
FRIEDMAN
PH. D.


PH. D.
108
685
THS

PH. D.

MUNICIPAL POLICY MAKING
A COMPARATIVE STUDY
OF BUDGETING PUBLIC FUNDS

DISSERTATION FOR THE
DEGREE OF PH. D.

MICHIGAN STATE UNIVERSITY

LEWIS B. FRIEDMAN

1973

This is to certify that the

thesis entitled

MUNICIPAL POLICY MAKING: A COMPARATIVE STUDY OF BUDGETING PUBLIC RESOURCES

presented by

LEWIS FRIEDMAN

has been accepted towards fulfillment
of the requirements for

~~PH.D.~~ degree in ~~POLITICAL~~ SCIENCE

Claudius Gray
Major professor

Date 10/25/73

ABSTRACT

MUNICIPAL POLICY MAKING:
A COMPARATIVE STUDY OF BUDGETING PUBLIC FUNDS

By

Lewis B. Friedman

The problem posed in this dissertation is first to demonstrate that variation occurs in the process of governmental budgeting and then to show its relationship to expenditure outputs.

Data was gathered through structured interviews with department heads, executives, and members of the legislature in fourteen middle-sized Michigan cities. This achieves a comparative focus that enables systematic measurement among cities and the testing of the direct connection between decision making and the substantive spending choices made.

Both objectives of the research were achieved. Not only were fundamental differences among the cities discovered, but these were directly translated into concrete expenditure outputs.

Department heads ask for more than they received in the previous year; the executive reduces their requests

but still recommends an increase to the legislature; who similarly cut the budget they receive for review, but appropriate an increase in spending levels.

The more that is initially sought, the more the executive reduces, but the more he still recommends. The more recommended, the less is reduced but the more the legislature appropriates. The concept of incrementalism does not provide a fruitful explanation of these expenditure outputs or statistical interrelationships.

Departments occupy a spending budget role, not because they pad their requests, but because they are the advocates of their programs. The executive is the economizer, as he perceives departments to pad their requests and has the responsibility to balance expenditures with revenues. The legislature oversees the administrative branch of government, by changing the budget they receive, as well as by cutting it. But looking at these two actors solely in negative terms, fails to account for the increases they themselves support.

Formal influence is exercised on the basis of each actors legal responsibilities to participate in making budget choices and is made evident during the official review of spending proposals. The department head has the opportunity to persuade the executive, but this does not affect their requests, nor the executive's reductions. It does enable the departments to achieve their goal of

annual growth. The legislature is not a rubber stamp, as they exercise their authority to change, cut, the executive's budget and then limit the size of the annual growth in funds. The departments' appeal to the legislature is more to keep what they already have than to restore executive reductions.

Informal influence is exercised through anticipated reactions and behind the scenes explicit warnings. It does not actually suppress the articulation of expansionary budgets, but does decrease the amount of reductions imposed during its subsequent formal review. Items that are not approved and would be eliminated are not brought forth for public and official decision.

Through limiting the amount of leeway enjoyed by the departments in formulating their initial requests, and the amount of inter-departmental competition over the distribution of funds, the executive strives to control the budget from the very start of the sequence of decisions. The more he does so, the less departments seek and the less they receive in the executive's recommendations.

The distribution of influence is not concentrated in the executive but more segmented. Control over the departments is not associated with dominance over the legislature. The preparation of the administrative budget is divorced from the legislature's adoption of the appropriation ordinance.

The difference between an incremental and a synoptic decision making process is associated with a control, management, and planning budgetary orientation. These are respectively concerned with: the minimization of the yearly increase in the costs of purchases, the efficiency and economy of services, and the effectiveness of spending to achieve policy goals. Each is present, as the adherence to one purpose does not preclude the application of another. However, only the management approach is connected with spending outputs as it serves as a mechanism to control the pace of spending growth.

The budgetary process is linked to its environment through the participation and influence of individuals and groups from the community and through the attitudes of public officials. In the first case, little impact is evident in expenditures; but perceptions of limited resource capabilities serve as an inhibitor, and activist preferences toward the scope of governmental responsibilities encourage the expansion of spending levels.

MUNICIPAL POLICY MAKING

A COMPARATIVE STUDY

OF BUDGETING PUBLIC FUNDS

By

Lewis B. Friedman

A DISSERTATION

Submitted to
Michigan State University
in partial fulfillment of the requirements
for the degree of

DOCTOR OF PHILOSOPHY

Department of Political Science

1973

To "N" and M. E.

ACKNOWLEDGMENTS

In the course of my journey through the "groves of academe," I have met some of the best and some of the worst examples of human beings and educational institutions. To those who stood in the way, the less said the better; but to those people who genuinely gave of themselves a special word of thanks is in order.

Without the encouragement, understanding, intellectual stimulus, and friendship of Bryan T. Downes, who stood with me throughout, none of this would have come about, nor would it have seemed worthwhile. The debt I owe him is large, and can only begin to be repaid by the publication of this manuscript.

A second warm acknowledgment belongs to Rita Schlesinger Gallin, and to the forbearance of her husband, Bernard Gallin. She too was supportive up to the end, and beyond; and without her able assistance, this study would have appreciably suffered. Her home was always warm and open.

The material assistance of Philip Marcus, Director of the Urban Survey Research Unit of Michigan State University and its staff needs also to be noted. Director Marcus enabled me to carry out the data collection

beyond my own expectations.

An appreciative word to those colleagues who, in various ways, displayed assistance: Larry Adams, Josh Bernstein, Rufus Browning, Steven Burks, Ralph Kamisky, Fred Lane, Frank Pinner, Norman Powell, Patrick Rabet, and Eli Silverman.

To Ellen Adams who so conscienscsiously typed the manuscript in the face of numerous obstacles I placed in her way, I say, a job well done.

The financial support of the National Science Foundation, which made the entire effort possible through their program of Dissertation Research Grants, must also be noted.

To that group of scholars whose earlier efforts provide the intellectual foundation of the present study: Thomas Anton, John Crecine, Heinz Eulau, Robert Eyestone, Richard Fenno, Arnold Meltsner, Kenneth Prewitt, Allen Schick, Ira Sharkansky, and Aaron Wildavsky, I say thank you.

I also wish to thank the 169 public officials who graciously consented to be interviewed and who gave generously of their time despite very busy schedules.

TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

Chapter One: A Model of Municipal Budgeting

Introduction[1]

The study of governmental budgeting has long occupied the attention of those concerned with public administration and public policy. Some scholars have directed their efforts toward the development of a normative standard for making spending choices, others have been concerned with structural and procedural reform. Still others have provided an empirical description of the way the appropriations ordinance is prepared and adopted. The budget has come to serve multiple purposes as an arena of governmental decision making. It is a mechanism to assure the legal authorization of funds; a tool to achieve the efficiency and economy of agency activities; and an opportunity to establish the policy goals of government itself. To implement these multiple aims available to decision makers have been modified from line-items of expenditures to activity accounts of

---

1. A previous formulation of the first and second chapters appeared in Bryan Downes and Lewis Friedman, "Local Level Decision Making and Public Policy Outcome: A Theoretical Perspective," in H. Hahn, ed., Urban Politics and Peoples (Beverly Hills: Sage Publications, 1972), vol. III, passim.

services and then again to categories of program effectiveness. Furthermore, the relative influence of budget participants have shifted. Starting with a diffuse structure of authority centered in the legislature, where the executive was noticeable weak, a centralized system of executive responsibility and control has emerged.

The present research builds upon the foundation of previous efforts as it directs the study of governmental budgeting toward a policy-analysis framework. In particular, it extends the contemporary concern with an empirical description of the budgetary process to a focus upon its specific expenditure outputs through a comparative analysis of fourteen cities, the connection between how decisions are made and what decisions are made is examined.

Budgeting as a Policy Making Process

Beneath all of the efforts to devise the "best" methods of budgeting lies its fundamental political interpretation as the means by which resources are authoritatively allocated. The budget is a financial statement of the programs and policies society intends to pursue. Expenditures are the common denominator of all other political decisions, as without funds the activities of government would come to a halt. It stands at the center of the political system. The results of the

competition between different interests and values are recorded in the appropriations ordinance. Who wins and who loses; who receives the benefits and who bears the costs can be discerned in the dollars and cents distribution of the budget. As Aaron Wildavsky said of this view of budgeting:

> If politics is regarded in part as conflict over whose preferences shall prevail in the determination of national policy, then the budget records the outcomes of this struggle. If one asks, "Who gets what the government has to give?" then the answers for a moment in time are recorded in the budget. If one looks at politics as a process by which the government mobilizes resources to meet pressing problems, then the budget is a focus of these efforts.2

However, except for a few notable exceptions, the study of governmental budgeting has not been directed to the explanation of spending outputs.[3] All too often, the financial content of the decisions made have been forgotten. Instead, concentration has been placed solely on the process, the "how's" of budgeting, while actual

---

2. Aaron Wildavsky, The Politics of the Budgetary Process (Boston: Little, Brown and Company, 1964), p. 4.

3. These exceptions include Ira Sharkansky, "Agency Requests, Gubernatorial Support and Budget Success in State Legislatures," American Political Science Review, vol. LXIX, no. 4 (December, 1968), pp. 1220-1231, and Ira Sharkansky and Augustus Turnbull, "Budget Making in Georgia and Wisconsin: A Test of a Model," Midwest Journal of Political Science, vol. XIII, no. 4 (November, 1969), pp. 631-645.

expenditure choices have been ignored.

An illuminating example of this failure is Thomas Anton's study of Three Cities in Illinois. Here, differences in such features of the decision making process as the, ". . . (formalization, professionalization, rationalization): length of time devoted to budgeting, amount of information gathered, existence or non-existence of the "budget" concept, and the presence or absence of budget review"[4] are reported. Yet at no point is there an analysis of the spending policies of these three cities. Consequently, the effects of this variation in the budgetary process upon expenditure outputs cannot be assessed. What difference does it make that these cities go about budgeting in various ways? This question is simply left unanswered.

A second illustration of this limitation is in the movement for a Program Planning Budgeting System. Much has been written of the difference between the traditional and the PPBS mode of budgeting, yet little empirical evidence has been reported of the impact such a change would have upon governmental spending policy. This does not involve an evaluation of the "quality" of decisions made, as stated by Charles Schultze: "In my own view, PPBS and

---

4. Thomas J. Anton, Budgeting in Three Illinois Cities, Commission Papers of the Institute of Government and Public Affairs (Urbana Illinois: University of Illinois Press, 1964), p. 14.

systematic analysis can improve and indeed already have improved the quality of program and design and the allocation of budgetary resources within the civilian sector of government."[5] Such a conclusion cannot be made on any other basis except the personal preferences of the author, as it rests on the implicit, but unverified, assumption that different budget choices are forthcoming from the PPB system compared to the decision making process it replaces. Before it can be assessed that "better" expenditure choices are made, it has to be first empirically determined that different budget decisions do, in fact, follow from the employment of such a new budgetary process. So far, no evidence has been presented that this is indeed the case.

Some evidence must be brought to bear on the question of whether the substance of decisions will be altered on the basis of a new PPBS process of budgeting, for why else propose a change unless there is the expectation that spending outputs will be altered. Change in budgetary decision making for itself is pointless. Allen Schick recognizes the importance of this question, although he is also without the necessary data to answer it. As he writes:

> In an operational sense, however, what difference does it make whether the central budget process is oriented toward planning rather than management?

---

5. Charles Schultze, The Politics and Economics of Public Spending (Washington D. C.: The Brookings Institute, 1968), pp. 4-5.

> Does the change merely mean a new way of making decisions, or does it mean different decisions as well? The case for PPB rests on the assumption that the form in which information is classified and used governs the actions of budget makers, and, conversely, that alterations in form will produce desired changes in behavior. Take away the assumption that behavior follows form, and the movement for PPB is reduced to a trivial manipulation of techniques-- form for form's sake without any significant bearing on the conduct of budgetary affairs.6

Consequently, the primary objective of the research presented here on municipal budgeting is to show that such a linkage exists: That variation in the activity of public officials who formulate the budget, and that the different ways cities prepare and adopt the appropriation ordinance has an affect upon spending outputs. Budgetary decision making, can account for identified differences among municipal spending patterns. The budget process, as the independent variable is directly related to its dependent variable of expenditure policy. In the linkages between the environment, the political system, and public policy the traditional study of governmental budgeting has increased relevance as an explanation of expenditure outputs.

Dependent Variables of Expenditure Outputs

It is first necessary to define the measures of expenditure that are the end-products of the budgetary process

---

6. Allen Schick, "The Road to PPBS: The Stages of Budget Reform," Public Administration Review, vol. XXVI, no. 4 (December, 1966), p. 256.

and that serve as the dependent variables of analysis. These emerge from the process the municipal budget is prepared and adopted, and can be broken down into three distinct, yet interconnected stages.[7] As drawn in Figure 1.1, this is the sequence of department head, executive,[8] and legislative decision making. Each stage makes its own decisions that can be represented by its own particular expenditure outputs.

---

7. Budgeting is a more continuous, year long process, that includes decisions before and after the three stages of preparation and adoption presented in this simplified model. Before or during the department's formulation of their requests, the executive calculates estimated revenues. After the budget is formally approved there is its actual execution. This involves the disbursement of funds through an allotment system; including accounting controls over personnel and purchasing. The legislature is further involved in this post-adoption stage by the legal requirement of their approval for purchases over a certain dollar amount, as well as transfers of money from one account category to another, or from one department to another. Furthermore, if revenue forecasts prove inaccurate and a deficit becomes apparent, all three actors may be drawn into the decision making process once again to eliminate expenditures in order to maintain the balanced budget. None of these budget decisions, however, are examined in the present study which concentrates only upon the process by which the first, official budget is prepared and adopted.

8. The present model combines the executive stage into a single process, aggregating the possibility of separate decisions of the executive by himself and those of his staff. On the state and national level this has been more rigorously demarcated as there exists a Bureau Budget that possesses structural independence. But this does not exist in these size cities and therefore little is lost in merging them together as a single executive decision stage.

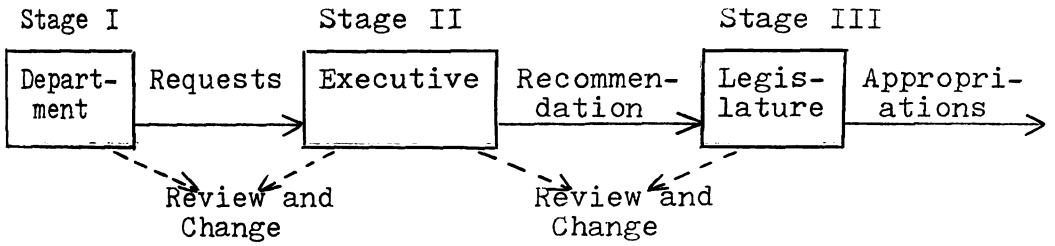

FIGURE 1.1

MODEL OF THREE STAGES OF MUNICIPAL BUDGETING

Consequently, two measures of spending choice emerge. One is the percentage change in total expenditure levels at the end of each stage compared to the level of the final appropriation ordinance of the previous year. This vertical dimension of expenditure outputs, represents policy change over time; in this case a single year. How much more or less are departmental requests, executive recommendations, and legislative appropriations in relation to expenditure amounts of the previous fiscal year. The second measure is the percent change in the level of total expenditures from one stage to the next. This horizontal dimension, the amount of change within a single year, records the reaction of each actor who has formal responsibility to review the budget proposals of others. It is measured twice,[9] once between the department head requests and the executive recommendations as the executive reviews initial spending figures, and then between executive recommendations

---

9. A third comparison of within-year change that can be made is between initial department requests and final legislative appropriations. This is utilized in the research by Ira Sharkansky, cited in footnote three, on state politics, but is not included in the present study for such a measure ignores the logic of the sequencing of decisions that is the foundation of the present model of the budgetary process. Furthermore, this measure has no empirical reality. The legislature does not review departmental requests, but the executive's recommendations. Such a measure of inter-stage change in expenditure **levels in budgeting** is an artificial construct of the **researcher** that does not represent actual spending decisions.

and final legislative appropriations and the city council makes a similar review of the budget submitted to them for authoritative approval.[10]

These two measures of expenditures are simple, yet capture actual choices made in the course of municipal budgeting. The five separate measures can be arranged in a real-world time sequence, that represents the choices made in each stage and which together comprise the budgetary process. The outputs of one stage are the inputs into the next. There is an interdependence of actions which defines the decision making system. The executive directly responds to the departments; the legislature reacts to the departments and the executive as both the executive and the legislature feedback upon department heads.

