota, South Carolina, Texas, and West Virginia.

Substantially the same provision is found in the constitutions of California, Massachusetts, New York, and West Virginia and is clearly intended to aid the governor in preparing a budget.

Montana and New Mexico have a somewhat similar requirement; however in these states the provision indicates that the constitution does not contemplate a strong executive budget.

> Each officer of the executive department and of the public institutions of the state shall keep an account of all moneys received by him and make report thereof to the governor under oath, annually, and at such other times as the governor may require, and shall, at least thirty days preceding each regular session of the legislature, make a full and complete report to the governor, who shall transmit the same to the legislature. (Montana Constitution. Art. VII, Sec. 19, New Mexico Constitution. Art. I, Sec. 9).

Several states[10] have given the governor authority to conduct independent investigations of offices and agencies of the state. Although this authority is not limited solely to exercise of the budgetary power at times it may become important, as when a governor is attempting to extend the scope of the state budget to include the office of an official reluctant to submit to such innovation. The authority may also be very useful to the governor when supervising the execution of the budget.

D. Agency Estimates:

State constitutions do not generally specifically require the departments and agencies to submit estimated expenditure needs to the governor. Similar provisions in the constitutions of Florida and New York are exceptions:

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[10] Idaho, Michigan, Montana, New Jersey, Texas, Virginia, Utah. For a more detailed discussion of states in which the governor has the power to require reports from administrative officers see Executive Officers in State Constitutions, prepared by the Legislative Reference Bureau, for the Subcommittee on Executive Powers and Functions, issued in February 1948, at pp. 21-23.

> For the preparation of the budget, the head of each department of state government, except for the legislative and judiciary, shall furnish the governor such estimates and information in such form and at such times as he may require. (New York Constitution. Art. VII, Sec. 1).

Missouri's new constitution states:

> The division of the budget and comptroller shall assist the director of revenue in preparing estimates and information concerning receipts and expenditures of all state agencies as required by the governor and general assembly. (Art. IV, Sec. 22).

In the absence of a constitutional provision creating an overall budget system, in most states the authority to require information commonly given to the governor has generally been interpreted to include the authority to request estimates of ensuing fiscal needs. Specific regulations determining which agencies shall submit estimates, the time of filing, and the form of the request have usually been stipulated by statute and further interpreted by the budget making authority.

E. Revenue Estimates:

With the exception of six states[11] constitutionally vesting budgeting authority, including both revenue and expenditure phases of budgeting, in the governor (the board of public works in West Virginia), only the constitutions of Texas and Oklahoma expressly place responsibility for estimating revenues -- in the state board of equalization of Oklahoma and in the comptroller of public accounts of Texas. By implication the governor, auditor, and attorney general of Alabama together perform such a role, in connection with their duty to prepare a general revenue bill, to be submitted to the legislature for its information.

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[11]California, Maryland, Massachusetts, Missouri, New York and West Virginia.

F. Budget Revision:

Revision of the estimated expenditure needs submitted by each unit of the state subject to the budget, so that total estimated expenditure will not exceed total estimated revenues, is the next important step in the budgeting process. Here again the state constitutions are generally silent. New York provides that departmental estimates shall be submitted directly to the appropriate committees of the legislature at the same time as they are presented to the governor, and further, that designated representatives of the legislative committees may attend the governor's hearing on agency estimates. The Governor of Florida must also submit to the legislature the reports given him by executive officials. However, in each state the governor is free to make his own recommendations at the time the budget document is referred to the legislature. (The same situation prevails in a few states as a result of statute.)[12]

The governor of Maryland and the board of public works of West Virginia are the only budget authorities expressly granted the authority by the state constitution to revise all estimates after public hearings. Several other states have through statute adopted a similar procedure.[13]

Whether the estimates of expenditures submitted by each agency shall be decreased on a pro rata basis or whether the request of each budget unit shall be considered on its own merit, is a problem left entirely to legislative enactment or to administrative discretion. No constitution makes mention

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[12] Sundelson, J. Wilmer. "Budgetary Methods in National and State Governments," Special Report of the State Tax Commission, State of New York. No. 14, 1938, p. 355.

[13] For state by state summary of provisions concerning budget hearings and the revision of budget estimates see Appendix.

of this phase in the preparation of the budget.

III. The Budget Document

A. Contents:

According to recent writings on governmental budgeting, the state budget document may well include three main divisions. First should be a budget message in which the budget-making authority summarizes the estimates and explains the fiscal policy followed in arriving at those estimates. This part of the document will furnish a clear and precise view of the state's fiscal condition.[14] The second part should include the detailed estimated expenditures of each spending unit of the state and the data by which each estimate is justified. The third component of the complete budget document is a draft of the appropriation and revenue bills necessary to put the budget into operation.

As with other phases of budget preparation, few of the state constitutions specify the form of the budget or the procedure to be followed. Exceptions are California, Georgia, Maryland, Massachusetts, Missouri, Nebraska, New York, and West Virginia,[15] of which only Maryland and West Virginia have comparable requirements.

Included in the budget document of California must be the governor's message, a detailed estimate of expenditures and recommendations for any

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[14] Macdonald, Austin F., American State Government and Administration. Third Edition. Thomas Y. Crowell Company, New York, 1946. p. 349.

[15] In addition there are the six states, Alabama, Colorado, Idaho, Illinois, Montana, and Texas, in which the governor is charged merely with the duty of estimating at the beginning of each regular legislative session the amount of money required to be raised by taxation for all purposes of the state.

needed sources of revenue; not expressly required is a draft appropriation bill. The Georgia document is required by that state's constitution to incorporate the governor's message and the draft of a general appropriation bill, but the constitution is silent with regard to detailed budget estimates and their explanation. Maryland and West Virginia have set out in some detail the requirements with which the budget document must comply:

> The Governor (ed.note: The Board of Public Works in West Virginia) shall submit to the General Assembly two budgets one for each of the ensuing fiscal years. Each budget shall contain a complete plan of proposed expenditures and estimated revenues for the particular fiscal year to which it relates; and shall show the estimated surplus or deficit of revenues at the end of such year. Accompanying each budget shall be a statement showing: (1) the revenues and expenditures for each of the two fiscal years next preceding; (2) the current assets, liabilities, reserves and surplus or deficit of the State; (3) the debts and funds of the State; (4) an estimate of the State's financial condition as of the beginning and end of each of the fiscal years covered by the two budgets above provided; (5) any explanation the Governor may desire to make as to the important features of any budget and any suggestion as to methods for reduction or increase of the State's revenue.
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> Second. Each budget shall be divided into two parts, and the first part shall be designated "Governmental Appropriations" and shall embrace an itemized estimate of the appropriations: (1) for the General Assembly as certified to the Governor in the manner hereinafter provided; (2) for the Executive Department; (3) for the Judiciary Department, as provided by law, certified to the Governor by the Comptroller; (4) to pay and discharge the principal and interest of the debt of the State of Maryland in conformity with Section 34 of Article III of the Constitution, and all laws enacted in pursuance thereof; (5) for the salaries payable by the State under the Constitution and laws of the State; (6) for the establishment and maintenance throughout the State of a thorough and efficient system of public schools in conformity with Article VIII of the Constitution and with the laws of the State; (7) for such other purposes as are set forth in the Constitution of the State.
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> Third. The second part shall be designated "General Appropriations," and shall include all other estimates of appropriations. (Maryland Constitution. Art. III, Sec. 52, Sub-Sec. B; West Virginia Constitution. Art. VI, Sec. 51, Sub-Sec. B).

In contrast with the Maryland and West Virginia provisions, the Massachusetts constitution merely provides that the governor shall recommend a budget which shall contain a statement of all proposed expenditures for the fiscal year, including those already authorized by law, and of all taxes, revenues, loans and other means by which the expenditures may be defrayed.

Missouri also has a simple requirement, namely, that the governor submit a budget for the ensuing appropriation period containing estimated revenues and expenditures, together with his recommendations for any laws necessary to provide necessary additional revenue. Nebraska's governor need present only an itemized budget of the financial requirements of the various spending agencies. Although phrased in barest outline, the New York constitution indicates that the governor is expected to submit a complete budget document containing both estimated revenues and proposed expenditures, together with an explanation of the basis of such estimates and recommendations as to proposed legislation necessary to provide sufficient revenue. He is also required to submit a bill or bills containing all of the proposed appropriations, reappropriations, and revenue measures included in the budget.

In most of the remaining states the form and content of the budget document are prescribed by statute, usually in broad terms. According to the Kentucky study[16] these statutes fall into three groups. Illinois, Mississippi, Oregon and Pennsylvania make only a general requirement that a budget plan be submitted to the legislature and do not make definite stipulations as

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[16] The Kentucky State Budget System, op. cit. pp. 62-63. Included in this study are states in which statutory requirements supplement constitutional provisions. See Appendix for similar data presented in Book of the States.

to the contents. In more than half of the states[17] the law prescribes the contents of the budget document, but the amount of data required and the exactions of the law for stating the requirements vary from state to state. A third group of states, notably Alabama, Colorado, Connecticut, Iowa, Maine, Maryland, Minnesota, Missouri, Montana, and New Hampshire prescribe by law both the content and the form of the budget document.

B. Comprehensiveness:

Related to the matter of the content of budget documents is the important question of budget comprehensiveness or scope -- is the budget to incorporate all revenues and expenditures of the state, including capital outlays, or only the current expenditures of a limited number of state departments and agencies?

A survey of the states indicates an almost universal enactment of some type of clause calling for a comprehensive budget, either in the constitution,[18] or more commonly in the budget statutes.[19] Georgia and Nebraska are the only states among those mentioning the subject in their constitutions which do not insist that the source of the funds for the financial requirements of all departments, institutions and agencies of the state be included or reported.

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[17]Arizona, California, Delaware, Florida, Idaho, Indiana, Kentucky, Louisiana, Massachusetts, Michigan, Nebraska, Nevada, New Mexico, New Jersey, New York, North Carolina, Ohio, Oklahoma, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Washington, West Virginia, Wisconsin, and Wyoming.

[18]California, Maryland, Massachusetts, Missouri, New York, West Virginia.

[19]Alabama, Arizona, Arkansas, Colorado, Delaware, Florida, Georgia, Idaho, Illinois, Indiana, Iowa, Kentucky, Maine, Minnesota, Michigan, Mississippi, Montana, New Hampshire, New Jersey, New Mexico, North Carolina, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, Wisconsin and Wyoming. Sundelson, op. cit., p. 117

Illustrative of the growing emphasis upon budget comprehensiveness is the constitutional amendment adopted by the people of California on November 5, 1946.

> The Governor shall...submit to the Legislature...a budget containing a complete plan and itemized statements of all proposed expenditures of the State provided by existing law or recommended by him, and of all its institutions, departments, boards, bureaus, commissions, officers, employees and other agencies, and of all estimated revenues.... (Art. IV, Sec. 34).

In analyzing the first budget submitted under this amendment the legislative auditor of California again enunciated the viewpoint that the budget should cover all state financial transactions. He said in part, "It is logical to expect this (ed. note: a complete budget) so that the Legislature might have the recommendation of the Chief Executive covering the entire financial plan of the State. The Legislature then could at one time view the relative tax burden on the several classes of taxpayers and could resolve what is necessary in adjusting the various expenditures for the objects desired and in the end control the total appropriations and the resultant tax levies. It was never intended that the financial plan of the State should be considered piecemeal, thereby making it impossible for the Legislature to see at one time what the total tax burden of the people would be."[20]

Widening the scope of budget documents has not been restricted merely to inclusion of expenditures of the agencies of the executive department. In a few constitutions provisions are found requiring the governor to include in his budget an estimate of legislative and judicial expenditures. The New York

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[20] Analysis of the Budget and Budget Bill of the State of California for the Fiscal Year July 1, 1947, to June 30, 1948. Report of the Legislative Auditor to the Joint Legislative Budget Committee, pp. 1-2. Hereafter referred to as California.

constitution affords a good illustration:

> Itemized estimates of the financial needs of the legislature, certified by the presiding officer of each house, and of the judiciary, certified by the comptroller, shall be transmitted to the governor not later than the first day of December in each year for inclusion in the budget without revision but with such recommendations as he may deem proper. (Art. VII, Sec. 1).

Maryland and West Virginia incorporate sections having somewhat the same intent but with slightly different scope and emphasis, in that they explicitly provide for the inclusion of estimates for operating the public schools, and provide that all estimates shall be transmitted to the governor at the time and in the form he directs.

C. Submission to the Legislature:

The time of introducing the budget is of importance primarily because of its effect on the program of a newly elected governor. If the constitution or budget law requires almost immediate submission of a budget the governor is faced with two possibilities; either he must prepare a hasty, slip-shod document without being able to give proper consideration to the program to which he is thus committed, or he must accept more or less on faith the recommendations submitted to him by the budget office, if the state has such an office. California, Georgia, Maryland, Massachusetts, Missouri, New York and West Virginia are the only states in which the constitution specifically names the date by which the budget shall be submitted. A recently adopted constitutional amendment[21] gave California an annual budget to be submitted within the first thirty days of each general session, and prior to

[21] Amendment to Art. IV, Sec. 34 adopted in 1947 provides that all regular sessions in even numbered years shall be budget sessions at which only the budget, revenue bills, emergency measures, and other specified subjects may be considered.

its recess, and within the first three days, of each budget session. Massachusetts, New Jersey and New York, other states in which the constitution calls for an annual budget bill, have no similar distinction.

The only state constitution making specific allowance for the situation confronting a governor-elect is Maryland where the governor must submit his budget within twenty days after the general assembly convenes, but a governor-elect is allowed thirty days. An analogous allowance is made by statute in New Jersey and Tennessee.[22]

D. Legislative Revision:

In Maryland, New York and West Virginia, three of the states having a constitutionally authorized budget system, the legislature's power to revise the budget bill is definitely limited to striking out or reducing items. However, in Maryland and West Virginia appropriation items for the legislature may be increased or reduced but those for the judiciary may only be increased. New York's legislature may increase items if each increase is stated separately from the original items and if each such bill is for a single object or purpose. A similar procedure has been adopted in Nevada by statute and is thus subject to change at the will of each legislature. Unlimited revision may be undertaken by the legislature of Nebraska but changes from the executive budget can only be made by a 3/5 vote of both houses. In all other states the legislature may change any of the executive's recommendations at will.

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[22] See Appendix.

IV. Legislative Authorization

The majority of state constitutions contain no clear and concise statement of legislative powers over state finances. Limitations upon, and grants of power to, the legislature are as a rule scattered throughout the fundamental law and are found in the bill of rights, executive article, and articles on taxation and education as well as in the legislative article. All of these sections affect the form which the individual state budget system will assume.

A. Revenue Measures:

Although it is generally accepted that the legislature shall raise the revenue needed for state expenses, less than half[23] of the state constitutions specifically charge the legislature with the duty of providing a balanced budget by raising sufficient revenues to defray the ordinary expenses of the state for each budget period. Michigan's requirement is typical of these states:

> The legislature shall provide by law for an annual tax sufficient with other resources to pay the estimated expenses of the state government, the interest on any state debt, and such deficiency as may occur in the resources. (Art. XIV, Sec. 1).

A few states[24] approach the problem of revenues from a negative viewpoint and provide that the legislature shall not appropriate money in excess of taxes and other revenues, except in case of insurrection or for the defense

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[23] Arizona, Colorado, Florida, Kansas, Kentucky, Michigan, Nevada, North Dakota, Ohio, Oklahoma, Oregon, South Carolina, South Dakota, Utah, Washington, Wisconsin.

[24] Colorado, Georgia, Idaho, Illinois, Montana, Nebraska, New Jersey, Texas (except with a favorable vote of four-fifths of the total membership of both houses), Utah.

of the state or United States. The effect of these requirements upon the legislature is closely related to provisions found in all but five state constitutions limiting the authority of the legislature to incur public debts.[25]

In a little less than half of the states bills for raising revenue must originate in the house of representatives, but in all of these states amendments may be made by the senate.[26] Alabama and Oklahoma, the only states to limit the time during which revenue bills may be introduced, provide that no revenue measure may be introduced during the last five days of the session.

A few states impose special voting requirements for the passage of revenue measures. In Arkansas a vote of two-thirds of both houses is required for a bill levying a tax for any purpose other than the debts and necessary expense of the state, support of public schools, or to protect the state against invasion. No bill "to raise money or to assess property for taxation" may become a law in Mississippi without a favorable vote of three-fifths of the members present and voting in each house. The New York and Wisconsin constitutions require a quorum of three-fifths of the members elected to each house for voting on any bill imposing, continuing or renewing a tax or creating a debt. A majority vote of all members elected to each house is required in Virginia to impose, continue or revive a tax.

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[25] Fiscal Provisions of State Constitutions, prepared by the Legislative Reference Bureau, for the Subcommittee on Taxation and Finance, p. 11. States which have no constitutional debt limits are Connecticut, Vermont, Mississippi, New Hampshire, and Tennessee.

[26] Alabama, Colorado, Delaware, Georgia, Idaho, Indiana, Kentucky, Louisiana, Maine, Massachusetts, Minnesota, Montana, New Hampshire, New Jersey, Oklahoma, Oregon, Pennsylvania, South Carolina, Texas, Vermont, Wyoming. It is only implied that the senate in Idaho and Indiana may amend revenue bills.

B. Appropriation Procedures:

1. General provisions. State constitutions generally contain the provision, "No money shall be drawn from the state treasury but in consequence of appropriations made by law." Texas and Nebraska modify this phrase by inserting "specific" appropriation, and in addition, Arkansas, Maryland, New Mexico, and Washington require that the object to which the appropriation applies shall be stated. Illinois stipulates that appropriation bills must specify the object and purpose for which the appropriation is made, and must "appropriate to them respectively their several amounts in distinct items and sections," thus completely removing the possibility of utilizing the lump-sum method of appropriation. In Montana and Wyoming interest on the public debt is exempt from the requirement that money shall be paid out of the treasury only on appropriation made by the legislature. Further modifications in Oklahoma and New York specifically provide that no money may be paid out of any special fund without a direct appropriation, that all appropriations shall state the sum and the object, and that it shall not be sufficient to refer to any other law to fix the sum. Contrarily, Montana permits moneys in any of the separate funds constituting the Montana trust and legacy fund to be expended without appropriation if upon proper authorization, as provided by law.