The first stage of budgeting is composed of the process internal to each department as requests for the forthcoming fiscal year are prepared for submission to the executive. The decision to be made here is how much to seek in comparison to how much was received in the previous appropriation ordinance (how much the department is currently spending). Although departments in

---

10. These measures were previously utilized by Ira Sharkansky in "State Legislatures," and Richard Fenno, Jr., The Power of the Purse: Appropriations in Congress (Boston: Little, Brown and Company, 1966), passim.

total almost uniformly request more and thus provide a positive thrust to municipal spending, extensive differences are evident. The range of requests extends from an actual decline to an increase of almost one half.

These initial spending figures comprise the raw materials for executive decision making. Here the question is what kind of response does the executive make as he goes about reviewing the departmental expansionary budgets. Universally, the choice is made to reduce expenditure. But once again variation is very much in evidence as executives cut requests from a nominal one percent to the substantial elimination of almost one quarter of what was first sought. Yet, in the measure of the executive's own recommendations for annual change in spending levels, to the legislature, there is still an increase above the previous year. Departments obtain at the end of the second stage less than what they sought, but more than they already possess. This too varies, from a further decline in the city where departments first proposed such a drop, to an increase of fully one third above the preceding appropriation ordinance.

The executive's budget recommendation, in turn, is the input for the third decision making stage. Now the city council faces a similar problem of responding

to executive proposals for annual growth. Although, on the average, the budget is reduced in some cities it is either increased, decreased, or left unchanged. The extreme variability of legislative spending choices are further evident in the change of the appropriation ordinance compared to the one adopted in the previous year. Again, on the average, spending displays an annual increase, but in four cities there is an absolute decline in total funding levels.

So it is evident that extensive variation in each of these five measures of the dependent variable of municipal expenditure outputs does occur. Not all cities display the same pattern of spending choices. Differences among the fourteen cities, can be explained by its relationship to the municipal budget process. Variation in one is the explanation for variation in the other. The way the authoritative budget ordinance is prepared and adopted is explicitly and formally connected to the substance of the decisions made. Differences in the budgetary process among cities account for differences in expenditure outputs.

An Explanatory Model of the Budgetary Process

Next it is necessary to present the characteristic features of the budgetary decision making process that are the explanatory concepts. The independent variables account for variation in expenditure outputs. Looking at the

municipal budget process as a system of decision making draws attention to four different components to first explain how it operates and then the connection to its spending end products. Each of these concepts can be found in earlier studies of governmental budgeting, as the intention of the present effort is to amplify and qualify their meaning within the context of municipal budgeting. Their description in the following pages attempts to summarize the general conclusions of past research. But it must be kept in mind that variation in each of these elements, in spite of claims to the contrary, does occur. Not all cities go about budgeting in the same way. While there are regularities among governments, differences exist as well, that up to this time have not been brought out in past research.

These four dimensions are: 1) The roles occupied by each participant, 2) The structure of influence among these actors, 3) The cognitive and evaluative mechanism of choice employed by budget makers, and 4) The linkages of the budgetary process to its environment.

Budget Roles

The first component of the budgetary system involves the identification of its authoritative participants and the determination of their specific budget roles. These are: the department, heads, the executive, and the city council who alone possess the formal responsibility to

make spending choices. The normative expectations of behavior and attitudes attached to each of these individual positions within the organizational arrangements of government, following from their legal authority and actual spending choices.

Thus departments are the "spenders of the budgetary system, as they initiate the process by their requests for increased funds. The executive, on the other hand compiles all the separate department budgets into a unified position of the departments by cutting their requests for increases and by recommending a budget to the legislature that is more consistent with the spending level of the previous year. Then the legislature, reviews the decisions of these two other actors, as they assume the role of "oversight of administration." By altering recommended expenditure totals in some way and by approving an appropriation ordinance that records still smaller annual growth in expenditures, they serve as a popularly elected watchdog of government operations and a guardian of the treasury.

The question posed is not only to describe the adherence to such roles, but to relate the possession of such normative orientations to actual spending choices made. Does variation in the possession of these prescribed attitudes and values directly translate into concrete budget behavior?

Decision Making Structure

The second feature of the municipal budget process is its structure. This concept describes the pattern of interactions within the decision making system. As Heinz Eulau and Kenneth Prewitt write:

> A structure can be likened to a snapshot of the group's behavioral processes. It catches the positions and statuses occupied by group members, determining the flow of transactions and interactions in the group . . . when interactions among group members are so patterned that the position of the members vis-a-vis each other can be ascertained, we speak of structural properties.11

Many dimensions of the structure of the budgetary process can be identified, but the present research singles out the distribution of interpersonal influence among the department heads, the executive, and the legislature.

The concept of influence is a major theme of political science and its inclusion to describe the budgetary process and its expenditure outputs is to be expected. As Aaron Wildavsky writes of its importance:

> . . . if the present budgetary process is rightly or wrongly deemed unsatisfactory one must alter in some respect the political system of which the budget is an expression. It is impossible to make drastic changes in budgeting without also altering the political system and the distribution of influence within.12

---

11. Heinz Eulau and Kenneth Prewitt, Labyrinths of Democracy (Indianapolis: Bobbs Merrill Publishers, 1973), pp. 43-44.

12. Aaron Wildavsky, Radical Incrementalism

A more direct reason for highlighting its presence within the budgetary system derives from the mutually conflicting roles and expenditure outputs of the three decision makers. Each actor stands in the way of some other participant achieving his own spending objectives. What one wants, someone else opposes. First the executive stands in the way of the departments achieving their goal of expenditure growth by his own economizer role. Then the executive is in opposition with the city council, as he defends the integrity of his recommendations in the face of the legislature's own objectives to modify them and carry out their oversight-review responsibilities. Finally, the legislature stands in an uncertain position toward the departments. Some represent a further obstacle to departmental expansion by reducing the budget they receive for review, while others serve as an ally by adding to spending totals. In either case, legislative interactions with the department heads serve their own objective of changing executive recommendations and participating in the determination of municipal spending policy.

Each actor is in conflict with each other. Who wins and who loses in large part depends upon the amount of influence that can be brought to bear upon the spending

---

12. (continued) (Washington, D. C.: American Enterprise Institute, 1966), pp. 115-166.

choices of others. The departments have to pressure both the executive and the legislature not to reduce their budgets and to grant them an annual increase in spending, as influence is exerted on them to requests in the first place. Then the executive attempts to pressure the legislature not to change his budget recommendations, at the same time that the legislature exerts their influence over the executive to make just those modifications that are opposed. The spending preferences of the strong emerge from the municipal budget process.

An assessment of the distribution of municipal budgetary influence includes the following three elements: 1) formal authority, 2) informal influence, and 3) the executive's supervision over the department's formulation of initial spending requests.

Formal Authority

The first component of the structure of budgetary influence is each actor's formal authority and responsibilities. The departments initiate, the executive modifies, then the legislature vetoes spending proposals. The exercise of formal influence is evident in the overt change in spending totals made at the time of the official budget meeting of the second and third stages.

The essential question underlying this influence relationship is the extent each actor activates his legal

right to modify the budget received for review. Is there bargaining and negotiation between the department heads and the executive, or does the executive assert his hierarchical authority over his administrative subordinates? Then does the legislature assert their formal authority to alter executive recommendations, or do they defer to executive spending preferences? And finally, do the departments appeal to the legislature for a restoration of executive cuts or does the executive prevent such an "end-run" from being made?

Informal Influence

Influence is exerted in other ways than through the exercise of formal authority during the official review of the budget. The presence of the other "Face of Power" must also be assessed.[13] Through the mechanisms of anticipated reactions and behind the scenes, explicit warnings, the dominant actor limits the articulation of spending proposals only to those that are consistent with his own preferences. Demands for change in the status represented by an increase in expenditure levels are suppressed before they are brought forth for public discussion. So the question has to be asked not only of how much expenditure totals were altered during

---

13. Peter Bachrach and Morton Baratz, Power and Poverty: Theory and Practice (New York: Oxford University Press, 1970), passim.

the official point of review, but of what was not even submitted; of what was not even transmitted for a concrete decision because of the exercise of informal influence of the strong over the weak.

Executive Supervision of Departmental Decision Making

The third element of the structure of municipal budget influence pinpoints the executive's particular control over the departments' formulation of initial spending requests. For the executive to dominate, he must not only respond to the initiatives of the department heads, but shape them as well. He must exercise control from the very start of the sequence of budget stages by supervising the process by which department heads formulate their requests. The executive attempts to exercise this influence by limiting the amount of leeway department heads enjoy in preparing their requests and then by limiting the amount of competition among the departments over the distribution of funds.

The Distribution of Influence

Past research has generally concluded that municipal budgeting is an executive centered process. As John Crecine writes:

> In summary, the municipal budget is the mayor's budget in which the mayor's policies dominate the department totals and city-wide wage and tax policies. The council and department heads

> have surprisingly little to say about municipal resource allocation on a macro level.14

The executive occupies the central position in the structure of municipal budgetary influence. The departments are on one side and the legislature is on the other side, as the executive is at the fulcrum of the decision making process. Department heads are essentially passive participants to the decisions made by their requests. They are unable to affect the executive and are not allowed to go to the legislature on behalf of their own budgets. The legislature, too, is subordinate to the executive. They are little more than a "rubber stamp" to executive spending preferences, as they impose only marginal changes in his recommended expenditure figures.

In terms of the distribution of informal influence, an executive centered system is where informal influence is exercised over the department heads at the same time that the executive is free of a similar exercise of influence by the legislature. Furthermore, in such a structure, the executive possesses both formal and informal influence over the departments, while the legislature exercises neither of these forms of budget influence

---

14. John P. Crecine, Governmental Problem Solving: A Computer Simulation of Municipal Budgeting (Chicago: Rand McNally Inc., 1969), p. 38.

over the executive.

In the last element of the pattern of influence, an executive centered process is where supervision over the first stage of departmental decision making accompanies the executive's exercise of both formal and informal influence over them.

Cognitive and Evaluative Process of Choice

The third dimension of the municipal budget system is the cognitive and evaluative process by which one particular course of action is selected from among a set of alternatives. As Aaron Wildavsky writes of this approach:

> The making of decisions depends upon calculations of which alternatives to consider and to choose. Calculation involves determination of how problems are identified, get broken down into manageable dimensions, are related to one another, and how choices are made as to what is relevant . . .15

Two analytical models of making this choice have been repeatedly offered in the literature: the synoptical and the incremental. The first emphasizes the rationality of the selection of values to be achieved and the comprehensiveness of the analysis undertaken to reach them. The relationship of devising specific means to reach agreed upon ends is made explicit. The incrementalists

---

15. Aaron Wildavsky, Radical Incrementalism, p. 120.

contend that such a problem solving approach is undesirable because of the social conflict produced by the incompatibility of social values, and unattainable because of the limited capabilities of decision makers. Instead it offers a simplier substitute. Values are essentially ignored and analysis is restricted to the margins of existing policy. Only the increment of difference is of concern.

This dichotomy of the decision making process is reflected in three orientations to governmental budgeting: control, management, and planning.[16] Each represents a focus on different kinds of information and evaluation rules for making spending choices.

The control orientation is the traditional mode of incremental budgeting. The value of existing programs and appropriation levels are accepted as legitimate, and beyond the scope of the annual budget review. Attention is concentrated only on the line-item objects of expenditures-- the purchases of government-- and the size of yearly change in spending levels-- the costs of government. The decision rule is then to minimize deviation from the base of existing spending; to limit the rate of annual growth.

The management approach occupies a middle position

---

16. Allen Schick, "The Road to PPBS," p. 143.

somewhere between these alternative models of budgeting. Here, the cognitive orientation is upon the activity of government; its performance in terms of the services provided. The evaluative rule is the efficiency and economy of operations. It is similar to incremental budgeting as it does not challenge current spending allocations. On the other hand, it incorporates the analytical approach of synoptic decision making that is not featured in the first orientation.

Finally, the planning approach represents the synoptic model of decision making applied to budgeting. The informational base is the programs of government and the criteria of choice are the effectiveness of spending. If appropriations are not accomplishing the program goals they were set out to achieve, then further funding should be curtailed. Existing activities are not beyond review as the budget is utilized as a means to establish the goals of government itself.

The specific impact each of these budget making orientations have upon spending outputs varies according to their acceptance of the base of existing spending. Each, in the order they were described, place less faith in the continuation of what was done in the past and therefore more change in spending totals should be made in a planning orientation than in a management focus, which is still more than in an incremental process.

Linkage to the Environment

The final concept of the municipal budgetary process examined is its linkages to the environment. Governmental decision making does not occur in a vacuum. It is neither insulated nor isolated from the social and economic conditions of the community that surrounds it. Demands for political action which arise from such external characteristics are certainly relevant considerations to explain the process of budgeting and its expenditure end-products.

Past studies of governmental spending have examined this connection through aggregate measures of demographic features of the population and through multivariate statistical analysis.[17] However, these concepts cannot be adequately represented by data taken from Census Bureau documents nor explained by statistical techniques. Numbers, in themselves, are not cause and effect relationships. As Philip Coulter writes of this shortcoming of previous research:

> . . . the identification and measurement of a close statistical relationship between sets of variables is not explanation. Rather, it is the high level of correlation itself that is to be explained through the identification and explication of the substantive political linkages

---

17. See Philip Coulter, "Comparative Community Politics and Public Policy," Polity, vol. III, no. 4 (Fall, 1970), and Guenther Schaeffer and Stuart Rakoff, "Politics, Policy and Political Science," Politics and Society, vol. I, no. 4 (November, 1970).

between two or more related phenomena.18

Governmental policy is not a deterministic response to the stimulus of the environment that automatically emerges from the maze of correlation coefficients and factor scores. Instead it requires the intervention of real-world decision makers. How social and economic conditions generate demands for spending outputs; how such inputs are transmitted across the boundaries of the political system; and how the structures and processes of government convert them into expenditure decisions must be explained in behavioral terms. Governmental expenditures, or any other policy area is the result of the explicit choice of authoritative decision makers. As Heinz Eulau and Kenneth Prewitt write of this view:

> That policies are purposive responses to challenges from the physical and social environment rather than conditioned reflexes is not a trivial notion, for the conception of policy as purposive implies the intervention of human actors in the sequence of events that links the natural-social with an appropriate policy environment. The policy environment is not so simply an automatic or spontaneous effect of external causes.19

---

18. Herbert Jacob and Michael Lipsky, "Output Structure and Power: An Assessment of Changes in the Study of State and Local Politics," Journal of Politics, vol. XXX, no. 2 (May, 1968), pp. 510-538.

19. Heinz Eulau and Kenneth Prewitt, Labyrinths of Democracy, p. 503.

Two mechanisms for the linkage between demand-inputs that come from the environment and the government's policy-outputs response are currently examined.

The first of these, is the overt involvement of individuals and groups from the community as they articulate specific budgetary demands throughout the three decision making stages. These fourth set of actors express support for additional services in accordance with their own interests and values. To the extent that such external pressure is felt within the decision making system a positive thrust for the expansion of program and spending levels is present.

The perceptions and preferences of authoritative decision makers is the second mechanism for connecting the budgetary process to its environment. Considering public policy as a purposive response to social and economic conditions then the impact these characteristics have upon the budget have to be first interpreted by public officials. What is defined as the problems generated by the environment and the challenges they pose for governmental action depends upon the perceptions and preferences of those making spending choices. They do not necessarily enter into the political system until, and unless, they are recognized as such. As Heinz Eulau and Robert Eyestone write:

> It has been the burden of our argument that the systematic study of public policy cannot

> be contented with correlating indicators of environmental challenges, or indicators of resource capability to policy outcomes. Rather it was our assumption that policy development is greatly influenced by the predilections, preferences, orientations and expectations of policy makers-- in short, by the political process itself.20

Two sets of such evaluations are especially pertinent to expenditure outputs. The first is toward the resource capabilities of city government. These are perceptions of an expenditure constraint-- the amount of funds potentially available to government; and then a revenue consciousness-- the attention and concern paid to tax rates. In either case, they serve as a constraint upon the expansion of municipal service and expenditure levels.

The second set of attitudes are interpretations of the needs of the community and the role of government in meeting them. A future oriented, programmatic, and activist view of the scope of governments responsibilities as a community problem solver translates into expansive spending preferences and budget behavior.

Plan of Analysis

The next chapter describes the research design and the methods of data collection employed. It points out the limitations of past case study research in terms of

---

20. Robert Eyestone and Heinz Eulau, "City Councils and Policy Outcomes: A Developmental Analysis," American Political Science Review, vol. LXVII, no. 1 (March, 1968), p. 143.

its inability to formulate wide scale generalizations because of the unrepresentativeness of the cities observed and the imprecise measurement of what took place. The present adherence to an explicitly comparative focus and the employment of structured interviews attempts to overcome these shortcomings.

Chapter Three fully describes the two measures of expenditure outputs that are utilized as the dependent variables of analysis. Why they were selected, their substantive pattern in the fourteen cities and the statistical interrelationships among them are examined. The concept of incrementalism, as a description of these patterns is discussed.

The fourth chapter examines the budget roles played by each authoritative decision maker. Alternative explanations of the department heads' spending role are analyzed. Either they are the advocates of the program and spending expansion of their departments service-performance area; or they are the padder of their budgets in an attempt to offset the expected reductions in their requests. Two interpretations of the executive's economizer role are also introduced. Either he is the balancer of the budget by bringing requested expenditures in line with estimated revenue; or he evaluates the department heads as padders and is therefore disposed to act out their expectations by actually cutting their budgets.

Finally, the single interpretation of the role of the legislature is examined.

The next four chapters comprise the main components of the analysis of municipal budgeting and this is the structure of influence. The pattern of formal authority is examined in Chapter Five, informal influence is discussed in Chapter Six and the executive's supervision over departmental decision making explored in Chapter Seven. Finally, Chapter Eight examines the exact statistical interrelationships among these three elements that together define variation in the distribution of executive influence.

Chapter Nine examines the cognitive and evaluative mechanisms of choice adhered to by each of the three actors.

The next chapters conclude the analysis of the municipal budget making system by its linkage to the environment. Chapter Ten studies the involvement and influence of individuals and groups from the community and Chapter Eleven looks at the attitudes and values of these three decision makers toward the environmental inputs of resources and needs.

Chapter Two: Research Design

Introduction

Several methodological shortcomings mark past empirical studies of governmental budgeting that make an additional effort both worthwhile and necessary. An undo reliance has been placed upon the case study method, which lacks a comparative focus. Specifically, the problems of assuring representative observations and collecting precise data have not been overcome. This has deleteriously affected the substantive description of the budgetary process, creating a false impression that all cities go about budgeting in essentially the same way. The acceptance of this consensus, not only distorts the understanding of the decision making process, but serves to misdirect research efforts.

Consistency of the Municipal Budget Process

Sweeping claims for the universality of an executive centered, incremental process of municipal budgeting have been proposed, after the study of only a few cities. John Crecine, in the most extensive research up to this time, makes grandiose assertions for the applicability of such a model of the budgetary system,

based on the observation of only three cities. He writes that:

> There is little reason to believe that this model would not describe the budget process in most large United States cities . . . smaller municipalities and local governments . . . state and federal government . . . /and/ four major remaining categories of non-market organizations . . .1

Robert Lineberry and Ira Sharkansky, in their recent text entitled Urban Politics and Public Policy, make similar claims for the consistency of their description of municipal budgeting, and thereby enshrine a single pattern of decision making as conventional wisdom. They write of the presence of uniformity not only among municipalities, but among all levels of government in the United States:

> Although studies of municipal budgeting have been conducted in widely different types of municipalities and in different parts of the country, the findings are sufficiently similar and show sufficient correspondence to studies of government budget making at other levels to

---

1. John P. Crecine, Governmental Problem Solving: A Computer Simulation of Municipal Budgeting (Chicago: Rand McNally, 1969), pp. 221, 222, 224, and 228. A further example of Crecine's exaggerated and unwarranted extension of his budgetary model is from the mayor form of government of his three cities to the manager form. As he writes on page four of "A Computer Simulation": "The functions (and hence the submodels) are generalizable to forms of government other than the mayor-council; however, in the city manager form, the city manager and his staff would correspond to the mayor's function in our model." In two sentences he completely dismisses an extensive body of research that addresses itself to such differences, without any empirical or logical support.

suggest a high degree of reliability.2

Although there is no disagreement with the empirical description offered of budgeting in the cities previously studied, for there is little evidence or reason to question their accuracy, there is considerable doubt that these conclusions are as widely applicable as these authors would have us believe. The broad extension of this particular model of decision making to all city governments is both unsubstantiated and unwarranted.

The uniformity of the budget system is far more limited than has been portrayed. Not all cities display the same characteristics of Crecine's computer simulation model; instead there is extensive difference in fundamental features of the way municipal governments go about preparing and adopting the appropriations ordinance. This belief, which comprises the underlying premise of the current research, is held for two reasons. The first is that contradictory evidence can be identified and conflicting interpretations can be offered of the literature on governmental budgeting, and municipal decision making in particular, that challenge the generalizability of an executive centered, incremental process. These will be presented in the text as they arise, and need not be

---

2. Ira Sharkansky and Robert Lineberry, Urban Politics and Public Policy (New York: Harper and Row Publishers, 1971), p. 236.

documented here. But there are sufficient inconsistencies in essential characteristics to suggest that greater differences among cities occur. So, in spite of claims to the contrary, variation in municipal budgeting is indeed evident.

But even more importantly, the assumption that various patterns of governmental budgeting exist, derives from the significant methodological limitations of past research. On the basis of their research design, there is little reason, in the first place, to believe that such uniformity is present. A case study approach to the investigation of political phenomena is simply unable to support the wide scale generalizations that have been made. The representativeness of the cities observed is open to question, as systematic data is lacking to identify the similarities and differences among cities.

The present effort attempts to improve these shortcomings by an explicitly comparative research approach. Fourteen cities are examined and data is collected through a structured interview schedule. In this way, variation among cities can be identified in order to formulate empirical generalizations on a more logically secure foundation.

Generalization

While case studies are often a necessary first step in the investigation of political phenomena, they need to

be followed by more extensive and more comparative research. Studying a handful of cities is, by itself, insufficient foundation for all embracing generalizations that have been previously formulated. There are simply too few units to establish the representativeness of the specific observations. The logical foundation is missing to extend the findings beyond the immediate circumstance of a particular place to a wider universe of similar situations. There is no way to assess the similarities and differences between those cities under analysis to all others they purportedly represent. The case method fails to provide sufficient evidence that uniformity in the municipal budget process is, in fact, present.

However they do serve the important heuristic purpose of identifying the significant explanatory concepts, of proposing hypotheses, and of suggesting empirical generalizations. But they cannot formulate empirical propositions and invariant behavioral laws. Their findings have to be tested and verified in a larger research setting. It is in this fashion and spirit that the present study is conceived. It builds upon the work of those who revitalized the study of governmental budgeting from its traditional framework. From such a base the present study moves toward a more extensive and more systematic explanatory model of governmental budgeting.

Thus to go beyond previous efforts, the present research is comparative in focus. Fourteen cities, a number of itself that is greater than the total of previous empirical descriptions of municipal budgeting are investigated at the same time, with the same data gathering technique.[3] In this way, a direct search is made for variation, as well as regularities among municipal budgetary practices from one city to another. If, as initially assumed, differences are present, this research strategy should be able to identify them.

Representativeness

However, the inclusion of a large number of cities, by itself, does not allow the formulation of universal generalizations. Fourteen cities are still a miniscule sample of all municipal governments in the United States. Consequently, it is necessary to specify what kinds of cities they are, and the wider context they are intended to represent.

Past research has been especially insensitive to this methodological caveat, with the expression of all embracing statements, when perhaps a more restricted

---

3. The total number of cities previously subject to empirical studies by political scientists in the past few years is eleven (Crecine, 3; Anton, 3; Meltsner and Wildavsky, 1; and Caputo, 4). Thus the present research is larger than all past efforts combined.

formulation of the relevancy of their budget model would be more appropriate. The three cities John Crecine studies-- Detroit, Cleveland, and Pittsburgh, are all large, metropolitan in character, and located in the older, industrial northeast. In their demographic and political conditions, the problems they face, and the size of their budgets, they are less typical of the entire category of urban government than might first be thought.

The current group of fourteen cities, are of a different character and for this reason alone, a different budgetary process might be expected.[4] They range from 25,000 to 200,000 in population and expenditures from three to twenty million dollars.[5] The notion of city size, often mentioned in the study of urban politics,

---

4. Besides Oakland, the four cities of Caputo and the three of Anton are all middle size and thus many of the divergencies in the budgetary process described in the text, taken from these studies may derive from the different kind of city.

5. There is not a continuous distribution of city sizes in the state of Michigan that would have enabled a more direct test of the relationship between city size and the budget process. After Detroit, the next largest city has a population of 200,000. Unless state boundaries were crossed, introducing extraneous variables, this important relationship can only be hypothesized to exist. Excluding Detroit, this left thirty-nine cities in the state above 25,000 population. First, the independent cores cities of the smaller metropolitan areas that dot the state were included and then the large (100,000 plus population) suburbs of Detroit were added.

represent many concepts associated with urbanization such as complexity, heterogeneity, and specialization. They have been previously differentiated from those below and above them in size. Robert Dahl, draws attention to these particular cities as the most appropriate units for a democratic political system. They are of "man-sized" proportions and optimal for rational self-government, widespread participation, and citizen influence.[6] Beyond this normative feature, Oliver Williams and Charles Adrian, in their study of Four Cities, suggest empirical differences in their social and political organizations. They write that it is:

> . . . within the limits of this range that urban places lose the face-to-face style of politics peculiar to small towns and yet retain some central system of communication in political and social affairs that is often lacking in the very large population centers. Beyond this range the local political processes become compounded around multinuclear centers and politics becomes increasingly a function of formally organized interest group activities.7

By selecting a different size city, the opportunity to identify variation in the budgetary system is maximized. So it must be made clear and kept in mind that the present group of fourteen cities are representative of only middle size cities. The range of generalization extends only to

---

6. Robert Dahl, "City in the Future of Democracy," American Political Science Review, vol. LXVI, no. 4 (December, 1967), pp. 953-970.

7. Oliver Williams and Charles Adrian, Four Cities

this group of municipal government.

Data Collection

A second shortcoming of case studies is its data collection techniques. By a narrative recreation of events, this method provides a vivid and detailed description of what took place that is difficult to achieve by most other research procedures. However, the result is an imprecise and unsystematic, particularistic explanation that is based upon the impressions and interpretations of the researcher and his intimate, albeit highly personalized knowledge. Measurement is limited to classificatory statements of the presence or absence of the occurrence of what is being observed.

The dichotomization of political phenomena into either/or categories, while a necessary first step in comparison, needs to be followed by more rigorous quantifications of what occurred.[8] The simplification of the real world into mutually exclusive and jointly exhaustive categories has to be filled in with more precise measurements of the gradations from one situation to another. But case studies are unable to do more than classify events into discrete groups and are unable to

---

7. (continued) (Philadelphia: University of Pennsylvania Press, 1963), p. 14.

8. Arthur Kallenberg, "The Logic of Comparison: Methodological Note on Comparative Study of Political System," World Politics, vol. XIX, no. 1 (October, 1966), pp. 69-83.

more exactly describe the similarities and differences among events. Consequently, differences among cities are neither recognized nor reported. The position of cities along a continuous distribution of low to high; of how much more or how much less one observation stands in relation to others have to be made in order to identify the variation within the municipal budget making process.

To overcome these inadequacies of the data gathering techniques of past research, a structured interview schedule was utilized. It is only this procedure that permits fourteen cities to be investigated at the same time. The case method is, of course, limited to the number of observations that can be handled by a single researcher; and thus four was the most cities included within past studies of municipal budgeting. To overcome this natural limitation of being at one place at one time, post hoc interviews with official participants to the budgetary process were conducted. The description of the decision making process derives solely from the information collected in this interview.[9] No

---

9. Representativeness of community interest groups weren't interviewed to gather their views of the municipal budget process. Although this would have been worthwhile, it was precluded by limited financial resources. In any event, there is no reason to believe that such interviews would have provided any better picture of their participation and influence than those supplied by public officials. Furthermore, regardless of what such individuals may say, it is the perceptions, accurate or otherwise, of what took by governmental decision makers that is most important, for only they make

independent observations of the behavior of the department heads, the executive, or the legislature were made. None sat in on any of the meetings among them to check the accuracy of their report of what took place. No analysis of documents, such as minutes of these meetings or secondary newspaper accounts were made. Not only do such secondary sources not often exist at the local level, but more importantly, there is little reason to believe that such a research strategy would yield substantively different results. This alternative data gathering procedure would not yield a more valid and reliable description of what took place than is supplied by the personal interviews with actual budget participants.

The interview instrument was explicitly designed to enhance the documentation and collection of systematic data. Instead of formulating open-ended questions that could only be considered a scale of nominal measurement, wherever possible, closed-ended questions were posed to represent a rank-order measure of correlation employed to test the relationship between independent and dependent variables. In most cases, a five point classification of low to high was presented as fixed alternatives for selection.

---

9. (continued) authoritative spending choices.

Specifically, questions were phrased in terms of how often, and how much, a feature of the decision making process occurred. The choices were: none, slight, some, much, and great, corresponding to scores of: one, two, three, and four. Attitude questions were similarly scaled along the five point continuum of agreement, satisfaction, or importance, among others. Finally, open-ended questions, described in the text as they arise, were also coded along a single dimension to achieve a similar ordering.

Interviews

The interview instrument consisted of two parts. One was the personal interview schedule containing open-ended questions that required a direct exchange between the respondent and a trained interviewer.[10] The second part, was a self-administered questionnaire that was left at the completion of the interview to be returned by mail. This contained closed-ended questions that could be conveniently answered by merely checking off the appropriate box.

A total of 169 public officials were personally interviewed in the fourteen cities, and three quarters of them (129) returned the mail questionnaire (see table 2.1). The heads of the police, public works, and parks and

10. The interviews were conducted by the professional staff of the Urban Survey Research Unit of Michigan State University under the direction of Professor Philip Marcus.