2. Time of introduction. Whenever constitutional provisions limiting the time of introducing bills exempt appropriation bills, the exemption is limited to those bills providing for expenses of the government. A typical example found in Montana prohibits the introduction of any bill, other than for the expenses of the government, within ten days of the close of the session except by the unanimous consent of the house in which it is sought to be introduced. (Montana Constitution. Art. V, Sec. 21). The few state consti-

tutions which contain provisions of this nature are Colorado, Florida, Missouri, Montana, New Mexico, North Dakota, and Wyoming.

3. Place of introduction. In contradistinction with revenue measures, few state constitutions specify the house of the legislature for the introduction of appropriation bills, but by practice they generally originate in the house of representatives. Georgia and Louisiana furnish examples of constitutions requiring appropriations to be introduced in the house of representatives.[27] As consideration by one house before referral to the other often results in extensive delays in the final passage of the general appropriation bill, three[28] of the more recent constitutional amendments have provided that the general appropriation bill (budget bill) shall be introduced into each house simultaneously.

4. Precedence of appropriation bills. A unique provision found in the Mississippi constitution gives precedence in both houses at regular sessions to appropriation and revenue bills over all other business. No similar treatment is provided for in any of the other state constitutions.

5. Voting requirements. Few states place more stringent voting requirements upon appropriation bills than upon other legislative measures. Only Kentucky, Mississippi, and Virginia require the favorable vote of a majority of the members elected to each house. In New York and Wisconsin the

[27]A footnote to the Indiana constitution following the phrase "except that bills for raising revenue shall originate in the House of Representatives" states that under this provision all tax bills and bills to appropriate money for the maintenance of the state government and its institutions originate in the house.

[28]California, Maryland, West Virginia.

presence of three-fifths of the members elected to each house is necessary to constitute a quorum for voting upon appropriation and revenue measures.

Doubt as to the advantage gained by this restraint upon the legislature was expressed by a former member of the general court of Massachusetts and the United States House of Representatives on the grounds that such limitations lead to the development of procedures to circumvent the requirement, which procedures are in themselves more harmful to judicious consideration of the appropriation bill than would be passage by a simple majority.[29]

C. The General Appropriation Bill:

1. Contents. Although few states have by constitutional provision established budget systems, approximately half of the states distinguish between the general appropriation or budget bill and special or supplementary appropriation bills.[30] The most typical delineation of the contents of the general appropriation bill is that of Alabama:

> The general appropriation bill shall embrace nothing but appropriations for the ordinary expenses of the Executive, Legislative and Judicial departments of the State, for interest on the public debt, and for the public schools. (Art. IV, Sec. 71).

The same limitations are found in the constitutions of Colorado, Georgia, Mississippi, Montana, North Dakota, Pennsylvania, South Dakota, and Wyoming. New Mexico incorporates these expenses and in addition "others required by existing law." In Arkansas only the ordinary expenses of the executive,

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[29] Luce, Robert. Legislative Problems. Houghton Mifflin Company. Boston and New York, 1935. p. 450.

[30] The content of the general appropriation bill in states having constitutional budget systems has been summarized in greater detail in this report under heading III. Budget Document (A. Contents) on p. 9. Where pertinent, these same constitutional provisions are referred to herein.

legislative, and judicial departments may be included in the general appropriation bill. Two states, Oregon and Florida, limit the general appropriation bill to salaries and other current expenses of government, while Louisiana includes not only the ordinary expenses of the government and the public schools, but also interest on the public debt, and payments on the principal of the public debt, for the public roads, public charities, and all state institutions.

Although not specifically referred to as a "general appropriation bill", Illinois and Nebraska provide that bills appropriating money for the salaries of executive and legislative officers shall include no other subject; similar provision is found in West Virginia[31] with regard to salaries for "officers of the government."

Rather than stipulating the purposes for which appropriations can be made in the general appropriation bill, the Missouri constitution ranks the various purposes for which state money may be expended and specifies that all appropriations of money shall be made in that order. Those purposes are:

First: For payment of sinking fund and interest on outstanding obligations of the state.

Second: For the purpose of public education.

Third: For the payment of the cost of assessing and collecting the revenue.

Fourth: For the payment of the civil lists. (Salaries of public employees).

Fifth: For the support of eleemosynary and other state institutions.

Sixth: For public health and public welfare.

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[31] Constitutional amendments in Nebraska and West Virginia, providing for a budget system, supercede these provisions.

Seventh: For all other state purposes.

Eighth: For the expense of the general assembly. (Art. III, Sec. 36).

California has made limited use of the same approach to the problem of appropriations by providing that out of the revenue there shall first be set apart the moneys to be applied to the support of the public school system and the state university. (Art. XIII, Sec. 15).

2. Form. Whether appropriations shall be made for each specific item of expenditure or whether they shall be made in "lump sums" for each department or agency is one of the most controversial problems in public budgeting. The trend in recent years appears to be toward the lump sum type of appropriation, due in large part to the increased complexity of state activities and the need for administrative flexibility to cope with problems arising from economic and political uncertainty. The form in each state is largely determined by legislative practise but a few states have formalized the requirements by statute. Illinois is the only state in which the constitution expressly requires the budget bill to be itemized.

Advocates of the line item budget urge that this type of budget is necessary if the legislature is to retain its control over state activities and expenditures. In reply, those who favor the "lump sum" budget maintain that the legislature should determine basic policy, which it may do through the lump sum budget, but should allow the chief executive to choose alternative uses of funds within broad classifications. The necessity of an elaborate pre-audit and accounting system to verify the legality of expenditures under the "line item" budget is claimed to be an additional disadvantage of that system.

Attempts to combine elements of both systems have in some states resulted in a classified budget, appropriations for each department and agency generally being made for three types of expenditures -- salaries of public employees, current operating expenses, and capital outlay. Within this framework the governor is authorized to make the final disposition of funds.

3. Legislative consideration. As the length of the legislative session is limited by the constitution in over half of the states, the time consumed in considering so detailed a bill as the general appropriation bill is of great importance, not only because of its influence on the fiscal policy of the states, but also as it affects the consideration of other legislative measures. In a previous study made by this bureau the effects flowing from delayed action by the legislature upon the general appropriation bill are enumerated as follows:[32]

> 1. It makes difficult a complete and satisfactory analysis of the net effect of all appropriation bills and the relative weight to be given to "regular" as against "special" appropriations, if a substantial number of special or supplementary bills are enacted first.
>
> 2. It places the governor in a difficult position, in the exercise of his veto power, if the general appropriation bill (which is, at least at the time of introduction, the executive's recommendation as to fiscal policies for the biennium) is sent to the governor only after he has been compelled to take action on millions of dollars of other appropriations before the general appropriation bill.
>
> 3. It tends to add to the legislative log-jam in the last days of the session, and parliamentary maneuvering involving other measures unrelated to the budget.

Two procedures have been utilized to encourage legislative efficiency in the passage of the general appropriation bill. The first, accomplished

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[32] Expediting Consideration of the General Appropriation Bill in the Legislature. Legislative Reference Bureau, Territory of Hawaii, December 1945. p. 4.

primarily by statute, is cooperative action by the senate and house committees to which the bill is referred.[33] Most of the states undertaking cooperative action provide only for hearings by a joint committee, which does not as such vote on the bills before it. In Connecticut, Massachusetts and North Carolina, consideration of the fiscal program as a whole, both expenditures and revenues, is covered by a comprehensive committee.[34] The second procedure incorporated in the constitution of eight states[35] is the requirement that the general appropriation bill be finally enacted before any other appropriation bill may be enrolled. Exceptions in the case of emergency bills recommended by the governor are provided in California, Massachusetts, Missouri and New York, and California, in addition, excepts bills appropriating money for the expenses of the legislature.

D. Supplementary Appropriation Bills:

The most common requirement concerning supplementary appropriations is that they be in a separate bill and for a single object or purpose.[36] New York considers a supplementary appropriation bill to be similar to the general appropriation bill, in that it provides for the support of the government;

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[33] The list of states that operate permanently with some joint committee activity on budgetary matters includes Connecticut, Arkansas, Delaware, Florida, Idaho, Maine, Massachusetts, Mississippi, Missouri, North Carolina, Oklahoma, South Carolina, Tennessee, Virginia, Wisconsin, and Wyoming. Sundelson, op. cit., p. 449.

[34] Perkins, John A. "The Budget in the Legislature." State Government. November 1944. p. 447.

[35] Arkansas, California, Florida, Maryland, Massachusetts, Missouri, New York, West Virginia.

[36] Alabama, Arizona, Arkansas, California, Colorado, Georgia, Louisiana, Maryland, Massachusetts, Mississippi, Montana, New Mexico, New York, North Dakota, Oklahoma, Pennsylvania, South Dakota, West Virginia, Wyoming.

however, "all other appropriations" are to be by separate bill for a single purpose or object.

Two states, Maryland and Massachusetts, require supplementary appropriation bills to include the means of raising revenue sufficient to defray the appropriation; West Virginia includes the same stipulation in the event the budget did not show estimated revenues sufficient to meet the expenditures authorized by the supplementary appropriation.

Special voting procedures for the passage of supplementary appropriation bills are required in only four states: two-thirds of each house in Arkansas; a majority of members elected to both houses in Maryland; two-thirds of the members of each branch of the legislature in South Dakota; and a majority of those present in each house in West Virginia. For the passage of a deficiency bill, Nebraska requires a favorable vote of two-thirds of the members elected to both houses.

E. Limitations Upon Legislature:

1. Local or private bills. Limitations upon the power of the legislature to appropriate public funds, found in over half of the states as shown in the following table, are of two types: general restrictions upon the expenditure of public money for local or private purposes, and more specialized limitations upon appropriations for religious and sectarian institutions.

Constitutional Restrictions Upon The Purposes For Which Appropriations May Be Made*

I. States with general limitations upon appropriations for local or private purposes:

Alabama (IV-72)[a]	Montana (V-35)
California (IV-22)[b]	New Jersey (VIII-III-3)
Colorado (V-34)	New Mexico (IV-31)[e]
Delaware (VIII-4)[c]	New York (III-20)

Constitutional Restrictions Upon The Purposes For Which Appropriations May Be Made*
(continued)

Illinois (VIII-3)[d]	Pennsylvania (III-17[a], III-18[b], III-19)
Iowa (III-31)[a]	Rhode Island (IV-14)[a]
Louisiana (IV-8)	Texas (XVI-6, III-51)[f]
Michigan (V-24)[a]	Virginia (IV-67)[g]
Mississippi (IV-66)[a]	Wyoming (III-36)
Missouri (III-38)[b]	

II. States with special restrictions upon appropriation for religious institutions:

Alabama (XIV-263)	Delaware (X-3)
Arizona (II-12)	Florida (I-6)
California (IV-30, IX-8)	Georgia (I-14)
Idaho (IX-5)	North Dakota (VIII-152)
Illinois (VIII-3)	Oklahoma (II-5)
Louisiana (IV-8)	Pennsylvania (III-18)[b]
Massachusetts (XLVI-2-3-4)[b]	South Dakota (VIII-16)
Michigan (II-3)	Texas (I-7)
Minnesota (I-16)	Utah (X-13, I-4)
Mississippi (IV-66)	Virginia (IV-67)
Missouri (III-208, I-7)	Washington (Amendment 4)[h]
Montana (XI-8)	Wyoming (I-19)
New York (XI-4)	

*Roman numerals refer to Article, arabic numerals to Section, of the constitution.

[a]Two-thirds vote of members elected to each house may authorize an exception.

[b]Exception is made for institutions aiding people who are deaf, dumb, or blind, and needy children.

[c]Three-fourth vote of members elected to each house may authorize exceptions.

[d]Hagler vs. Small (1923) 307 Ill. 460, Section 16 of Article 4 of the Constitution prohibits an appropriation for any purpose by a private law but it does not prohibit an appropriation to a private person.

[e]If an appropriation were made to an institution prior to 1909 it may be continued.

[f]Exception is made in the case of confederate veterans and their widows.

[g]Exception is made in the case of non-sectarian institutions for reforming youthful criminals.

[h]Exception is made to the employment of chaplains for correctional institutions.

2. Dedicated funds. Perhaps the most important limitation upon the power of the legislature to determine state fiscal policy and create a comprehensive budget system is the prevalence of constitutionally dedicated taxes and other revenues. According to a comparative study of dedicated revenues made by Louisiana State University, twenty three states have one or more sources of revenue constitutionally reserved for specified purposes.[37] The states vary greatly in the scope of their special fund structure. At one extreme are Colorado, in which approximately 90 per cent of tax collections are reputedly earmarked for special funds[38] and Kansas, which has over 140 such funds into which go over four-fifths of the state's revenue.[39] In California 58 per cent of the entire budget presented by the governor for the fiscal year 1947-1948 was made up of fixed constitutional charges and expenditures required by continuing legislation.[40] Oklahoma offers another striking example -- of total expenditures for the biennium 1936-1937 only 46.37 per cent was authorized by appropriation bills enacted by the legislature; for the biennium 1946-1947 the percentage had dropped to 25.43.[41]

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[37] Alabama, Arkansas, California, Delaware, Florida, Louisiana, Maine, Michigan, Minnesota, Mississippi, Missouri, Nevada, New Hampshire, North Carolina, Ohio, Oklahoma, Pennsylvania, South Carolina, Tennessee, Texas, Utah, Washington, West Virginia.

[38] Proceedings of the National Tax Association, 1944. p. 345.

[39] Your Government. Bureau of Government Research, University of Kansas, Vol. II, No. 8, April 15, 1947. Many of these funds are created by statute.

[40] California, op. cit. p. 35.

[41] Financial Organization in Oklahoma. Constitutional Survey Committee, Constitutional Study No. 5, February 1948, p. 5. The Oklahoma report also notes that of the funds appropriated by the legislature, not all were recommended in the governor's budget. In practice, then, it appears that the principle of executive recommendation and legislative authorization has a limited application in this state.

In contrast is the new Georgia constitution adopted in 1945 which provides:

> All money collected from taxes, fees and assessments for state purposes, as authorized by revenue measures enacted by the General Assembly, shall be paid into the General Fund of the State Treasury and shall be appropriated therefrom as required by this Constitution, for the purpose set out in this Section and for these purposes only. (Art. VII, Sec. II, Par. III)

and further:

> The appropriation for each department, officer, bureau, board, commission, agency or institution for which an appropriation is made, shall be for a specific sum of money, and no appropriation shall allocate to any object, the proceeds of any particular tax or fund or a part or percentage thereof. (Art. VII, Sec. IX, Par. IV).

After several attempts New Jersey in 1945 passed a statute creating a single state general fund and providing for a single appropriation act. Previous attempts to create a single fund had met successful opposition from advocates of a separate highway fund.

Impetus to the creation of special funds is given by the constitutional requirement found in several states that every law imposing a tax must clearly define the nature and purpose of the tax, and the closely related provision "no moneys arising from a tax levied for one purpose shall be used for another purpose." (Arkansas Constitution. Art. XVI, Sec. II). The Texas constitution, using even stronger language, denies the legislature the power to borrow or in any manner divert from its purpose any special fund, and makes it a penal offense for any person to borrow, withhold, or divert any money from a special fund.[42]

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[42] For a more detailed discussion see Fiscal Provisions in State Constitutions, prepared by the Legislative Reference Bureau for the Subcommittee on Taxation and Finance, issued in December 1947, at pp. 10, 11, 28, 29.

Constitutional requirements committing the state to certain specified expenditures, such as for salaries of executive officers and the support of the public schools differ from the dedication of designated funds only in method; the resulting inflexibility is the same. Approximately a third of the state constitutions[43] establish the salary of constitutional officers, and at least two states, California and Pennsylvania, specify minimum expenditures for public schools.

3. Popular initiative. Although widespread use of the popular initiative might seriously hamper the legislature's attempt to control fiscal policy, only a few state constitutions make any provision for this contingency.

One exception is Massachusetts, which denies to the people the right to specifically appropriate money by initiative. However, if a law approved by the people is not repealed, the legislature must raise and appropriate money sufficient to carry the law into effect. Montana expressly exempts the appropriation of money from the general initiative power reserved to the people and Missouri provides that appropriations can only be made by initiative if the measure also includes the means of raising the necessary revenue.

4. Contingency funds. To afford greater flexibility to the budget, especially in states operating with a biennial budget, the legislature often includes an item of appropriation for contingencies, to be at the disposal of the governor or the head of each budget unit. Only four state constitutions

[43]Arizona, California, Florida, Idaho, Louisiana, Maryland, Michigan, Montana, New Mexico, North Dakota, Oregon, Texas, Utah, Washington, Wyoming. (The California legislature has authority to increase, but not to decrease the stated figure.)

contain clauses relating to contingency funds; of these, Illinois and Maryland provide that nothing in the constitution shall be construed to prohibit the establishment of a contingency fund, while Louisiana and Nebraska forbid the appropriation of funds for non-itemized contingencies.

5. Estimates of revenues. In an attempt to keep appropriations within authorized revenues, a few state constitutions contain a stipulation that total appropriations shall not exceed total revenues authorized to be raised under existing laws.[44] However most of these states do not provide a method for determining available and estimated revenues. This shortcoming has been overcome in New Jersey's constitution which provides that:

> No general appropriation law or other law appropriating money for any state purpose shall be enacted if the appropriation contained therein, together with all prior appropriations made for the same fiscal period, shall exceed the total amount of revenue on hand and anticipated which will be available to meet such appropriations during such fiscal period, as certified by the Governor (emphasis added). (Art. VIII, Sec. II, Par. II).

The comptroller of public accounts of Texas plays a similar role and in Oklahoma the state board of equalization supplies the estimate of revenues.

Each of these two last named states has recently adopted a constitutional amendment designed to limit the amount of public funds the legislature may appropriate. The Texas amendment establishes a procedure, lacking in most states, for determining at what point appropriations exceed revenues:

> ...no bill containing an appropriation shall be considered as passed or be sent to the Governor for consideration until and unless the Comptroller of Public Accounts endorses his certificate thereon showing that the amount appropriated is within the amount estimated to be available in the affected funds. When the Comptroller finds an appropriation bill

[44] Colorado, Georgia, Idaho, Illinois, Maryland (supplementary bills to provide necessary revenue), Montana, Nebraska, New Jersey, Oklahoma, Texas, Utah.

exceeds the estimated revenue he shall endorse such finding thereon and return it to the House in which same originated...the necessary steps shall be taken to bring such appropriation to within the revenue, either by providing additional revenue or by reducing the appropriation. (Art. III, Sec. 49-a).