Table 2.1

RESPONSES TO INTERVIEW AND QUESTIONNAIRE

City	Department Head		Executives		# of Members of Council	Legislature	
	Inter-view	Mail	Inter-view	Mail		Inter-view	Mail
01	3	3	3	2	11	8	4
02	3	3	3	3	7	5	5
03	3	3	2	2	7	7	7
04	3	2	3	1	7	6	3
05	3	3	3	3	9	8	5
06	3	3	4	3	8	7	4
07	3	2	2	2	7	6	5
08	3	3	4	4	7	5	3
09	3	3	3	3	9	5	1
10	3	3	3	2	7	7	3
11	3	2	4	3	5	4	4
12	3	2	2	2	9	4	4
13	3	2	4	4	9	7	4
14	3	3	2	2	8	8	4
Total	42	37	42	36	112	87	56

recreation departments in each city were interviewed (forty-two). Eighty-eight percent (thirty-seven) of them completed the questionnaire. These three departments were selected for personal interviews because they are generally the largest service areas in city government. Together they comprise an average of 42 percent (see table 2.2) of the budget at the end of the first stage and an average of 45 percent (see table 2.3) of total requests.

Next, a total of forty-two participants in the second stage of executive decision making were interviewed, and 85 percent (thirty-six) of them filled out the mail questionnaire. This ranged from two to four in each city and included the chief executive manager or mayor and all others who were identified as having participated in some way in the formulation of the executive's budget. These were individuals in such institutional positions as assistant to the manager/mayor, finance director, budget officer, controller, treasurer, etc. Finally 78 percent of the total number of councilmen were interviewed (eighty-seven out of 112) and 64 percent of them (fifty-six out of eighty-seven) returned the mail questionnaire. The size of the legislature extended from five to eleven members and a majority were interviewed in all but one city. Responses to the questionnaire were lower, and although in twelve cities a majority of those who were interviewed returned the questionnaire, in only seven cities did a majority of

Table 2.2

THE THREE DEPARTMENT'S REQUESTS AS A PERCENT OF THE TOTAL BUDGET AT THE END OF THE FIRST STAGE OF DECISION MAKING

City	Police	Public Works	Parks & Recre-ation	Average
01	23.88	7.93	11.01	42.82
02	19.44	10.23	9.60	39.27
03	19.28	17.76	8.67	45.71
04	19.19	5.38	8.07	32.64
05	18.43	28.76	4.15	51.34
06	17.63	7.40	14.05	39.08
07	26.08	14.18	5.38	45.64
08	22.19	7.31	7.26	36.76
09	22.91	10.58	5.17	38.66
10	20.02	13.12	9.85	42.99
11	9.55	38.46	8.95	56.96
12	18.99	10.19	3.98	33.16
13	26.41	5.83	6.34	38.58
14	18.87	17.96	12.13	48.96
Mean	20.21	13.94	8.19	42.33
St. Dev.	4.03	9.08	2.91	6.65

Table 2.3

THE THREE DEPARTMENT'S REQUESTS AS A PERCENTAGE OF TOTAL REQUESTS

City	Percent
01	39.29
02	21.91
03	46.16
04	39.97
05	55.99
06	27.94
07	47.39
08	71.76
09	30.69
10	39.03
11	15.33
12	42.14
13	42.31
14	38.84
Mean	45.13
St. Dev.	37.57

the total council complete it.[11]

Level of Analysis[12]

The aim of this research is to describe the process of governmental budgeting and its expenditure outputs. It is not to describe the properties and attributes of public officials who participate in that process. Individuals are classified according to the specific institutional position they occupy, such as department head, the

---

11. Although it would have been preferable to obtain a majority of councilmen in each city, there is one city (city number twelve) where after repeated efforts, this was not possible (one is missing). It was decided to include this city anyway, instead of wasting the data already gathered. It was also impossible to obtain a majority of councilmatic replies, employing the mail questionnaire technique. But again the cities were included, except for number nine, where only a single member of the council returned the questionnaire. Obviously, this one response cannot be taken to represent the entire legislature by itself. Consequently, when a majority of questions that make up the index come from the document, this one city is excluded from the analysis.

12. The "Level of Analysis" section is based upon the following works: Allen Barton, "Bringing Society Back In: Survey Research and Macro-Methodology," American Behavioral Scientist, vol. XII, no. 2 (November-December, 1968), pp. 1-9; Peter Blau, "Formal Organizations: Dimensions of Analysis," American Journal of Sociology, vol. LXIII, no. 1 (July, 1957), pp. 58-69; Peter Blau, "Structural Effects," American Sociological Review, vol. XXV, no. 2 (April, 1960), pp. 178-193; P. L. Kendall and Paul F. Lazarsfeld, "Problems of Survey Analysis," in R. K. Merton and Paul F. Lazarsfeld, eds., Continuities in Social Research: Studies in the Scope and Method of the American Soldier (New York: Free Press, 1950), pp. 187-196; Paul F. Lazarsfeld and H. Menzel, "On the Relation Between Individual and Collective Properties," in A. Etzioni, ed., Complex Organizations (New York: Holt, Rinehart, and Winston, 1961), pp. 187-206; H. C. Selvin and W. O. Hagstrom, "The Empirical Clas-

executive, and the legislature, their behavior is regulated by the normative expectations of the respective budget role, which draws attention to consistent patterns of conduct of all the distinct individuals who happen to occupy the same position. The idiosyncratic and personal differences among them are of no concern for these are most often effectively submerged under the exigencies of adhering to the more consistent and regular prescriptions of their budget role.

The unit of analysis are these decision makers, as they together form a collective. Statements are made about each of the three sets of actors, as they exhibit similar or different patterns among the fourteen different cities, as entities apart from the 169 separate decision makers. So it is not a question of the distribution of responses among the department head, the executive, and the legislature themselves, but of the distribution of responses among the cities. It is not important to know that 20 percent of councilmen answered a question X and 30 percent answered Y; but what percentage of councilmen in each city answered it in these ways. These two modes of analysis are not the same.

---

12. (continued) sification of Formal Groups," American Sociological Review, vol. XXVIII, no. 3 (June, 1963), pp. 399-410; and A. S. Tannenbaum and J. G. Bachman, "Structural versus Individual Effects," American Journal of Sociology, vol. LXIX, no. 6 (May, 1964), pp. 585-595.

The reason for such an analytical approach is that expenditure policy is the output of a collective decision making process and not the behavior of individual public officials. As Heinz Eulau and Kenneth Prewitt write of this notion: ". . . most propositions of politics are not propositions about individual actors but about collective actors-- on the sound assumption that collective units are, in fact, real /italics in original/ decision makers."[13] The budget that is approved by the municipal legislature is the result of a group decision as the members of the council make their individual spending choices, the authoritative adoption of the budget ordinance is a decision reached by the council as a collectivity. In order to account for the variation in the pattern of budget outputs, the decision making process of the council must also be measured on this group level. Individual responses cannot logically represent the collective choice process, nor are they able to explain its policy decisions.

Two levels of data and analysis exist depending upon the part of the social system to which it refers-- the individual and the group. There is the system as a whole and its lower level parts. However, they are not

---

13. Heinz Eulau and Kenneth Prewitt, Labyrinths of Democracy (Indianapolis: Bobbs Merrill Publishers, 1973), p. 35.

distinct, but interconnected, as the separate subunits come to make up the whole. The individual components fit together to form the more inclusive and higher level collective. Measurements can be taken at either of these two parts. These are integral properties of the group that exist apart from the characteristics of its members; as there are attributes of the individuals that exist independent of participation in the groups.

The difficulty inherent in these two different modes of analysis is that data gathered by interviews with individual members of the organization, are intended to describe the group as a whole. This risks the "individualistic" and compositional fallacies. Concepts that refer to collective phenomena cannot be employed to explain the behavior of individuals, as individual properties cannot be used to account for the behavior of groups. Each has to be analyzed at its own level.

However, this problem can be overcome, without arbitrarily and incorrectly mixing levels, by following certain procedures that have been previously outlined. As Allen Barton writes: "Measurements of organizational properties may be derived from basic data gathered at any level of the components of the organization."[14] The behavior

---

14. Allen Barton, Organizational Measurement: College Entrance Examination Board (Princeton: Princeton University Press, 1961), p. 2.

observed can be different from the behavior analyzed by performing some kind of mathematical manipulation. In this way the gap between the micro-collection of data and the macro-analysis of the policy making process can be partially breached. By aggregating discrete responses, a group measure is constructed. These data transformations include: statistics of central tendency (mean) or of dispersion (standard deviation). These are acceptable statistics that enable personal interview data to measure collective properties. As a result the phenomena described no longer belong to the individual himself, but to the group of which he is now only a single member. So, again the propositions and hypotheses of this study do not relate to individuals but to the three sets of department heads, executives, and legislatures in each individual city.

To assist in the formation of such collective measures, whenever possible, questions were phrased in terms of the group itself. Instead of asking each individual to describe his own activity in the budget process, he was explicitly asked to describe his own activity in the budget process, he was explicitly asked to describe the activity of the group of which he was a member. Each councilman, for example, was not asked how much influence he personally had with the executive, but how much influence the council as an institution

possessed vis-a-vis the executive. Impressionistic evidence, in a pretest and by reading the completed interviews indicate that respondents did perceive the difference in these questions. Often individuals qualified their answer with statements to the effect that: "This is what I would say for myself, but the whole council would say this."

Given the relatively small number of respondents in each institutional position within each city, this formulation of the questions also has the effect of offsetting random response error. The more independent observations are obtained, the less whatever bias is evident deleteriously affects the description of what took place. In effect, individuals are asked to be "informants" of the group process. This is important, not only for the legislature which is a natural group, but for the executive as well. In this case, there is a single individual who alone possesses the formal authority to make budget decisions. Thus it might have been acceptable to only interview the chief executive in each city and rely upon his single response to describe the second stage of the municipal budget process, but this was not done. Instead, all those administrative officials who in some way were involved in executive decision making were interviewed. However, they were not asked to describe their own activities in

budgeting, but to the best of their ability, characterize those of the executive. In this fashion, the distortion that is evident in any interview situation is hopefully balanced out, resulting in a more complete and more objective description of what took place.[15]

Statistical Analysis

Several features of the data analysis need to be presently discussed. The first is that each concept of the decision making process is measured by several separate questions. Instead of just relying upon a single question to represent the meaning of the phenomena under investigation multiple indicators are employed. The increased validity and reliability produced by this approach is demonstrated by the statistical relationship between each one of the single questions alone and the dependent variable of expenditure outputs (data not reported). Very few of the separate questions, by themselves, indicate a stronger correlation than they do together as an index. Merging them, brings forth an interactive effect that more completely represents the several dimensions of the concept. The analysis

---

15. Although the collective of department heads is an analytical construct as each department could be considered as an entity into itself, with its own distinct decision making process and separate expenditure end-products, the first stage of departmental decision making is also examined as an aggregate of the three individual department heads who were personally interviewed in each city. The analysis is on the level of the characteristic pattern of departmental decision

proceeds by first calculating the mean response of those interviewed in each city to each question. Then, the overall fourteen cities mean for that question is calculated and finally all the separate questions are merged into a grand mean that serves as the final index of the concept.

In such a technique, each question has to contribute an equal portion to the numerical value of the index; for there is no reason to believe that one particular question is more or less important than the others as a description of the concept. Consequently, transformations of the data were sometimes necessary. Since the most frequent ordering of responses is along a five point scale, all other questions, no matter what their original arrangement, had to fit within this pattern. This involved several kinds of mathematical transformations. If original responses were in the form of a percent, where the scale extends from zero to one, scores were multiplied to achieve a distribution from zero to four. If open-ended questions were coded in more or less than five categories, then the original responses were either extended by multiplication, or contracted by division to arrive at the desired five point scale. One last rearrangement of the data was achieved by reversing the direction of the

---

15. (continued) making and the differences from one city to the next and not from one department to the next.

numerical values of low to high. To avoid a response set, the phrasing of questions were mixed so that the high occurrence of any phenomena did not always correspond to a response of great extent and a low occurrence did not always correspond to a response of no extent. Therefore, to achieve uniformity, the absolute value of the scores were reversed, where an original score of four representing a low response becomes zero and a score of zero becomes four.

In describing the relationship among budget actors, responses from both sides of the interaction were collected. For example, in measuring the distribution of budget influence between the executive and the legislature, both sets of decision makers were asked the same questions, and thus executive and legislative perceptions of their interaction with each other were obtained. But when it came to the connection between the decision making process to expenditure outputs, the statistical analysis proceeds only from the perspective of the actor who is actually making the budget decision. Each actor, can only account for his own behavior, and no one else's. Only legislative responses can be utilized to account for their own behavior in reviewing executive recommendations and in adopting the final budget ordinance.

To establish the cause and effect relationship between the process of budgeting and its expenditure end

products is a difficult methodological and philosophical question. To disentangle the connection between independent and dependent variables in the social sciences is always a tentative affair. Statistical correlations are not "causes" as they are not conceptual explanations. The validity of the measures rests not on the strength of the statistic, but on the logic of the analysis offered to explain it. The interpretations placed on the strength of the correlation is subjective, and the following verbal correspondence is employed:

0.00 - 0.19 -- weak
0.20 - 0.39 -- moderate
0.40 - 0.59 -- substantial
0.60 - 0.79 -- strong
0.80 - 1.00 -- very strong

While the level of statistical significance is reported, the rejection of any hypothesis on this basis is always qualified. Empirical testing of relationships serve more to corroborate the existence of a systematic connection, than it can disprove such a linkage. There is no claim that the final answer has been presented.

Furthermore, a single, simple "mechanistic" interpretation of the budgetary process and its relationship to expenditure outputs is rejected. Many different concepts of the policy making process are employed, each representing a different approach to the way political choices are made, and in this eclectic fashion they are employed. There is no one "cause" for differences in

municipal expenditure policy that appears to be superior to any other. But all together they form an inclusive explanatory model of the municipal budget process.

Conclusion

Much of the uniformity reported in past studies of the municipal budget process is an artifact of adherence to a case study method. By focusing upon a narrative description of the decision making process, variation among cities, states, or agencies in the national government has not been identified. By failing to conceive of budgeting as the independent variable to account for variation in the dependent variable of expenditure outputs, a consistency is reported that really does not exist in the way cities go about preparing and adopting the appropriation ordinance. Through an explicit comparative research design, the differences among cities in budgetary practices as well as its consequences for expenditure outputs can be observed and established.

Chapter Three: Expenditure Outputs

Introduction

The two measures of expenditure outputs as introduced in the first chapter are the percentage change in total spending between the three decision making stages and the percentage change in total spending from one year to the next. The present chapter examines these dependent variables in more complete detail. First the justification for their use is explained. Then their actual pattern in the fourteen cities is described. Finally, the statistical interrelationship among five separate outputs is examined. The concept of "incrementalism" is discussed throughout as a description and explanation of municipal spending choices.

Criteria for Selecting the Dependent Variables

There are many ways to represent the spending decisions of government, both over time and within a single year. The present two measures are employed in the present study, because they are the most appropriate expenditure products of the municipal budget process. Particularly, they examine the percentage change in total funds, which are its significant features compared to spending choices at the national level.