Another method of limiting legislative appropriations has been adopted in California -- no appropriation from the general fund, exclusive of appropriations for the maintenance of the public schools, may exceed by more than five per cent the appropriation for the preceding fiscal year unless by a favorable vote of two-thirds of the members elected to both houses. In computing the base for the next ensuing fiscal year any previous excess may not be included.[45] A somewhat similar requirement is found in the Illinois constitution: "Each General Assembly shall provide for all the appropriations necessary for the ordinary and contingent expenses of the government. . ., the aggregate amount of which shall not be increased without a vote of two-thirds of the members elected to each house, nor exceed the amount of revenue authorized by law to be raised in such time."[46]

Unique among provisions to control appropriations is that of Oklahoma adopted in 1941. An itemized estimate of all revenues to be collected into each fund during the ensuing biennium under existing laws is to be filed with the governor, speaker of the house and president of the senate by the state board of equalization prior to the convening of each regular session of the legislature. No appropriation bill may be passed until this estimate is

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[45]As this provision was originally adopted in 1933 the base was so small that each subsequent legislature has exceeded the limit. The actual result has been to require a 2/3 vote on all appropriation measures, other than those enacted prior to the budget bill as emergency measures recommended by the governor.

[46]The courts have interpreted the phrase "aggregate amount" as the "aggregate of appropriations made at the last regular session." Werner vs. Martin (1935) 359 Ill. 213.

filed.[47] The total amount of the estimate for each fiscal year may not exceed the average total revenue which accrued to each fund for the last three preceding fiscal years. This estimate, plus any unencumbered cash surplus in the hands of the state treasurer accredited to the account of each fund is the maximum amount which may be appropriated out of each fund; appropriations in excess of this amount are void. If the legislature enacts additional revenue measures, an adjusted estimate is made which then becomes the maximum amount available for appropriation. Oklahoma's constitution in effect places an appropriation ceiling upon the legislature similar to that of Illinois and California, with the difference that it may not be by-passed by a two-thirds vote.

V. Approval of Appropriation Bills

A. Popular Referendum:

In those states reserving the right of the initiative and referendum to the people, at least eleven give special consideration to appropriation bills. Most common is the provision that bills for the support of the government and state institutions are not subject to referendum.[48] Maryland exempts such appropriations, providing they are not in excess of the next previous appropriation for the same purpose. In Montana and New Mexico no appropriation law is subject to popular referendum.

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[47] If the board of equalization fails to file the estimate, the legislature is authorized to make an estimate.

[48] Colorado, Massachusetts, Michigan, Missouri (also exempts appropriations for the support of public schools), Nebraska, Ohio, South Dakota, Washington.

B. Executive Veto:

The power of the governor to veto appropriation bills extends to the veto of items of appropriation in a large majority of the states.[49] However, the general appropriation bill (budget bill) may not be vetoed in whole or in part by the governor of Maryland or West Virginia, nor may the governor of New York veto any items of the budget bill other than those for the legislative and judicial departments of the government. In Nebraska no items may be in excess of the amounts submitted by the governor in his budget without a three-fifths vote, but if such excess amounts receive the necessary vote they are not subject to veto by the governor.

Even more important than the item veto is the power to reduce items of appropriation bestowed upon the governor by the constitutions of California, Massachusetts, and Missouri, with the exception in Missouri of appropriations for free public schools and the principal and interest on the public debt.

The most common voting requirement to override the governor's veto of appropriation bills is two-thirds of the members elected to each house. Slightly less prevalent is the requirement of a favorable vote of two-thirds of the members present in each house. Other voting requirements, each found in fewer than seven states, include a majority of the members elected to each house, three-fifths of the members elected to each house, three-fifths of the members present in each house, and a majority of members present.[50] These

[49] States in which the governor is not authorized to veto items of appropriation are: Indiana, Iowa, Maine, Nevada, New Hampshire, North Carolina (governor has no veto power), Rhode Island, Tennessee, Vermont.

[50] For individual state requirements see Legislative Organization and Procedures, prepared by the Legislative Reference Bureau for the Subcommittee on Legislative Powers and Functions, issued in June 1948, at p. 40.

requirements are the same as for overriding the governor's veto of other legislative measures.

VI. Budget Execution

A. Effective Date of Appropriations:

Approximately a fourth of the constitutions[51] provide that appropriation bills may take effect immediately without waiting a designated number of days after the adjournment of the legislature as is often required for other bills. Of these, Michigan and West Virginia require a favorable vote of two-thirds of the members elected to each house for such exemption; in Texas the provision applies only to general appropriation bills. The importance of this provision depends upon the date the fiscal year of the state commences and the possibility of leaving the administration without funds in the event of a long session.

B. Time Limit Upon Appropriation Authorizations:

A number of states place a time limit on the making of expenditures authorized by an appropriation. The period of two years is the most generally adopted, as shown by the following table:

Time Limit Upon Availability Of Appropriations

Limitation	States	Total
Two years	Arkansas, Kansas, Louisiana, Montana, New York, Ohio, Texas	7
Two and a half years	Oklahoma, Virginia	2

[51]Including: Arizona, Kentucky, Michigan, Missouri, New Mexico, Ohio, Oklahoma, Texas, Virginia, Washington, West Virginia.

Time Limit Upon Availability Of Appropriations
(continued)

Limitation	States	Total
End of first fiscal quarter after adjournment of next regular session	Illinois, Nebraska	2
Two months after expiration of fiscal year ending after the meeting of the legislature at its next regular session	Mississippi	1
Six months after expiration of period for which made	Missouri	1
One month after end of next ensuing biennium	Washington	1

If the entire amount of the appropriation is not expended within the time prescribed it generally reverts to the fund from which the appropriation was originally made.

In discussing the advisability of appropriations for limited periods one authority[52] gave as justification the desirability of calling to the attention of the legislature and the public at frequent intervals the various authorized expenditures, for the sake of more careful scrutiny and of readier control. Continuing appropriations that do not require any given part of the outlay to be confined to a specified time, make it difficult to ascertain the financial condition of the state at any particular time. On the other hand the same writer indicated that limited appropriations have been severely criticized as a means of maintaining minority control of the administration

[52] Luce, op. cit. p. 457. See also Sundelson. op. cit. pp. 73-79.

through refusal to grant appropriations necessary to maintain the agency unless certain terms are met. Under such circumstances the energies of administrative agencies may be dissipated in lobbying activities rather than in planning and operating a well-rounded program.

Perhaps it was with this criticism in mind that the people of Georgia in 1945 adopted the provision "Each General Appropriation Act, with such amendments as are adopted from time to time shall continue in force and effect for each fiscal year thereafter until repealed or another General Appropriation Act is adopted." (Art. VII, Sec. IX, Par. II).

C. Allocation And Reduction Of Appropriations:

In recent years many states have adopted a system of allocating appropriations to each budget unit on a monthly, quarterly or semiannual basis. Oklahoma, however, is the only state in which such a system has been outlined in detail in the constitution. In that state the allotment system is used to balance actual expenditures against revenues. Money collected by the state is to be allocated monthly to each appropriation unit on a percentage basis, in the ratio that the total appropriation for each unit from each fund for the fiscal year bears to the total of all appropriations from each fund for the fiscal year. No warrants may be issued in excess of that allocation nor may any agency which operates on earmarked funds incur obligations in excess of the unencumbered balance of surplus cash on hand.

In addition to allocating revenues as they are collected, the Oklahoma constitution further authorizes the legislature to establish a method of dividing appropriations on a monthly, quarterly or semiannual basis to prevent obligations being incurred in excess of revenue collections. Thus, even though collections may be greater than were estimated for the first half of the fiscal year, agency spending may be controlled through the allotment system by allowing the agency to spend during the first half of the year only half the sum authorized by the appropriation act. The legislature is also empowered to provide a method for reducing appropriations to bring them within revenues, in the event that revenue collections fall below estimates. Any such reduction must apply to each department, institution, board, or commission in the ratio that its total appropriation for the fiscal year bears to the total of all appropriations for the fiscal year.[53]

As a system which arbitrarily cuts appropriations whenever there is a failure in revenue collection may cause undue hardships upon particular agencies and programs, the constitution of Oklahoma provides flexibility by authorizing the governor, at his discretion, to issue deficiency certificates not to exceed $500,000 in any fiscal year to the state auditor for the benefit of any spending agency. The certificates plus the total of other expenditures may not exceed the appropriation authorized by the legislature for the particular spending agency. Warrants issued in pursuance of these certificates become a part of the public debt.

D. Administrative Audit:

Among the most recently developed techniques for executive control of expenditures is the administrative audit, sometimes called the pre-audit. Current practices of state governments indicate that the states are not agreed on the wisdom of placing the pre-audit, the phase of auditing charged

[53]The Oklahoma Budget Law of 1947 creates the office of Budget Director who, under the supervision of the governor, administers the allocation system through a division of the budget and a division of central accounting and reporting. The law also requires agencies supported by funds other than direct appropriations to comply with the allotment system.

with the examination of vouchers and claims prior to their payment, within the administrative structure. In fact, current practices indicate a bewildering confusion in auditing duties complicated by the failure to use terminology with standard meaning. Basically, the conflict is over whether the pre-audit is in reality part of expenditure control, an administrative function, or whether it is part of the process of assuring accountability for the legality and propriety of expenditures, the latter commonly thought of as being an element of the post-audit, the independent audit which checks on the administration's use of funds.