Previous research provides empirical evidence that it is the percent and not the absolute per capita amount of change that is the relevant consideration in budgeting.[1]

Change

The first characteristic of the dependent variable is that it is a measure of dollars and cents change. It does not represent the total absolute amount of spending at any one year or stage. The analysis is not of why a city spends more or less than another, but why there is more or less change in funding levels in one city compared to the others. It is not logically possible to account for the total amount of per capita expenditures at any point in time by the process of budgeting during a particular year. Such a measure of municipal fiscal policy is the cumulative result of a past series of budget choices as well as more general social, economic, and political conditions, that cannot be adequately captured in the decision making process of any single fiscal year. However, examining the budget process during one "slice" in time,

---

1. As Ira Sharkansky and Augustus Turnbull write: "In both phases of the model there are weak or nonexistent relationships between the sheer size of each agency's request and the recommendations of the governor or the appropriations of the legislature . . . a fixation of budget reviewers on the increments that are sought, rather than on the size of requests which includes both new increments and the agency's base of current appropriations," in "Budget Making in Georgia and Wisconsin: A Test of a Model," Midwest Journal of Political Science, vol. 13, no. 4 (November, 1969), p. 633.

can reveal the mechanisms by which the yearly repetition of budgetary decisions results in a specific absolute level of expenditures. Studying the way decisions were made for the 1971 budget provides a partial understanding of how the direction and magnitude of annual change in spending eventually makes up the total absolute level of spending outputs.

The use of this measure of expenditure outputs is encouraged by the failure of past aggregate studies of spending patterns to successfully identify its statistical determinates and its variation among similar governments. Compared to the difference in absolute per capita levels of spending, the size of yearly change is much less adequately explained. As Ira Sharkansky writes of his study of these two questions on the level of the fifty states:

> While previous expenditures show very close relationships with the level of current expenditures, the level of previous expenditures does not show a close relationship with measures of change in expenditures. The provocations of change are not inherent in levels of previous spending.2

The factors most strongly associated with rates of change include economic, social, political, and governmental characteristics. In particular, as Sharkansky writes, it is affected by:

> . . . economic resources and needs, political conditions, tax revenues, and the presence of leaders with intense motivations and the electorate and the

---

2. Ira Sharkansky, Spending in the American States (Chicago: Rand McNally, 1968), p. 37.

> political resources to attain their goals . . . the interests of the electorate and the strength of the majority party might be salient . . . immediate and transient phenomena, including the motivations and strengths of specific individuals and organizations.3

This list of ostensibly political determinants for the direction and size of yearly change in spending should also be extended to include the way public officials go about preparing and adopting the appropriations ordinance. The inability to statistically identify the independent variables of spending change points to the increased significance of the actual budget making process as an explanation of expenditure outputs. As discussed in the first chapter, the process of budgeting has direct consequences for the spending choices made.

So, it must be kept in mind, that the present analysis seeks to explain only the variation among cities in the amount of change in spending levels as the most appropriate measure of the municipal budget process.

Total Spending

The second feature of the dependent variable of expenditure change is that it is a measure of total spending. Expenditure outputs can be demarcated into two different kinds. There is the per capita level (or change) of spending as a whole; as a single figure. Then there is the distribution of the total into its separate parts. The first measure

---

3. Ira Sharkansky, Spending in the States, pp. 37, 73, and 75.

looks at the ratio of public to private spending as all governmental expenditures are compared to the amount of economic activity in society (the GNP). The question formulated in this measure is how much of societal resources are controlled by government and how much by the individual consumer. The second measure is the division of governmental resources among alternative uses. The question raised here is what kinds of services and how much of them are supplied by government. What is the financial priority among the different programs and policy goals of government. The political questions shift from the first to the second measure from the size of government's total spending pie to the size of the various slices. The present research examines only the percent change in the level of total spending from one stage to the next or from one year to the next for several reasons.

First of all, local governments are required by law to adopt a balanced budget. The deficit spending that is the hallmark of the national government is simply prohibited at this level. As a result of this constraint the cognitive and evaluative framework of budgeting is altered from a concern for the relative priority among alternative spending programs to the amount of the total itself.[4] With this

---

4. An interesting analysis of the difference between a balanced and unbalanced budget requirement is found in William Buchanan, Public Finances in Democratic Processes (Chapel Hill: University of North Carolina Press, 1967), c.f., Chapters Seven and Eight.

requirement of equal and offsetting revenues and expenditures there exists an explicit and definite upper limit on expenditures. This serves as a predetermined figure that cannot be surpassed. All decisions on departmental allocations have to fit together to meet the amount of available resources. The total is not simply reached by adding up the individual parts, but exists prior to and independent of the separate department budgets. The first choice to be made is how much the total is going to be. After the determination of this expenditure figure, the whole is then divided up among the individual departments. Such a process does not exist when such a legal constraint is not present and for this reason the relevant measure of budgetary outputs on the local level is not how much is spent on the departments, but how much is spent by government as a whole.

The balanced budget requirement also forces a coordination between revenue and expenditure decisions that does not exist on the national level. At the same time that expenditures decisions are made so are revenues chosen. A single, integrated document that contains both input and outputs are approved together as the appropriation ordinance. Financial decisions are not serial and fragmented, but are established, so are necessary changes in local taxes approved. Tax rates and hence revenue yields are manipulated to produce additional resources in order to balance the budget.

The variability of the local revenue system in order to either support spending increases, or to retard expenditure growth is a feature of the budgetary process brought about by the balanced budget requirement.

Arnold Meltsner's research on Oakland California shows that in a forty-two year period the property tax rate remained the same from one year to the next only eleven times. Eighteen times it was lowered and thirteen times it was increased. He specifically points out how it was used as a technique to balance the budget:

> Currently the revenue subsystem uses a fixed tax rate tactic in which nonproperty tax revenue and expenditures are adjusted to the implications of the fixed rate. To balance the budget, either nonproperty tax revenue is raised or expenditures are cut. The property tax rate is held constant and is not used to balance the budget. Previously, when the tax base was more affluent and the pressures on the property tax were not as acute, the subsystem used a residual tax rate tactic. In that case, expenditures were cut to a "reasonable" level, nonproperty tax revenues were summed, and the property tax rate was set to balance the budget.5

Local property tax rates are not immutable to change, and often altered to satisfy spending preferences. So, because of the balanced budget requirement, local decision makers are compelled to consider the revenue implications of spending decisions. This does not exist on the national government and for this second reason, the most appropriate measure of municipal budget outputs is one of the changes in total spending.

---

5. Arnold Meltsner, The Politics of City Revenue, (Berkeley: University of California Press, 1971), p. 117.

A final difference in budgeting between these two levels is that on the national level expenditures are an instrument of fiscal policy. How much is spent in total is a tool of the management of the economy consciously manipulated to achieve varying rates of economic growth, unemployment and inflation. The size of the total amount of spending is taken out of the hands of the traditional participants in the budgetary system. Since there is less influence over the amount of total spending, the focus of attention shifts to the distribution of available funds into its component parts. But since this concern is not relevant for local governments, the fundamental decision for this budgetary system is how much is to be spent in total.

Consequently for these several reasons, the analysis of municipal spending outputs focuses upon the percentage change in the size of total expenditure.

Substantive Budget Outputs
Department Budget Requests

Beginning with the initial spending request of the departments in the fourteen cities (see table 3.1), a very clear pattern is evident. More funds are asked for than were received in the previous year. Departments seek to expand their funding level above currently allocated sums. The average of the total of all department requests is 20.06 percent above previous appropriations. The upward thrust of growth is almost uniform. In all but a single

TABLE 3.1

DEPARTMENT BUDGET REQUESTS

City		Percent Change
01		40.22
02		19.92
03		22.27
04		11.62
05		37.94
06		14.67
07		43.34
08		-2.64
09		28.08
10		15.69
11		4.56
12		7.63
13		22.06
14		23.04
	Mean	20.60
	St. Dev.	13.03

city, total expenditures increase at the end of the first stage of budgeting.

At the same time that expansion is evident, there is considerable variation in the absolute size of the increases asked for. The standard deviation of one half of the mean (13.03) attests to the extensive differences among the cities. The range of change in requests extends from the one city where an absolute decline of 2.65 percent is recorded, to a 43.34 percent increase in another. While there are four cities where department requests are less than 10 percent above current spending levels, there are also three cities where total requests are more than 35 percent higher than present funds.

Looking only at the direction of the change in individual department requests (see table 3.2), there is strong corroboration of the expansionary pattern of the outputs of the first budget stage. On the average, over three quarters of the separate departments in each city submit a budget of higher levels than they obtained in the previous appropriation ordinance. Except for the city where an absolute decline in spending occurred, at least 60 percent of the departments in sought increases; while in six of the cities more than 90 percent asked for more.

Clearly, departments want increases for themselves compared to what they previously received; but, exactly how much more varies greatly among the cities. Departmental budgeting provides an unmistakable thrust for growth of

TABLE 3.2

DIRECTION OF CHANGE IN INDIVIDUAL DEPARTMENT BUDGET REQUESTS

City	+ Increase %	# of Depts.	0 No Change %	# of Depts.	- Decrease %	# of Depts.
01	92.83	(13)	0.00	(0)	7.14	(1)
02	92.83	(13)	0.00	(0)	7.14	(1)
03	87.50	(14)	0.00	(0)	12.50	(2)
04	62.50	(10)	6.25	(1)	31.25	(5)
05	92.31	(12)	0.00	(0)	7.69	(1)
06	68.75	(11)	6.25	(1)	25.00	(4)
07	64.29	(9)	0.00	(0)	35.71	(5)
08	14.29	(2)	0.00	(0)	85.71	(12)
09	69.23	(9)	0.00	(0)	30.77	(4)
10	92.86	(13)	7.14	(1)	0.00	(0)
11	61.54	(8)	7.69	(1)	30.77	(4)
12	78.57	(11)	0.00	(0)	21.43	(3)
13	92.86	(13)	0.00	(0)	7.14	(1)
14	100.00	(13)	0.00	(0)		
Mean	76.46		1.95		21.59	
St. Dev.	21.63		3.10		21.41	

municipal expenditures. The outputs of the first stage of decision making represent a strong, positive impetus to municipal spending.

Executive Budget Behavior
Response to Departmental Requests

The executive's response to departmental requests for budget also displays a clear and consistent pattern of behavior, but in the opposite direction to the departments,[6] as the executive reduces initial requests for increases by an average of 7.88 percent (see table 3.3). In every one of the cities, the executive reduces the expansionary spending proposals of the departments. Even in the one city where the total of all requests was below the level of the previous year, departments were still cut. However, variation is just as much in evidence, as the standard deviation is quite close to the mean (6.45). The reductions imposed by the executive range from a minimal decrease of 0.18 percent to almost 20 percent of the amount that was initially sought. In nine cities, department budgets are lowered by less than

---

6. Previous research by Sharkansky and Fenno has labelled this measure the "success," or ability of each actor to get what he asked for. It is calculated in exactly the same way as the present research, but reported in the opposite direction. That is, these two authors write that department heads obtain 85 percent of what they requested. Currently, this same decision is characterized as a 15 percent reduction by the executive. This latter formulation is more consistent with the three stage model of budgeting. It is the executive and not the departments who make the decision and this measure is consequently more appropriately viewed as the result of the second stage. The executive's reduction in departmental requests than it is considered the success of the first stage of department budgeting.

TABLE 3.3

DIRECTION OF CHANGE IN INDIVIDUAL DEPARTMENT BUDGET REQUESTS

City		Percent Change
01		-18.26
02		-15.69
03		- 5.79
04		- 3.28
05		- 3.50
06		- 7.78
07		-19.96
08		- 0.18
09		-10.41
10		- 1.75
11		- 0.70
12		- 2.69
13		-14.08
14		- 6.32
	Mean	- 7.78
	St. Dev.	6.45

10 percent, while in the remaining five cities, they are decreased by up to 20 percent.

The direction of the executive's change in individual department requests strongly emphasizes the cutting decisions of the second stage of the budget process (table 3.4). An average of 68 percent of the separate departments experienced some reduction in their spending request. In every city, except one, at least half of all departments were cut. But even this figure underestimates the negative reaction of executives to proposals for more funds, as an average of only 10 percent of the departments are increased, and only 22 percent remained unaltered by executive decision making. In twelve of the cities, the number of departments decreased is greater than any other result; while in ten cities, the number of departments unchanged is greater than the number increased. The executive is quite unlikely to add to initial budget requests and give to the departments more than they originally sought. At best the departments can expect to minimize the size of the reduction the executive most certainly will make in their proposed budget.

As strongly as the departments serve as an impetus for the expansion of municipal spending, the executive functions as an opposing force who cuts initial requests in the course of preparing his own expenditure recommendations to the legislature.

TABLE 3.4

DIRECTION OF EXECUTIVE CHANGE IN INDIVIDUAL DEPARTMENT BUDGET REQUESTS

City	+ Increase %	# of Depts.	0 No Change %	# of Depts.	- Decrease %	# of Depts.
01	0.00	(0)	7.69	(1)	92.31	(12)
02	0.00	(0)	0.00	(0)	100.00	(14)
03	12.50	(2)	37.50	(6)	50.00	(8)
04	0.00	(0)	20.00	(3)	80.00	(12)
05	0.00	(0)	41.66	(5)	58.33	(7)
06	18.75	(3)	12.50	(2)	68.75	(11)
07	7.14	(1)	21.43	(3)	71.43	(10)
08	30.76	(4)	46.16	(6)	23.08	(3)
09	21.50	(3)	21.50	(3)	57.00	(8)
10	7.14	(1)	21.43	(3)	71.43	(10)
11	7.69	(1)	30.77	(4)	61.54	(8)
12	14.28	(2)	14.28	(2)	71.44	(10)
13	14.28	(2)	0.00	(0)	85.72	(12)
14	0.00	(0)	38.46	(5)	61.54	(8)
ean	9.57		22.38		68.04	
t. Dev.	9.27		14.35		18.42	

Executive Budget Recommendations

Although the executive cuts departmental requests for increases, he does not eliminate all growth entirely. His own recommendations to the legislature still register an increase in spending above the level of the previous appropriation ordinance. The Budget, is now 10.67 percent above what it was in the previous year. About half of the increase departments originally submitted remains at the end of the second budget stage (see table 3.5). In the thirteen cities where increases were first proposed, departments still possessed them. The cutting behavior of the executive has held down the size of increases, but has not turned around the direction of yearly change. In no city have increases become decreases as a result of executive spending decisions. Differences among the cities are great, as the standard deviation is large (8.44). In half the cities budgets grow by less than 10 percent, while the other half expands by more than 10 percent, up to a spending increased of a full one third.

This pattern of annual budget growth in executive recommendations is corroborated by the measure of the direction of change in individual department spending totals. An average of over 70 percent of the separate departments in each city obtain increases in the budget submitted by the executive to the city council (see table 3.6). This is only percent less than the number of departments that first

TABLE 3.5

EXECUTIVE BUDGET RECOMMENDATIONS

City	Percent Change
01	14.62
02	1.13
03	15.18
04	7.96
05	33.07
06	5.75
07	14.73
08	- 2.81
09	14.74
10	13.67
11	3.82
12	7.42
13	4.88
14	15.26
Mean	10.67
St. Dev.	8.44

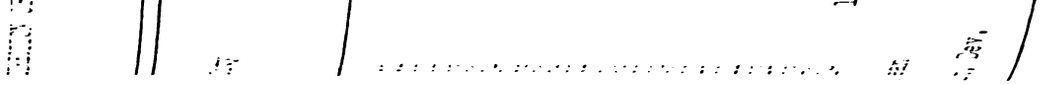

TABLE 3.6

OF CHANGE IN EXECUTIVE RECOMMENDATIONS
FOR INDIVIDUAL DEPARTMENTS

+ Increase		0 No Change		- Decrease	
%	# of Depts.	%	# of Depts.	%	# of Depts.
85.72	(12)	0.00	(0)	14.28	(2)
71.43	(10)	0.00	(0)	28.57	(4)
81.25	(13)	0.00	(0)	18.75	(3)
62.50	(10)	6.25	(1)	31.25	(5)
92.31	(12)	0.00	(0)	7.69	(1)
56.25	(9)	0.00	(0)	43.75	(7)
57.14	(8)	0.00	(0)	42.86	(6)
21.43	(3)	0.00	(0)	78.57	(11)
71.43	(1)	0.00	(0)	28.57	(4)
85.72	(12)	7.14	(1)	7.14	(1)
61.54	(8)	7.69	(1)	30.77	(4)
71.43	(10)	7.14	(1)	21.43	(3)
71.43	(10)	0.00	(0)	28.57	(4)
100.00	(13)	0.00	(0)	0.00	(0)
70.68		2.02		27.30	
18.63		0.93		25.40	

an increase and it is only by this small number
executive has denied all growth in expenditures to
nts.

is clear that the executive's budget cutting knife
hat sharp and deep that budget growth is entirely
. Instead, the review of departmental requests
and limits expansion. Spending is allowed to
but at a slower rate than the departments first
As a result of executive action expenditure levels
d of the second stage of municipal budgeting are
istent with the level of the previous year than
t heads would like. As Allen Schick describes the
e position of the governor in state budgeting, he

. the chief gatekeeper of state budgeting. In
role, he directs the pace of spending increase
program expansion by deciding which of the
rams proposed by the agencies, or by his own
ce shall be included in the budget.7

Legislative Budget Behavior
ponse to Executive Recommendations

he executive opposes the departments requests for
the legislature similarly reacts negatively to
tive's own expansionary recommendations. On the
the city council reduces the budget they receive
by 1.36 percent (see table 3.7). As small as

---

llen Schick, Budget Innovation in the States
n, D. C.: The Brookings Institute, 1971),
9.

TABLE 3.7

LEGISLATIVE CHANGE
N EXECUTIVE BUDGET RECOMMENDATION

City	Percent Change
01	2.30
02	-3.10
03	-0.61
04	-3.92
05	0
06	+1.03
07	-0.01
08	0
09	-0.64
10	0
11	-6.29
12	-0.25
13	-6.62
14	1.11
Mean	-1.36
St. Dev.	2.55

re first appears to be, it hides just as much as
s about the third stage of the municipal budget
The action of the legislature is much more varied
x, and in the end more significant than the ex-
ore extensive reductions in department requests.
three distinct patterns of expenditure outputs,
islature either increases, decreases, or leave
the executive's budget.
ost common decision taken, in eight cities, is to
lget. This comes out to an average of 2.68 percent,
m a decrease of 0.01 percent to 6.26 percent.
r hand, three city councils add to spending totals,
ge of 1.48 percent (1.03 percent, 1.11 percent, and
t). Then, there are three cities where no alter-
ll are made by the legislature in the executive's
ions.[8] Finally, the average absolute amount of
t is, disregarding its direction, is 1.85 percent.
ried outputs of legislative decision making is
the measure of the direction of change in individual
udgets (see table 3.8). An average of 22 percent
rtments are increased in each city, 51 percent
ed, and 27 percent are reduced. In six cities,
f departments increased is greater than the number

---

absence of legislative change would also come
h internal rearrangement of department expendi-
t altering the amount of the total. While
ssible, in the present fourteen cities this is
. Here the legislature makes no changes in total

TABLE 3.8

TION OF LEGISLATIVE CHANGE IN INDIVIDUAL
ARTMENTS IN EXECUTIVE RECOMMENDATIONS

+ Increase		0 No Change		- Decrease	
%	# of Depts.	%	# of Depts.	%	# of Depts.
53.84	(7)	0.00	(0)	46.16	(6)
0.00	(0)	92.86	(13)	7.14	(1)
18.75	(3)	50.00	(8)	31.25	(5)
20.00	(3)	13.33	(2)	66.66	(10)
0.00	(0)	100.00	(12)	0.00	(0)
68.75	(11)	18.75	(3)	12.50	(2)
28.57	(4)	57.14	(8)	14.29	(2)
0.00	(0)	100.00	(13)	0.00	(0)
35.71	(5)	50.00	(7)	14.29	(2)
0.00	(0)	100.00	(14)	0.00	(0)
0.00	(0)	46.15	(6)	53.85	(7)
50.00	(7)	21.43	(3)	28.57	(4)
7.69	(1)	7.69	(1)	84.62	(11)
23.08	(3)	61.54	(8)	15.38	(2)
21.89		51.65		26.66	
51.35		43.46		34.21	

ed; while in five cities, the reverse pattern occurs. three other cities no change is made. On the other nine cities the number of departments unaltered is than the number either increased or decreased. The e budget is just as likely to be increased by the ure, as it is to be decreased. But at the same time, st as likely to be finally approved exactly as it osed, as it is to be modified.

pared to the uniformity of the executive's reductions tmental requests, what constituted low of high amounts e does not so simply exist. Previously, there was no at a 5 percent cut is less than a 10 percent reduction. he present case, it is uncertain where a 2 percent n stands in relation to a 2 percent addition. There herent reason to suggest that an increase represents ivity on the part of the city council than does a . And the position of no change is also uncertain; stand for the complete absence of activity, or only nt between additions and subtractions to expenditure

sequently the arrangement of the direction and mag- f change in the executive's budget does not lie in rical value itself, but in the concept underlying the

---

(continued) expenditure levels recommended by the e because they make no modifications at all, ac- t exactly as submitted.

measurement of legislative decision making. Thus three different rankings are identified. The first is where the direction of change is ignored, and only the absolute size of modification in spending totals forms the basis for the scale of low to high. Since it cannot be determined whether increases or decreases are more or less of a change, they are logically equivalent and only the absolute size is important in assessing the legislature's decisions on executive recommendations. On the other hand, taking into consideration its direction, either increases or decreases can be viewed as either low or high amounts of change. Actually they are the same, being only mirror images of each other; but for the sake of clarity and emphasis, they are considered as two different patterns of legislative decision making.

Legislative Budget Appropriations

The last measure of municipal expenditure outputs is the final appropriations ordinance and how much it changes from the previous year. The legislature, on the whole, occupies a position similar to the executive. For while the budget is reduced, the expenditure end-product still increases. The average growth of the budget in the fourteen cities is 9.38 percent (see table 3.9), as 68 percent of the individual departments obtain increases (see table 3.10). The legislature allows spending levels to expand, but at a slower rate than either the executive recommends, or the

TABLE 3.9

LEGISLATIVE APPROPRIATIONS

City	Percent Change
01	17.25
02	- 2.01
03	14.48
04	3.73
05	33.07
06	6.85
07	14.72
08	- 2.81
09	14.01
10	13.67
11	- 2.71
12	6.66
13	- 2.07
14	16.54
Mean	9.38
St. Dev.	9.89

TABLE 3.10

DIRECTION OF CHANGE IN INDIVIDUAL DEPARTMENTS IN LEGISLATIVE APPROPRIATIONS

City	+ Increase %	# of Depts.	0 No Change %	# of Depts.	- Decrease %	# of Depts.
01	92.86	(13)	0.00	(0)	7.14	(1)
02	64.29	(9)	0.00	(0)	35.71	(5)
03	87.50	(14)	0.00	(0)	12.50	(2)
04	68.75	(11)	0.00	(0)	31.25	(5)
05	92.31	(12)	0.00	(0)	7.69	(1)
06	56.25	(9)	0.00	(0)	43.75	(7)
07	57.14	(8)	0.00	(0)	42.86	(6)
08	21.43	(3)	0.00	(0)	78.57	(11)
09	78.57	(11)	0.00	(0)	21.43	(3)
10	85.72	(12)	7.14	(1)	7.14	(1)
11	46.15	(6)	7.70	(1)	46.15	(6)
12	71.43	(10)	0.00	(0)	28.57	(4)
13	28.57	(4)	0.00	(0)	71.43	(10)
14	100.00	(13)	0.00	(0)	0.00	(0)
Mean	67.99		1.00		31.01	
St. Dev.	21.40		0.12		26.50	

ts initially request. This pattern of decision
consistent with the description Richard Fenno
the expenditure outputs of the House Appro-
Committee, which:

> . . grants a great majority of agency requests for dollar and cents increase over the previous appro- iation. But, of the increases granted, the erwhelming number are for less than the agency quested . . . The modal pattern is for an agency request an increase and for the Committee to ant it a smaller increase than requested. The mmittee thereby cuts the budget but permits a nservative growth.9

wever, a closer examination of the distribution of
ve action, reveals a standard deviation (9.89) which
me as the mean, which suggests that legislative
making is more varied than this initial inter-
would lead us to believe. There are, in fact,
ies where, as a result of legislative decisions,
budget is below the level of the previous year.
particular cities final appropriations decline by
e of -2.26 percent. Here, executive recommendations
ases are cut so deeply that the result is an ab-
op in appropriations. Even though the amount of
sed by the legislature is not great and the magni-
he decrease is not large, the impact of legislative
making is significant and should not be minimized.

Richard Fenno, The Power of the Purse (Boston: rown and Company, 1966), pp. 356-357.

In these cases they have not slowed the rate of growth, as did the executive, and as other city councils have done. Instead, they eliminated all growth entirely, completely turning around the outputs of both the first and second stages of the municipal budget process, the city council has placed to other budget actors. By disaggregating the outputs of the last stage, it is evident that municipal legislatures play a far more crucial part in budgeting than is first indicated by the average response of all fourteen cities as other researchers would let us believe.[10]

Incrementalism

The concept of incrementalism has an inclusive presence in the literature of public policy making. It purports to account for both the process of decision making, examined

---

10. The comparability of results from the present fourteen cities to previous studies on the state and national level is strong. Ira Sharkansky's study of nineteen states reports the following budget outputs: departments request an average 24 percent increase, ranging from a 15 percent to a 33 percent expansion, executive reductions average 14 percent and extend from a 4 percent to a 31 percent cut. The legislature reduces the budget by an average of 2 percent (from between a decrease of 8 percent to an increase of 19 percent). Legislators in six states cut the budget, eleven states increase it and two states leave it unchanged, as the absolute change is 5.6 percent. Final appropriations then increase by 13 percent from 1 percent to 39 percent.

Richard Fenno's study provides a comparability to the descriptive measure of the direction of individual department change. Here 81 percent of the department heads submit requests for more than they currently receive, 16 percent submit requests for less than they currently receive and 3 percent submit requests for the same. The legislature cuts 74 percent, adds to 8 percent, and leaves unchanged 18 percent, as final appropriations increase in 69 percent of the cases, declines in 27 percent and remains the same in 4 percent.

in Chapter Nine, as well as its specific end products. In this latter regard it offers a description of the size of change in expenditure levels and an interpretation of the interrelationship among the outputs of the different stages.[11] Each of these are now examined.

Absolute Size of Change

As a description of different size change in expenditure levels, either from one stage to the next or from one year to the next, the concept of incrementalism purportedly provides a standard to differentiate between a small and a large amount of change. As David Braybrooke and Charles Lindblom write: ". . . a small or incremental change is one that, within some short time period, such as five years, is small or incremental, regardless of the indefinite future."[12]

---

11. The concept of incrementalism has a still third meaning and this is the relationship of spending levels in one year to spending levels in another. The research of Ira Sharkansky in Spending in the American States clearly demonstrates the prominence of prior expenditures in the determination of current spending. By means of both correlation and regression statistics, the dominant influence of the past upon the present is established. The research of Otto Davis, M. A. Dempster, and Aaron Wildavsky, "A Theory of the Budgetary Process," American Political Science Review, vol. LXVI, no. 4 (December, 1966), pp. 529-547, also points to a similar set of relationships: The executive's recommendations are a function of the previous year's appropriations; and then Congressional action is a function of what is proposed to them. Since the present research examines only a single year slice of time, and is not concerned with the stability and recurrence of expenditure patterns, but the amount of change within any one year, this component of the concept of incremental decision making does not concern us.

12. David Braybrooke and Charles Lindblom, A Strategy of Decision: Policy Evaluation as a Social Process (New York: The Free Press, 1963), p. 64.

this operationalization of the concept does not very far. To define a "small or incremental change" at is "small or incremental" does little to elaborate ng or to provide a precise quantity to distinguish ifferent kinds of change in public policy outputs. ver, Richard Fenno, in his study of Congress, attempts y this ambiguity, by establishing specific dollar the criteria of incremental change for the two of expenditures employed in the present study. In of a change in spending from one stage to the next, nt figure is posited as the benchmark:

> dominant pattern is not a wholesale slashing of cy budgets. Most committee reductions (and in- ses) in budget estimates are marginal ones, ing between an increase of 5 percent and a de- se of 5 percent in budget estimates.13

of the difference in spending levels from one year xt, a 10 percent is then proposed as the standard:

> year-to-year expansion of the agencies is kept inal by the Committee's action. A majority of the ittee's decisions (53 percent) involve no more than percent change over the previous year's appro- tion. If one takes changes of 20 percent as the ff point, three-quarters of all the cases are uded. At each 10 percent interval the number of s drops, until a few extreme examples of growth etardation remain at either end of the scale.14

though these two amounts were originally formulated e the spending decisions of Congressional committees,

---

Richard Fenno, Power of the Purse, p. 353.

Richard Fenno, Power of the Purse, p. 355.

describe the various expenditure outputs of muni-
geting. The mean of total department requests
nt) falls on the outer boundary of incremental
ange while the increase recommended by the executive
nt) and the final expansion of legislative appro-
(9 percent) are clearly consistent with this
ization of marginal change in expenditure levels.
reduction by the executive (8 percent) and the cut
gislature (2 percent) also generally corroborates
mental pattern of change from one stage to the next.
ite the strong similarity in municipal expenditure
o the dollar values, the concept of incremental
policy still leaves much to be desired as a descrip-
ifferent amounts of change in expenditure outputs.
n the statistical regularity of the size of de-
ade, there is no a priori reason for selecting
numerical values from any others as the appro-
viding line between a small and a large change.
ures of 5 and 10 percent do not derive from the
the concept itself, but simply from the empirical
ion of actual expenditure outputs. Furthermore,
ute value of this criterion is not invariant, but
does the specific content of the decision. Thus
difference in what constitutes an incremental
m the 5 percent figure for within year change and
cent figure for between year change; but why such
ce is not explained and most importantly does not

from the concept itself.

Finally, the attempt to define the scope of policy into mutually exclusive and jointly exhaustive cate- not only seems difficult to achieve, but draws ion away from the more valuable and fruitful direct ison of variation in the quantities of change in out- Instead of classifying a 5, 10, or 20 percent as il or extensive, the size of expenditure outputs can ved as a continuous distribution from small to large. any set of observations a continuum of different amounts ding outputs exists as the dependent variable. Whether ifferences are incremental or not is beside the point, as variation is present. The analysis of the pre- ection demonstrates that such differences are indeed . It is this variation that is sought to be explained association with the budget making process.

Expenditure Interrelationships

A second meaning to the concept of incrementalism pro- description of the statistical connection among the ture outputs of each decision making stage. Accor- the amount of existing spending is the base of g which escapes the annual budget. Decision makers rate only upon the change-- the increment of new funds above current spending levels. As Aaron Wildavsky says:

> Budgeting is incremental, not comprehensive. The beginning of wisdom about an agency budget is that it is almost never actively reviewed as a whole every year in the sense of reconsidering the value of all existing programs as compared to all possible

alternatives. Instead, it is based on last year's budget with special attention given to a narrow range of increases or decreases. Thus the men who make the budget are concerned with relatively small increments to an existing base. Their attention is focused on a small number of items over which the budgetary battle is fought.15

dget reviewers are presumed to be motivated to reduce
e of yearly increase; to minimize deviations from
e and to maintain stability in expenditure levels.
Consequently, two deductive relationships emerge.
that the more of an increase-- a change from the
is proposed, the more it is cut. The size of the
nt sought provides the stimulus for the negative
e of others. Between year increases is associated
thin year reductions. Then, since such cuts are
d to hold down the rate of growth, the more the
is cut, the less it increases. The size of yearly
es is the end product of the size of cuts imposed.
year cuts are connected with between year increases.
these hypotheses are examined in turn.