The distinction seems to depend upon two factors: (a) who performs the pre-audit and (b) the purpose for which it is undertaken. If an executive officer, responsible to the governor or to someone appointed by the governor, performs the pre-audit, it tends to assume the elements of the administrative control audit. However, if an elected official, or one appointed by the legislature, performs the pre-audit of vouchers and claims, then the procedure takes on the aspect of an independent audit.

The purpose of the administrative audit (or pre-audit), as distinguished from the independent audit (or post-audit) have been clearly outlined by Dr. Leonard White.[54]

> The basic objectives of an audit /i.e., the post-audit/ are to see that funds have been used only for the purposes and in accordance with the conditions established by law, to check the accuracy of accounts and inventories, to ensure against embezzlement or loss of funds, and to report findings to the proper agency: The administrative agency in case of unauthorized expenditures, the prosecuting officers in case of wrongdoing, the legislative body in case of inefficiency or unsatisfactory operation of the fiscal system. The purpose of administrative control of expenditures

[54]White, Leonard D. <u>Introduction to the Study of Public Administration</u>. The Macmillan Company. New York, 1939. pp. 257-8.

[i.e., the pre-audit] is to ensure regularity and accuracy as well as care and good business judgment in the use of funds, and more broadly to enable the chief executive to bring his influence to bear upon work programs and administrative policy as reflected in expenditures. The end of an audit is to ensure regularity and legality; of administrative control, to avoid deficits, to supervise current expenditures, and to ensure that all fiscal programs are in conformity with the master plan of the government of the day. These objectives overlap in part, but not entirely.

From this definition it follows that two distinct officers are involved, one for post-audit and one for administrative control of expenditures, including the pre-audit. Again according to White, the former is properly called the auditor and is either an elected official or appointed by the legislature, the latter is properly called the comptroller and is a member of the executive branch. In actual practice among the states, these terms have become confused, in part due to additional duties of an administrative control nature having been given to the auditor by statute and, in part, because the office of comptroller has been created with post-audit duties. In some states the duties traditionally associated with an elected auditor have been transferred to an appointed official.

The office of the auditor, created by the constitution of all but thirteen states,[55] is an elective office with the exception of New Jersey and Virginia where it is filled by legislative appointment. The comptroller, or controller as he is sometimes called, is less prevalent, provision being made for that office in only ten state constitution[56] and in approximately an equal

[55]States which do not have the office of auditor provided in the constitution are California, Connecticut, Florida, Georgia, Maine, Maryland, Nevada, New Hampshire, New York, Rhode Island, South Carolina, Tennessee and Texas. The secretary of state serves _ex officio_ as auditor in Oregon and Wisconsin.

[56]California, Connecticut, Florida, Georgia, Maryland, Nevada, New York, South Carolina, Tennessee, Texas.

number of state statutes. It is interesting to note that comptrollers provided for by statute are commonly appointed by the governor, while those provided by the constitutions are in all cases except Tennessee, elected by the people and perform duties traditionally associated with the office of auditor. Tennessee's comptroller is appointed by the legislature. The trend appears to be toward making the comptroller a truly administrative officer.

The most recent comprehensive study[57] of state auditing systems gives evidence of the confusion of terms as employed in present state practice. In approximately a third of the states[58] the comptroller pre-audits claims, but in over half of the states[59] the auditor performs that function -- in thirteen of those states[60] in which the auditor pre-audits claims he also performs functions of a post-audit nature.

Generally the auditing of taxes and governmental receipts is considered a part of financial administration and an executive function yet in several

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[57] Tabular Analysis of State Fiscal Offices, The National Association of State Auditors, Comptrollers and Treasurers. Chicago 1938, p. 21-33, as presented in the Manual on the Executive Article for the Missouri Constitutional Convention of 1943, pp. 59-70.

[58] Alabama, California*, Connecticut*, Florida*, Iowa, Kentucky, Maine, Maryland*, Massachusetts, Nevada*, New Hampshire, New Jersey, New York*, Rhode Island, South Carolina*, Texas*, Virginia. Asterisks indicate the states in which the comptroller is a popularly elected constitutional officer. In the remainder of the states, with the exception of New Jersey, the comptroller is appointed by the governor or by an official responsible to the governor. The New Jersey comptroller is appointed by the legislature.

[59] Arizona, Arkansas, Connecticut, Delaware, Indiana, Kansas, Louisiana, Michigan, Minnesota, Mississippi, Missouri, Nebraska, New Mexico, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, South Dakota, Utah, Vermont, Washington, West Virginia, Wisconsin, Wyoming. With the exception of Connecticut the auditor in these states is an elected official. In Connecticut there are two auditors, one from each political party.

[60] Arizona, Connecticut, Delaware, Mississippi, Missouri, North Carolina, Ohio, Oregon, Pennsylvania, Rhode Island, Utah, Vermont, Washington.

states, notably Arizona, Delaware, Minnesota, North Dakota, Rhode Island and Wyoming, the auditor, who is not part of the administrative structure, is charged with that duty. In less than a fourth of the states[61] is the comptroller responsible for the audit of receipts.

[61]Alabama, Connecticut, Iowa, Kentucky, New Hampshire, New Jersey, New York, Texas, Virginia.

APPENDIX

LEGAL PROVISIONS FOR STATE BUDGET MAKING

Legal Source[1]	Budget-making Authority[1]	Type of Staff Agency[1]	Provisions for Hearings[1]
ALABAMA............ Code. 1940, title 55, secs. 92-107	Governor	Division of the Budget in Department of Finance	Public hearings at least two weeks prior to legislative session. Governor may require attendance of heads of spending agencies
ARIZONA............ Laws of 1943, chap. 86	Governor	State Auditor collects information	Governor to hold hearings
ARKANSAS........... Act 774, 1923; Act 214, 1943	Legislative Budget Commission is composed of 9 members from the House of Representatives and 7 members from the Senate	State Comptroller collects information	....
CALIFORNIA......... Constitution, Art. IV, Sec. 34; Government Code, 1945, Sec. 13006	Governor	Division of Budgets and Accounts, Department of Finance	....
COLORADO........... Administrative Code of 1941, secs. 9, 12-19, 29	Governor	Division of Budgets under State Budget and Efficiency Commissioner who is a civil service employee	No explicit statutory requirement
CONNECTICUT........ General Statutes, 1930, chap. 10, sec. 178; 1939 Supplement, chap. 8, sec. 52e	Governor	Department of Finance and Control headed by a Commissioner who appoints a Budget Director	Governor shall hold such hearings as requested by spending agencies or that he may deem desirable
DELAWARE........... Revised Code, 1935, chap. 160, secs. 5407, 5417; Laws of Delaware, 1939, chap. 204	Administrative board: Governor as chairman, Auditor of Accounts, Treasurer, Secretary of State, and Tax Commissioner compose Budget Commission	Budget Commission authorized to employ accountants and auditors	Governor may attend open hearings of joint legislative committee

Provisions for Budget Document[1]	Date Estimates Submitted[1]	Agency Revising Budget[2]	Date Budget Submitted to Legislature[1]	Legislature's Power to Revise[3]	Fiscal Year Begins[1]
Prescribes form and contents. Appropriation bills to be prepared	Feb. 1	Governor	2nd Tues. in June	Unlimited	Oct. 1
Prescribes general contents including draft of revenue and appropriation bills	Sept. 1	Governor	By 5th day reg. session	Unlimited	July 1
State Comptroller prepares budget report and submits it to Legislative Budget Committee	Before session	Budget Comm. (7 members of House and 5 of Senate)	30 days after appt. of comm.	Unlimited	July 1
Must be presented in detail accompanied by appropriation bill to each house of Legislature	Oct. 1 or before	Governor and Director of Finance	By 30th day of regular session; 3rd day of budget session	Unlimited	July 1
Message of state fiscal policy, detailed estimates of revenue and expenditures, as well as debt status, and general appropriation bill	Oct. 1	Executive Council (Governor, Secretary of St., Treasurer, Auditor, and Superintendent of Public Instruction)	10th day of session	Unlimited	July 1
Prescribes form and contents. Appropriation bills to be prepared	Oct. 1	Governor	Before Feb. 1	Unlimited	July 1
Prescribes general contents	Sept. 15	Governor and Board of Budget Directors	5th day of session[4]	Unlimited	July 1