Within Year Change
tive Reductions in Departmental Requests

Strong support is evident that the negative budget
behavior of the executive is an incremental reaction
size of initial department requests for increases
+ 0.001). The more departments ask for above what

15. Aaron Wildavsky, Politics of the Budgetary Process
: Little, Brown and Company, 1964), p. 15.

eceived in the previous year, the more their budgets
duced. The executive strives to minimize alterations
ne base of current spending. As Ira Sharkansky and
us Turnbull write of their study of Georgia and Wis-
: ". . . those agencies which seek the largest increments
uffer the greatest cuts below their requests, while
requesting little or no increments above their base
uffer little or no cuts below their requests."[16]
: also the pattern of total department expenditures.
However strongly the correlation demonstrates the pres-
an incremental evaluation of department requests by
cutive, it also indicates that the departments,
size of their initial request for increases, have a
ffect upon the pattern of subsequent executive de-
. Much of executive action now appears to be a direct,
an automatic response to the initiatives of the de-
ts. It is not an independent evaluation of those
s by itself. This is crucial, for other researchers
t interpreted a similar statistical association in
shion. Instead they have considered the executive's
ve reductions in department requests as a measure of
inance over spending outputs. But, perhaps, it would
appropriately viewed differently. That it is the

---

6. Ira Sharkansky and Augustus G. Turnbull, "Budget
in Georgia and Wisconsin: A Test of a Model," Midwest
of Political Science, vol. XIII, no. 14 (November,
p. 633.

tes that the larger the cuts imposed in initial
ment requests for increases, the more the executive's
dget recommendations still expand.

his seemingly contradictory relationship does not
arily demonstrate that incremental budget evaluation
followed, just that it fails to achieve its ob-
e. Executive cuts in department requests do not
l in restraining the expansionary thrust of initial
ts. This is explained by the strong association
' + 0.005) between initial requests and subsequent
endations. The more departments first ask for, the
ey obtain at the end of the second decision making
This is quite significant, for it indicates that
the larger cuts that are connected with these same
onary requests, the result of executive budgeting
l to recommend increases to the legislature in
where departments originally sought them. It seems
matter how much they are cut, it is only by asking
wth, that departments are able to obtain it. The
e size of the increases obtained is less, but the
ical correspondence between how much more money is
or and how much more money is received is not dis-
by executive budgeting. As Ira Sharkansky and
s Turnbull write in explaining a similar finding
ividual departments in the two states they studied:

is only by requesting growth that an agency will
ceive an increase in its budget, even though the
creases received is cut below its initial request.

nts who influence the budget behavior of the ex-
is the more accurate view. The output of the
tage of budgeting appears to be more determined by
rtments formulation of expansionary requests in the
ace, than it is affected by the cutting of the ex-
within the second review stage.

ative Cuts in Executive Recommendations

pattern of incremental decision making, however,
peated in the legislatures review of the executive's
mendation for increases. Instead of a simple nega-
onse, as reported by other research,[17] it appears
municipal legislature goes along with the direction
ng expansion established by the executive (-0.3702
The more of an increase the executive recommends,
the legislature cuts and the more it adds to spending
Conversely, legislature cuts the budget. The size
ive budget growth sets the tone that is followed
sized in the third stage of decision making. There
etry and consistency in budget behavior of the ex-
nd the legislature as the executive provides the
subsequent decisions. If the executive submits a
udget with a comparatively small percentage increase
this is taken as a signal that money is not available,
ng the legislature to then make large cuts. On the

Ira Sharkansky and Augustus G. Turnbull, "Budget
Georgia and Wisconsin," p. 633.

ıd, if the executive recommends an "expansive"
ıth relatively high rates of growth, the legis-
ımilarly takes this as a signal that additional
are plentiful and proceeds to cut the budget less
ştill further spending increases on top of what
ıtive has already proposed.
ɔossible explanation for this pattern, and the ab-
an incremental routine is that the legislature is
ıte to the decisions of the executive (see Chapters
ɔugh Eight). They do not make an independent
of spending choices but instead rely upon the
, and follow his lead in their own budget review.
ıarkansky writes of such a system on the level of
ernments:

> findings of greater importance for the governor's
> ommendation (rather than the agency's request) in
> legislature's decisions indicates the legislature's
> endence on the governor's budget cues . . . State
> islators have a desperate need for cues that will
> de their budget performance and the governor's re-
> mendation is usually the best cue available.18

lature does not respond negatively to recommended
because most of the budget cutting decisions had
een made. That is, the executive by this time has
ıe expansionary requests of departments to more re-
levels, so there is little left for the legislature

Ira Sharkansky, "Agency Requests, Gubernatorial
d Budget Success in State Legislators," American
Science Review, vol. LXIX, no. 4 (December, 1968),

do. Relying on the executive to do most of the
ting, the decisions of the legislature are dependent upon
vious executive spending choices. All that remains for
n is to modify, along the margins and in the same direction
the change set forth in the executive's recommendation.
this is the case then it is expected that the more the
cutive reduces department requests, the less the legis-
ure reduces executive recommendations. But this is not
roborated by the data (-0.0681). The expenditure decisions
the legislature take place independently of those of the
cutive. Executive reductions in initial requests are not
ubstitute for the legislature's own review. The city
ncil is not constrained in acting as a result of previous
enditure spending choices, responding not to the process
executive decision making, but to its end products; the
get submitted to them for review. The municipal legis-
re compared to the executive does not appear to follow
emental evaluation rules.

Yearly Changes
Executive Budget Recommendations

The second statistical relationship suggested by the
emental model of decision making is between the cuts made
ng the three stages of budget review and the size of
y growth. Very simply, the more the budget is reduced,
ess it expands from one year to the next. However, in
of executive recommendations this relationship is not
. In fact, a moderate positive correlation (0.2396)

> Presumably, the agencies that request the greatest increments will receive the largest percentage growth over their current budget, while agencies requesting little or no increment will receive little or no growth in their budget.19

Departments do not get something for nothing and to lude otherwise is a fundamental misunderstanding of budget process. Thus it is an error for department s to calculate, in terms of the executive, as Rufus ning writes that, ". . . if you ask for a small amount, legislature is likely to give you something, but if ask for a large amount, the legislature might cut it away . . ."[20] Or as Otto Davis, M. A. Dempster, and n Wildavsky write: ". . . if they ask for amounts much ger than the appropriating bodies believe reasonable, the ncies' credibility will suffer a drastic decline. In circumstances, the reviewing organs are likely to deeply, with the result that the agency gets much less it might have with a more moderate request."[21] If such ctations are followed, little growth will follow.

But even more importantly, this relationship questions interpretation of the executive as the dominant budget r, whose policies determine the department totals. It

---

19. Ira Sharkansky and Augustus G. Turnbull, "Budget ng in Georgia and Wisconsin," p. 634.

20. Rufus Browning, "Innovative and Non-Innovative sion Process in Governmental Budgeting," in Ira Sharky, Policy Analysis in Political Science (Chicago: ham, 1970), p. 325.

21. Otto Davis, M. A. Dempster, and Aaron Wildavsky, ory of the Budgetary Process," p. 530.

appear otherwise. It is the departments themselves, size of their initial request for increases, who he largest part in determining executive budget ions. As executive reductions in requests are only a ction of how much more is sought, executive recom- tions to the legislature for expansion are similarly a statistical determinant of initial department bud-

Instead it appears that it is the departments elves who determine their own expenditures by the ases they first request. As Allen Schick writes:

> The agencies control the pressure gauge of state spending. By increasing their pressure, the agencies can compel the Governor to open the gate wide to new programs.22

tive decisions do not alter in any appreciable way attern of yearly spending growth first established e departments. The executive does not break out of tructure of the relationship created by the departments elves.

Legislative Appropriations

Examining this same incremental relationship in terms gislative reductions in executive recommendations and nount the final appropriation ordinance increases re- the strong presence of such a model of budgeting. The he legislature reduces the budget they receive for

---

2. Allen Schick, Budget Innovation, p. 179.

rder, the le
this year; or
dget and the
crease over
ory.

Although
f the final
must alter
ncy's bud
n then, the
his very str
these corresp
ial stages
ry strong c
quests and
he more depa
owth in th
llustrated by
f increases
atistical c
s only by a
ncreases.

The dec
udget proce
does not mea
tems is not

view, the less appropriations increase over the pre-
ous year; or conversely, the less they cut the executive's
dget and the more they add to it, the more spending levels
crease over the preceding year (plus or minus 0.6002 +
025).

Although such cuts do hold down the rate of expansion
the final appropriation they do not in any appreciable
nner alter the pattern of growth set forth by the ex-
utive's budget. The more of an increase is recommended
them, the more of an increase is approved (0.9571 + 0.001).
s very strong relationship demonstrates the almost com-
ete correspondence between the outputs of the second and
rd stages of the budget process. Furthermore, this same
y strong connection is evident between initial department
uests and final legislative appropriations (0.8374 + 0.001).
more departments initially request, the more they wind
with in the end. It seems that no matter how much is
minated by the executive and the legislature, the size
increases first requested is the single most important
tistical determinant of final expenditure outputs. It
nly by asking for more than departments obtain such
eases.

The decisions of the second and third stages of the
et process do not alter this pattern. However, this
not mean that the expansionary thrust of the depart-
s is not contained. It must not be forgotten that in

ree of the cities the municipal legislature passes an
propriation ordinance below the level of the previous
ar. So even though a statistical relationship still
lds, in these cities it is no longer increases in ex-
nditures that are being written about, but decreases.
it would not be justified to conclude from this analysis
at the legislature is unimportant, because of the close
nnection between final appropriations and previous ex-
utive recommendations and initial department requests,
st that the departments are more significant than others
e portrayed them.

Conclusion

The two dependent variables of the expenditure outputs
the municipal budget process are the percent change in
al expenditures from one decision making stage to the
t, and then from one year to the next. For several
sons this measure is considered the most appropriate out-
of the municipal budget process as compared to the
ional government. The specific substantive findings
be summarized:

stantive Patterns

Department heads request increases.
The executive reduces initial requests but still
ommends to the legislature a budget higher than the
vious year.
The legislature reduces the executive recommendation
, also still winds up with an appropriation ordinance
ve the base of current spending.
However, in three cities the legislature cuts the
get they receive for review so deeply, that expen-
re levels decline below the budget ordinance of the
vious year.

atistical Relationships

The more department heads ask for the more they are cut the executive.

The more department heads request, the more the executive commends for them to the legislature.

Executive cuts do not bring about a decrease in the ount of expansion submitted to the legislature. The ex- utive fails to contain the positive thrust of departmental ending.

The more the executive recommends to the legislature, e more the budget is cut; and the more is added to spending tals. The city council follows the lead of annual spending ange established by the executive and the departments.

The more is either requested by the department or recom- nded by the executive the more is finally approved by the gislature.

Departmental requests are the single most important atistical determinant of subsequent expenditure decisions.

apter Four: Budget Roles

Introduction

The concept of a social role has long been the subject inquiry by social scientists, and while no contribution currently made to its theoretical status, the specific bstantive roles occupied by the department heads, the ex- utive and the legislature are examined as the first component the municipal budget system. Thus, the normative expecta- ons of behavior and attitudes that are attached to positions thin the organizational arrangement of government are ghlighted as the first explanation of expenditure outputs. existence of these roles constitute a proscriptive guide appropriate and inappropriate actions and decisions, and the extent they are clearly defined, agreed upon and ad- ed to, roles provide a regularity to the interactions ng participants in the decision making system.

The actual budget roles of the three sets of municipal get makers closely follow from the formal responsibilities each actor, as well as being suggested by the observed enditure outputs of each stage. The departments initiate sequence of decisions by their requests and provide the

source for program and spending expansion. Thus they characterized as the "spenders." The executive is ged with the responsibility of preparing a comprehensive integrated budget. He is portrayed as the "economizer" e opposes the expansionary thrust of departments and mmends to the legislature spending increases that are consistent with the level of the previous year. Finally, legislature possesses the legal right to review executive mmendations pursuant to adopting the authoritative opriations ordinance. They modify executive spending sions, by either increasing or decreasing spending ds and are characterized by their traditional role of rsight of administration."

The analysis of the present chapter not only attempts xplain more fully the meaning of these roles and to ure their presence on the level of municipal government; o examine the exact relationship between adherence to normative orientations and concrete budget behavior. at extent do such roles directly translate into ex- ture choices made in each stage?

Department Budget Role

As departments prepare the initial set of expenditure es and submit requests for more funds than they re- d in the previous year, they are portrayed as the ders" of the municipal budget system. John Crecine that the objective of department heads ". . . is

btain the largest possible amount of funds for his rtments and his purposes."[1] Thomas Anton concludes , ". . . very few responsible agency administrators be likely to request less /italics in original/ money is currently available to them."[2] Jesse Burkhead adds his common characterization of the budget role of de- ments that, ". . . administrators have a tendency to be rialistic, that government officials have an inborn desire pend more of the taxpayers' money, to hire more people, uild more buildings."[3] Similar perceptions of the part ed by departments are held by those interviewed in the ent study: "Department heads always ask for increases-- personnel and more equipment. Always growth . . . They empire builders. Each one wants as much as he can possibly o run his department . . . Some department heads put thing they can think of in their budgets. They 'go he moon,' it's standard operating procedures." Two interpretations for the existence of this expan- ry role are evident. One is that the department head e advocate of the policy goals of his own particular rmance area. The second is that the department head

---

1. John P. Crecine, Governmental Problem Solving: A ter Simulation of Municipal Budgeting (Chicago: Rand ly, 1969), p. 50.

2. Thomas J. Anton, "Roles and Symbols in the Deter- on of State Expenditures," Midwest Journal of Political e, vol. XI, no. 1 (February, 1967), p. 28.

3. Jesse Burkhead, Governmental Budgeting (New York: iley and Sons, Inc., 1956), p. 249.

he padder by asking for more than is needed and more than xpects to receive. Each of these is examined in turn as xplanation for the size of expenditure increases sought.

Departmental Advocacy

The first explanation for the department's spending stems from possession of an advocacy orientation. The ence of such a role derives from the makeup of cipal government as an organization. What is commonly ght of as a single administrative branch is actually osed of many separate sub-units that come together to the organization as a whole. Each of the departments has own goals, its own values, and its own interests, as they ide different and often conflicting services to the unity. It is only natural that each department desires xpand the scope of its activities, to extend the boundaries s jurisdiction, and to improve its financial position n the organization. Consequently, as chief operating er, the individual department head assumes the position fender and promoter of his own particular program and y objectives.

Furthermore, department heads consider themselves and ooked upon by others as "professionals," as experts in fields. As such, they are in the best position to set the of needs and wants for their department. They articulate goals and future programs as their professional norms them to high aspirations and establish a record of ishments. As Arnold Meltsner quotes a department

in Oakland: "I am a professional; no one, not even the
ger, can understand this job unless he sits here; I
our needs, and I would not be doing my job unless I
essed them."[4] This view is echoed many times by depart-
heads in the present study: "I establish the goals and
objectives of the city's response to the needs of the
unity as they relate to the activities within the realm
y department . . . I'm professionally trained and it is
luty to make requests that are what I feel is needed."
view of the department's role is held by other budgeters
ell: "Department heads are specialists and experts in
r fields. They have more knowledge of their needs and
their requests indicate the financial resources to
y out their duties and responsibilities assigned to
as they see it . . . Their job is to push as hard as
can for their programs. A department head is not
g his job if he doesn't take the perspective of his
rams of being of principal importance."
Their institutional position and their own values
ne to establish a genuine commitment to the policy goals
eir department. They believe in the importance of what
are doing and lay claim to the significance of their
ty . . . as a service to the community. The best way
epartment heads can fulfill the expectations of this

. Arnold J. Meltsner, The Politics of City Revenue
ley: University of California Press, 1971), p. 170.

ocacy role is to develop budget requests that call for
her an expansion of existing programs, or funds for new
different ones. They assume an assertive and aggressive
ture in promoting the financial position of their
artment.