Legal Source[1]	Budget-making Authority[1]	Type of Staff Agency[1]	Provisions for Hearings[1]
FLORIDA............ Statutes, 1941, chap. 216	Administrative board: Governor as chairman, Secretary of State, Comptroller, Treasurer, Attorney General, Commissioner of Agriculture, and State Superintendent of Public Instruction	Governor appoints Budget Director and employs assistants to aid Budget Commission	Budget Commission holds public hearings; may require attendance of heads of spending agencies
GEORGIA............ Constitution, Art. VII, Sec. IX; Supplement to Code, 1931, sec. 2158	Governor	Budget Bureau established in Governor's office; Governor is ex-officio director. State Auditor is assistant director	Governor may hold public hearings and may require attendance of heads of spending agencies. Finance Commission (Governor and legislators) hear appeals from Governor's action
IDAHO.............. Code, 1932, secs. 65-3401 to 65-3415; State Laws, 1941, chap. 75; State Laws, 1943, chap. 101	Governor	Director of Budget appointed by Governor with office in executive department	Open hearings by joint legislative committee
ILLINOIS........... Revised Statutes, 1937, chap. 127, par. 193-200, sec. 1-8	Governor; Budgetary Commission makes report and recommendations; Director of Finance prepares State Budget	Budget work done in Department of Finance, Director of which appoints Budget Director. Staff of Budgetary Commission consists of secretary and clerical help.	Directors of Finance and Budget with Budgetary Commission hold hearings
INDIANA............ Burns Revised Statutes (1943 Replacement), secs. 60-401 to 60-420; Acts, 1941, chap. 106; Acts, 1945, chap. 152; 1947 House Act No. 219	Governor	State Budget Committee composed of two members from each house and Director of the Budget all appointed by Governor	Budget Committee holds open hearings and may require any administrative officer to give evidence

Provisions for Budget Document[1]	Date Estimates Submitted[1]	Agency Revising Budget[2]	Date Budget Submitted to Legislature[1]	Legislature's Power to Revise[3]	Fiscal Year Begins[1]
Prescribes general contents	Dec. 15	Budget Commission	1st day of session	Unlimited	July 1
Requirements not specific. Appropriation bill to be prepared	No date set	Budget Director	Within 15 days after its organization	Unlimited	July 1
Prescribes general contents	Sept. 15	Governor	10th day of session	Unlimited	July 1
The Budget submitted by the Director of Finance must be in accordance with 12 classifications of major items of appropriation	Nov. 1	Governor and Director of Finance	4 weeks after convention	Unlimited	July 1
Prescribes general contents	Aug. 15	Governor and Budget Committee	With governor's budget message	Unlimited	July 1

Legal Source[1]	Budget-making Authority[1]	Type of Staff Agency[1]	Provisions for Hearings[1]
IOWA............... Code, 1929, chap. 7, secs. 84.03-84.33	Governor	Office of State Comptroller performs budget functions	Governor holds public hearings; may require attendance of administrative officials
KANSAS............. General Statutes, 1935, secs. 75-11a01, 75-3002, 75-3013, 75-3015a, 75-3131a; 75-11a01 & 75-3131a amended by chap. 319, Laws, 1945	Governor	State Budget Director and Accountant whose office is in executive department	Administrative officials may request Governor to hold hearings; legislative committee may require attendance of Budget Director at its meetings
KENTUCKY........... Revised Statutes 1946, secs. 45.010-45.140	Governor	Division of Budget in Department of Finance	Governor holds hearings as he deems necessary
LOUISIANA.......... Act 111, 1942	Governor	Division of Budget in Department of Finance	Budget officer holds hearings as he deems necessary
MAINE.............. Revised Statutes, chap. 14, secs. 6-14	Governor	State Budget Officer in Department of Finance	Not specific, but hearings are held with advisory committee composed of legislators
MARYLAND........... Constitution, Art. 3, Sec. 52; Code, 1939, art. 41, art. 15-A	Governor	Department of Budget and Procurement attached to executive office	Governor is authorized to provide for public hearings on all estimates and may require the attendance of representatives of all agencies applying for state money
MASSACHUSETTS...... Constitution, Art. 63; General Laws, 1932, chap. 29, sec. 6, chap. 7, secs. 2, 3, 4, chap. 4, sec. 7 (9)	Governor	Budget Commissioner of Commission of Administration and Finance	....

Provisions for Budget Document[1]	Date Estimates Submitted[1]	Agency Revising Budget[2]	Date Budget Submitted to Legislature[1]	Legislature's Power to Revise[3]	Fiscal Year Begins[1]
Prescribes form and contents. Appropriation bills to be prepared	Oct. 1	Governor and Comptroller	Feb. 15	Unlimited	July 1
Requirements not specific. Governor to submit recommendations in a message to Legislature	Oct. 1	Governor and Budget Director	2nd Tues. in January	Unlimited	July 1
Prescribes contents specifically. Appropriation bills to be prepared	Nov. 15	Governor	3rd Mon. of session	Unlimited	July 1
Prescribes contents specifically. Appropriation bills to be prepared	Jan. 15 of even years	Governor and Tax Commission	Not later than 20th day of session	Unlimited	July 1
Prescribes form and contents. Appropriation bills to be prepared	Oct. 1	Governor and Budget Officer	2nd week after convention	Unlimited	July 1
Prescribes form and contents	As Gov. desires	Governor	20th day of session; 30th for new Governor	May strike out or reduce[5]	July 1
Prescribes contents in a very general form	Sept. 15	Governor and Budget Commissioner	Within 3 weeks after convention	Unlimited	July 1

Legal Source[1]	Budget-making Authority[1]	Type of Staff Agency[1]	Provisions for Hearings[1]
MICHIGAN........... Mason's 1940 Supplement to Compiled Laws, chap. 11, secs. 201, 203, 212-225, Amended by Laws of 1945, No. 30	Governor	Budget Director and staff constitute department (responsible to Governor)	Director holds hearings at which he may require attendance of heads of spending agencies
MINNESOTA.......... Statutes, 1941, secs. 16.01, 16.02, 16.14, 16.15, 16.29	Governor	Commissioner of Administration performs budget duties along with other functions connected with financial administration	Commissioner of Administration holds hearings with the departments and is represented at hearings called by legislative committees during the legislative session
MISSISSIPPI........ Code, 1942, secs. 9103-9117	Governor	Governor employs assistance as he deems necessary. He appoints Secretary of Budget Commission; Chairman of State Tax Commission, *ex-officio* assistant director	Budget Officer holds hearings with administrative officials
MISSOURI........... Constitution, Art. IV, Secs. 22, 24, 27; Revised Statutes, 1939, secs. 10895-10909; 1946 Senate Bill No. 297	Governor	Director of Division of Budget and Comptroller (appointed by the governor) in the Department of Revenue	Governor may hold public hearings and require attendance of administrative officials
MONTANA............ Revised Codes 1938, secs. 294-304	Administrative board: Governor as chairman, Secretary of State, Attorney General make up State Board of Examiners	Clerical workers in offices of Governor, Secretary of State, and Attorney General	Heads of spending agencies and budget board have a right to be heard before Legislature
NEBRASKA........... Constitution, Art. IV, Sec. 7; Revised Statutes, 1943, secs. 81-125 to 81-138	Governor	Tax Commissioner prepares estimates and recommendations	Governor may provide for public hearings between Nov. 15 and Dec. 15 preceding legislative year

Provisions for Budget Document[1]	Date Estimates Submitted[1]	Agency Revising Budget[2]	Date Budget Submitted to Legislature[1]	Legislature's Power to Revise[3]	Fiscal Year Begins[1]
Prescribes contents in a very general form	Dec. 1	Governor and Budget Director	10th day of session	Unlimited	July 1
Prescribes form and contents	No date set	Governor, Budget Commissioner, and Commission of Administration and Finance (Budget Commissioner, Comptroller, Purchasing Comr.)	Dec. 1	Unlimited	July 1
Requirement not specific	No date set	Director of Budget Comm. (Governor ex officio)	Dec. 1	Unlimited	July 1
Prescribes form and contents	Nov. 1	Governor and Budget Director	30 days after conv.	Unlimited	July 1
Prescribes form and contents	Nov. 15	Board of Examiners (Governor, Attorney-General, and Secretary of State)	10th day of session	Unlimited	July 1
Prescribes general contents including report of last appropriation and expenditures. Also draft of appropriation bill	Sept. 15	Governor	On or before 15th day of session	Unlimited[6]	July 1

Legal Source[1]	Budget-making Authority[1]	Type of Staff Agency[1]	Provisions for Hearings[1]
NEVADA............. Compiled Laws, 1929, sec. 6995	Governor	While the law does not prescribe what agency is to compile the Budget, it is done in the office of the Tax Commission	Governor may provide for hearings and may require representation of spending agencies
NEW HAMPSHIRE...... Revised Laws, 1943, chap. 25, secs. 1-16	Governor	Office of Comptroller in executive department	Governor holds public hearings and may require heads of spending agencies to attend
NEW JERSEY......... Public Laws, 1944, chap. 112, art. 3	Governor	State Budget Bureau, Department of Taxation and Finance. Head of Department is Director of Division of Budget and Accounting	Budget Director or his representative, State Supervisor of Budget Bureau, may hold public hearings
NEW MEXICO......... Statutes, 1941, secs. 7-101, 7-401 to 7-405; 1943 Laws, chap. 9; Acts 1947	Governor	State Budget Director in office of state comptroller performs principal budget duties	Governor holds hearings and may require heads of spending agencies to attend
NEW YORK........... Constitution, Art. 7; Thompson's Laws, 1939, Executive Law, art. 2-A, secs. 12-14, State Finance Law, art. III, secs. 20-25	Governor	Division of Budget within executive department	Governor holds hearings at which he may require attendance of heads of departments and their subordinates
NORTH CAROLINA..... General Statutes, 1943, chap. 143, art. 1	Governor	Budget Bureau in Governor's office	Director of Budget holds hearings which shall be public
NORTH DAKOTA....... Revised Code, 1943, chap. 54-15. chap. 330, Laws, 1947	Legislative-administrative board: Governor as chairman, Chairman of Appropriation Committee of each house, State Auditor, and Attorney General	Director of State Budget, appointed by the board	Budget Board gives public hearings if administrative officials request, or if Board deems necessary

Provisions for Budget Document[1]	Date Estimates Submitted[1]	Agency Revising Budget[2]	Date Budget Submitted to Legislature[1]	Legislature's Power to Revise[3]	Fiscal Year Begins[1]
Prescribes general contents	Dec. 1	Governor	20th day of session	May strike out or reduce[5, 7]	July 1
Prescribes form and contents. Appropriation bills to be presented	Oct. 1 of even years	Governor	Feb. 15	Unlimited	July 1
Prescribes contents specifically	Oct. 1	Governor	3rd Tues. of Jan.[8]	Unlimited	July 1
Prescribes general contents	Dec. 15	Governor	15th day of session	Unlimited	July 1
Prescribes general contents. Appropriation bills to be prepared and included	Oct. 15	Governor and Director of Budget	On or before Feb. 1	May strike out or reduce[9]	April 1
Prescribes general contents. Appropriation and finance bills to be prepared	Sept. 1	Budget Director	With Governor's budget message	Unlimited	July 1
Requirements not definite. Board sends recommendations together with original estimates of spending agencies to Legislature	Oct. 1	Budget Board	10th day of session	Unlimited	July 1

Legal Source[1]	Budget-making Authority[1]	Type of Staff Agency[1]	Provisions for Hearings[1]
OHIO............... Page's General Code, 1937, secs. 154-6, 154-31 to 154-35	Governor	Director of Finance through its sub-division, the budget office, and the Superintendent of the Budget prepare estimates	Director may revise departments' estimates after hearing is given administrative officials
OKLAHOMA........... Statutes, 1941, secs. 21-33, title 62; Acts 1947	Governor	Division of Budget in executive department	Governor shall hold hearings to be public and may require attendance of heads of spending agencies
OREGON............. Compiled Laws, 1940, secs. 92-101 to 92-112	Governor	Governor appoints an executive secretary who shall be a statistician. Secretary may employ assistants	Governor may provide, or may be required by spending agency to provide, hearings
PENNSYLVANIA....... Purdon's Statutes, 1936, title 71, art. vi, secs. 221-227	Governor	Governor appoints a Budget Secretary. He also appoints consultants, clerks, etc., to serve as staff in executive office	....
RHODE ISLAND....... General Laws, 1938, chap. 7. secs. 1-4; Public Laws, 1940, chap. 881	Governor	State Department of Finance acts as budget office	....
SOUTH CAROLINA..... Code of Laws, 1942, secs. 3213-3222	Legislative-administrative board; Governor; Chairman, Senate Finance Committee; Chairman, House Ways and Means Committee	State Auditor is Secretary of Commission and budget work is prepared by his staff--the post-auditing department	Budget Commission to hold public hearings
SOUTH DAKOTA....... Code, 1939, secs. 55.2003, 55.2101-55.2108	Governor	Secretary of Finance appointed by Governor to perform budget functions	Governor and Secretary of Finance hold public hearings

Provisions for Budget Document[1]	Date Estimates Submitted[1]	Agency Revising Budget[2]	Date Budget Submitted to Legislature[1]	Legislature's Power to Revise[3]	Fiscal Year Begins[1]
Prescribes general contents	Nov. 1	Governor and Director of Finance	2 wks. after convention	Unlimited	Jan. 1
Prescribes general contents. Appropriation bills to be prepared	Nov. 1	Governor and Budget Officer	5th day of session	Unlimited	July 1
Requirements not specific	Oct. 1	Governor and Executive Secretary	Dec. 20	Unlimited	July 1
Requirements not specific. Governor submits recommendations to Legislature with original estimate requests	Nov. 1	Governor and Budget Secretary	No time specified	Unlimited	June 1
Prescribes general contents	Dec. 1	Governor, Budget Director and Comptroller	On or before 24th legislative day	Unlimited	July 1
Prescribes general contents	Nov. 1	Governor	5th day of session	Unlimited	July 1
Prescribes general contents. Also requires all information about any one spending agency to be in one section	Oct. 15	Budget Director	5th day of session	Unlimited	July 1

Legal Source[1]	Budget-making Authority[1]	Type of Staff Agency[1]	Provisions for Hearings[1]
TENNESSEE.......... Williams' Code, sec. 255	Governor	Department of Budget is assigned duties of budget preparation	None required
TEXAS.............. Constitution, Art. 3, Sec. 49a; Vernon's Statutes, 1936, arts. 601, 603, 688-689a8	Administrative board: Governor, Board of Control, Comptroller	Budget Division of State Board of Control, which is three citizens appointed by Governor	State Board of Control holds public hearings
UTAH............... Code, 1943, secs. 82c-2-2, 82c-2-18, 82c-2-19, 87-27	Governor	Commissioner of Finance, who heads Department of Finance appoints a budget officer to aid Governor	Governor may provide for hearings and may require attendance of heads of spending agencies
VERMONT............ Public Laws, 1923, secs. 552-563; Laws, 1939, no. 9	Governor	Governor may employ assistants in preparing budget	....
VIRGINIA........... Code, 1932, secs. 2577a-2577r	Governor	Governor appoints a Director of the Division of the Budget and other assistants	Governor to provide for public hearings. Requires attendance of heads of spending agencies
WASHINGTON......... Remington's Revised Statutes, 1933, chap. 3, secs. 10927-1 to 10927-14; 1940 Supplement, chap. 1, secs. 10761, 10786-13, 10786-18; 1941 Supplement, chap. 4; secs. 11018-7 to 11018-12; Acts 1947	Governor	Department of Budget	Governor to hold hearings. May require attendance of heads of spending agencies

Provisions for Budget Document[1]	Date Estimates Submitted[1]	Agency Revising Budget[2]	Date Budget Submitted to Legislature[1]	Legislature's Power to Revise[3]	Fiscal Year Begins[1]
Prescribes general contents	Dec. 1	Governor	Jan. 14[10]	Unlimited	July 1
Prescribes general contents. Governor must prepare 5 separate appropriation bills. Comptroller prepares revenue estimates which cannot be over-appropriated except by 4/5 vote in each house	Oct. 15 preceding year	Governor	Jan. 1	Unlimited	Sept. 1
Prescribes general contents	No date set	Governor	20th day of session	Unlimited	July 1
Prescribes general contents	Oct. 1	Governor	2nd week of session	Unlimited	July 1
Prescribes general contents. Also Governor prepares a tentative bill for proposed appropriations	Sept. 15	Governor and Budget Director	5th day of session	Unlimited	July 1
Prescribes general contents	1st Mon. of Sept.	Governor	5th day of session	Unlimited	April 1

Legal Source[1]	Budget-making Authority[1]	Type of Staff Agency[1]	Provisions for Hearings[1]
WEST VIRGINIA...... Constitution, Art. 6, Sec. 51; Code, 1943, secs. 265 (1)-265(33), 264 (1)	Administrative board: Board of Public Works, Governor as Chairman, Secretary of State, Auditor, Superintendent of Free Schools, Treasurer, Attorney General, and Commissioner of Agriculture	Budget office acts as staff agency of board	Hearings provided for by legislative committees
WISCONSIN.......... Statutes, 1945, secs. 15.01-15.18. Laws of 1947, chap. 9	Governor	State Department of Budget and Accounts	Governor-elect to hold public hearings on estimates. Director of Budget must attend
WYOMING............ Revised Statutes, 1931, secs. 16-101 to 16-120, 109-1409; 1940 Supplement, sec. 16.111	Governor	Division of Budget in executive department	Governor to provide for public hearings. May require attendance of heads of spending agencies

[1]Adapted from The Book of the States, 1948-49, Council of State Governments. Vol. VII, Chicago 1948, pp. 184-189.
[2]Manual on the Executive Article, Missouri Constitutional Convention of 1943.
[3]Adapted from The Book of the States, 1945-46, Council of State Governments. Vol. VI, Chicago 1945, p. 219.
[4]Within five days after organization of both Houses.
[5]May only increase items for judiciary, and may increase or reduce for legislature.

Provisions for Budget Document[1]	Date Estimates Submitted[1]	Agency Revising Budget[2]	Date Budget Submitted to Legislature[1]	Legislature's Power to Revise[3]	Fiscal Year Begins[1]
Prescribes general contents	July 1	Board of Public Works (Governor, Secretary of State, Superintendent of Schools, and Auditor)	By 10th day of session	May strike out or reduce[5]	July 1
Prescribes general contents. Appropriation bills to be prepared	Nov. 1	Governor and Budget Director	Feb. 1	Unlimited	July 1
Prescribes general contents. Appropriation bills to be prepared	Nov. 1	Budget Officer	By 5th day of session	Unlimited	Oct. 1

[6]Legislature may make unlimited changes, but must have 3/5 vote to do so.
[7]Provided by statute rather than constitution; subject to change by each succeeding legislature.
[8]In inauguration year, governor has extra month.
[9]May add items of appropriation provided such additions are stated separately from original items and refer each to single object or purpose.
[10]In inauguration year, governor may submit budget any time prior to March 1.

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*LRB -- Legislative Reference Bureau
UH -- University of Hawaii