Rufus Browning provides a vivid example of this advocacy
at work, as he describes two departments in the state of
onsin. During the time the Welfare Department increased
appropriations ten times and triples its employees, the
r Department only doubled its expenditures and actually
personnel. This difference in budget outputs lies
he "innovative and non-innovative" character of the two
rtments and, in particular, their goal aspirations.
Welfare Department is explicitly future oriented.
onsibilities are purposive, ". . . not just administering
laws-- it is promoting a program."[5] There is an orienta-
to the future, of defining problems to be solved, of
ctives to be reached and of achieving some desires
al end. But certainly this ia an open-ended commitment,
he "welfare" of the public is subjectively perceived
ocially defined. In a very real sense, it can never
tisfied. New and different, innovative programs can
s be devised to more completely attain this goal. In

---

5. Rufus P. Browning, "Innovative and Non-Innovative
ion Process in Governmental Budgeting," in Ira Sharkansky,
y Analysis in Political Science (Chicago: Markham, 1970),
8.

n, the department submits expansionary budget requests
support of their programmatic commitment. The Labor
rtment, on the other hand, does not exhibit this ad-
cy orientation. Responsibilities are defined more
owly. They are less assertive and non-innovative in
loping programs in support of their policy objectives.
equently, their appropriations have remained more sta-
ary.

Then, the first interpretation offered of the de-
ments spending role, and the preparation of expansionary
ests, is their advocacy of the goals of their service-
ormance area.

Analysis

The first question asked to measure adherence to an
cate-spender role is agreement with the statement that:
rtment heads do not request a smaller budget than they
urrently receiving.(see table 4.1)." This is a basic
nent of an expansive orientation and the belief that
ional funds are needed to more adequately and effectively
out their responsibilities. To some extent department
interviewed in the different cities acknowledge that
assume the part of promoting their department's activ-
by seeking larger appropriations from one year to
ext.

Then an evaluation was asked of the: "Amount of funds
.ty spends on your particular area." Responses to this
on range from an acceptance-satisfaction with current

TABLE 4.1

DEPARTMENT HEAD BUDGET ROLE AS AN ADVOCATE

Ask For More	$ Evaluation	Fed. & St. Money	Importance Evaluation	Mean Total
2.33	3.00	2.66	3.33	2.84
2.00	3.00	2.33	3.00	2.58
2.00	3.66	3.00	4.00	3.17
1.50	3.50	2.00	3.50	2.62
1.50	3.66	2.33	4.00	2.88
1.66	2.66	2.00	3.33	2.42
3.33	3.00	1.00	3.00	2.58
1.66	4.00	1.66	2.66	2.50
1.33	3.66	1.66	3.66	2.58
3.50	2.33	1.33	3.33	2.87
2.66	2.33	0.00	3.00	2.00
3.50	3.50	3.50	3.00	3.38
2.50	2.00	2.50	3.00	2.50
1.33	3.33	1.66	2.33	2.17
2.20	3.12	1.97	3.22	2.65
Dev. 0.79	0.58	0.87	0.45	0.35

expenditure levels

The mean res

the dominant percep

negative evaluation

high goal aspiratio

programs. The more

the constrain

achieve their goal

The third que

based on departme

item "The importa

department." Resp

department program

community to a hig

writes of th

> . . . budget
> organization
> publicly ava
> smaller budg
> that the job
> ficiently im
> state resour

surprisingly,

attach grea

vital importa

---

6. Thomas
Journal, p. 28.

levels to a rejection-dissatisfaction with
mean response of "just barely enough" reveals
t perception of inadequate resources. This
aluation is expected when departments possess
spirations and seek to implement new and costly
The more they want to accomplish, the more they
nstraint of insufficient financial support to
ir goals.

ird question adds an assessment of the value
epartmental activities as a service to the commu-
importance that the city spend money on the
' Responses range from a low evaluation that
rograms are not essential to the welfare of the
a high of very great importance. As Thomas
of this dimension to the department's advocacy

udget requests are prepared by people whose
ational status is tied to, and reflected in,
y available budget figures. To request a
budget than the current budget is to suggest
e job being done by the agency is not suf-
ly important to warrant a greater claim on
esources . . .6

ngly, department heads in the cities investi-
great importance to their job and believe in
portance to the public.

---

mas J. Anton, "Roles and Symbols," Midwest
28.

final question is less directly addressed to the
t's behavior in seeking additional funds from the
general fund, as it examines the advocacy orienta-
wider financial context. It asks that: "If
ross the country need financial help-- either the
the federal government should provide the needed
he strong stimulative effect of these outside
funds upon local spending levels has been re-
emonstrated by aggregate statistical analysis.[7]
the more departments are program oriented and
the more favorably these external sources of
ld be evaluated. To some extent this is the case
ent heads positively evaluate the desirability of
such funds to assist in expanding the scope of
activities.

ll, the index of the four questions indicates
great extent department heads in each city, define
icular part in the budget system as the advocate
ivities, goals and spending levels of their own
. This is a strong response and there is a
rvasiveness of adherence to this role orientation
rtments in the different municipalities.

---

obert Lineberry and Ira Sharkansky, Urban Politics
Policy (New York: Harper and Row, 1971), pp. 223-

Department Padding

department head as padder is the second explanation
ence to a spending role. Department heads, quite
y perceive that whatever size budgets they submit
ecutive will be reduced. Therefore they adopt
-strategy by requesting a larger increase in funds.
npt to offset the detrimental effects such cuts
e upon their funding level. They submit a budget
be cut and thus satisfy the executive's own objec-
le assuring their own financial goals. They "mark
requests by the amount they anticipate will be
, so that in the end they wind up with the amount
ally desire. They ask for more than they really
ant and more than they expect to get. By
ly inflating their initial requests, they hope to
hat they already have. If they do not pad and cuts
d they stand the chance of losing the expenditures
ntly receive. In essence, "fat" is included to
expenditure position of their department within
government.

view of the department's spending role is often
ast studies of governmental budgeting. Aaron
writes that it would be, ". . . unrealistic for
trator not to make some allowance for the cuts
l make."[8] John Crecine writes that when

Aaron Wildavsky, The Politics of the Budgetary
ittle, Brown and Company, 1964), p. 22.

ts learn ". . . that their request is likely to be
tend to ask for more than they expect to get."[9]
ick adds to this view that each department, ". . .
a list of the things it would like to have, knowing
that it is not likely to get everything."[10]

Analysis

first question formulated to measure adherence to
ng definition of the department's spending role
pectation that expenditure requests face almost
its: "That something was reduced from almost
est (see table 4.2)." To some extent departments
hat whatever expenditures they propose to the
they will wind up with less than they initially
hen, to some extent department heads perceive
: "Final appropriations are not above the amount
requested." They do not obtain something for
s other decision makers are unlikely to grant more
departments themselves first request. Initial
otals set the upper limit on the amount of funds
epartments can expect to receive at the end.
e two questions establish the situation where
are propelled to pad their budgets. Unless

---

ohn P. Crecine, Governmental Problem Solving, p. 50.

llen Schick, Budget Innovation in the States
, D. C.: The Brookings Institute, 1971), p. 172.

TABLE 4.2

MENT HEAD BUDGET ROLE AS A PADDER

Always Cuts	Appropriation Not Above Requests	Pad	Mean Total
4.00	2.33	2.00	2.78
1.00	1.66	1.00	1.22
0.66	2.00	1.00	1.22
0.50	1.00	1.00	0.83
3.00	2.66	0.33	2.00
0.33	0.66	0.66	0.55
1.33	1.66	0.33	1.11
3.00	3.33	1.50	2.61
2.00	0.66	0.00	0.89
1.66	1.66	0.66	1.33
2.00	4.00	1.33	2.44
1.50	1.50	1.00	1.33
3.00	3.00	1.50	2.50
0.00	0.33	1.00	0.44
1.71	1.89	0.95	1.52
1.19	1.08	0.53	0.77

:ompensatory action, they could wind up with
:hey currently receive, so they guard against
ıality by including something extra that can
:ed without endangering their existing base of
But only to a slight extent do the department
viewed acknowledge that they: "Ask for a larger
they really need."

gether, department heads appear to define their
role in terms of padding only between slight and
. Perhaps, it is not surprising that department
that they practice this generally disapproved of
avior. However, there is considerable variation
ities. The standard deviation is 0.71. The
sponses among departments in the different
ends from where the padding role exists to almost
t all, to where it is present to a great degree.

arison of Two Role Orientations

these two explanations of the department's
sition in the system of governmental budgeting
pon as similar. John Crecine writes that
". . . ask for more money than they expect to
ocate of agency's activity."[11] The dash (-)
these two phrases, the first representing
the second the advocate orientation, are equiv-
ver, they are not the same. The weak correlation

---

hn P. Crecine, Governmental Problem Solving, p. 206.

them, 0.1683 as measured in the present study,
s that they do not go together and do not define
set of normative expectations of behavior and
Adherence to an advocacy orientation is not
d with the occurrence of padding. What has been
y considered the same explanation of the depart-
ending role, is in fact, two distinct meanings
same behavior.

elationship to Department Requests

only are the two interpretations of the department's
ntation unrelated to each other, they also reveal
relationships to the dependent variable of spending
Although they are both positively associated with
dent variable. The padding role is only weakly
l with size of initial requests (0.1231), while
.cy role is substantially connected with variation
ture increases (0.5879 + 0.025). Differences
unt of expansion initially sought by the de-
can be explained by the direct translation of
ment head's advocacy role into concrete behavior.
the consequence of an explicit strategy to ward
ed cuts.

eases are requested, as a result of the department
nitment to the program and policy objectives of
ient and not because of the artificial inflation
; requests. They do not ask for more than they
elieve they need more, as Jesse Burkhead writes,

emergence of the department head's spending-

y role from his policy values:

ry often, what looks like an overweening ambition
y turn out to be responsive administration. The
vernment official who seeks to expand his program
y do so because he sees the need, because he would
ke to do a better job, because he is close to the
neficiaries of his program operations.12

ent heads seek to increase their appropriations,
more personnel, and more modern equipment, not be-
ey believe such expansion is unnecessary, but because
estly value the importance of their programs and
o do the best possible job. They perceive so much
complished and so little money available to do it,
y are motivated to seek more funds during each year's
rocess. Who is to say that increases in the level and
of services is wasteful and extravagant? As William
e said in Congressional testimony, agencies do not

> . there is what amounts to a natural law that
> working all the time . . . that is more of a
> rantee against overstaffing and similar offenses
> n anything that budget experts or anybody else
> ht do, and that is that people who make up our
> gram leaders . . . have got so many things that
> y see that ought to be done within the range of
> horized activity in their respective fields and
> t they urgently desire to do in order to get more
> ective program accomplishments and that are
> ded in the public interest but that they are
> ble to do at any given period . . . People who
> e this kind of interest in these programs simply do
> use 25 employees where 20 would suffice. They do

Jesse Burkhead, Governmental Budgeting, p. 249.

ot propose an allotment of $25,000 for a job that
an be done for $20,000. To do so makes it impos-
ible to utilize men and money for another part of
ne job they have been authorized to do . . . My
oint is, in the urge to get things done whatever
oney is available is likely to be allotted in such
way that there may be underfinancing of a great
any individual items rather than overfinancing or
verstaffing of a few items.13

ne padding orientation does not empirically account for

ed spending requests, because all it really points

he inclusion of an increment of funds above the

es initially desired. It does not provide an explan-

f the initial expansionary behavior of the department

The motivation to add something extra to counteract

ected cuts of the executive only exists when they

creases in the first place. Otherwise they should

concerned about the effects such cuts would have

eir budgets. If their goal is not to expand their

then they would not attempt to guard against a re-

that would threaten such growth. Reductions in

equests, while almost universal, are not uniform.

s a strong positive relationship between how much

sought and how much is cut. If departments do not

William Jump, Testimony from Hearings Before
ommittee of the Committee on Appropriations, U. S.
Representatives, 80th Congress, 2nd Session, on
icultural Department Appropriation Bill for 1947
ton, D. C.: U. S. Government Printing Office, 1946),
d in Robert Golembiewski, Public Budgeting and
Readings in Theory and Practice (Itasca, Illinois:
Press, 1967), pp. 45-46.

new funds, or at least propose only marginal in-
s, their request is likely to be approved very
o the level submitted. So by increasing their
requests, departments are really ensuring that
udgets will be cut. By padding, they will actually
nce a larger reduction than if they did not pad and
ed only what they "really needed." So if departments
expansive to begin with, they would not perceive
d to protect the increases they want, by adding
ng extra that can be cut.

would appear that the concept of padding, is less a
ion of the role occupied by the departments in the
al budget system than it is a calculation within
get game. Perhaps, then, both dimensions should
idered together, as a single definition of the
ents' expansionary-spending role. Their advocacy
tion accounts for the initial positive thrust to
pending behavior, while the specific tactical de-
o pad accounts for a further increment to their
for increases. Together, they might account for
ding outcomes of the first budget stage more
ly than either element alone. However, this is
case. The moderate correlation, 0.2527, is now
bly lower than the similar relationship of the
orientation by itself. Nothing is added to an
nding of the particular part played by departments

municipal budget system by both orientations to-
than is provided by the department heads' adherence
advocacy role alone.

Summary

he departments unmistakenly occupy a "spending"
the system of municipal budgeting. The two in-
ations identified in past research for adherence
a normative orientation to behavior, advocacy and
, were found to be logically and empirically distinct
ions of the departments' budget role. Only between
and some extent do department heads themselves see
ves as padders, while to a great extent they adhere
dvocacy orientation. The advocacy role is a stronger
finition, as responses are higher in eleven of the
n cities. Furthermore, the padding orientation is
akly associated with the size of actual increases,
he advocacy role is substantially associated with
me output.

e conclusion is reached that department heads ask
e than their current allocations as they believe
ey need more funds to carry out their program-
responsibilities, and not because they artificially
their requests as a strategy in the budget game.
rtment heads' role from this point on, is considered
at of the advocate.

Executive Budget Role

As the departments provide the original upward thrust
increased spending, the executive occupies an opposing
tion within the municipal budget system. As the
nomizer" he acts as a check upon expansion by cutting re-
s and submitting to the legislature a budget that
ds smaller annual growth than was initially proposed.
ditures are now more consistent with the level of
revious year.

Such a position has usually been attributed to
tive budgeting. Paul Appleby writes that, ". . . there
point in denying the budget function is preponder-
negative. It is on the whole, rather strongly
st program and expenditure expansion."[14] Allen Schick
arly concludes that, ". . . all other functions must
to the exigencies of budget cutting . . . The budget
ng function impels the budget office to take a nega-
tic role."[15] And Aaron Wildavsky says that the Budget
u is, . . . compelled . . . to take on a cutting role
There is little choice but to wield the budget knife."[16]
As in the case of the departments' spending role, two
rent explanations for the executive's particular
on are identified. The first is his responsibility

---

14. Paul Appleby, "The Role of the Budget Division," Administration Review, vol. XVII, no. 3 (summer, pp. 156-59.

15. Allen Schick, Budget Innovation, pp. 174-175.

16. Aaron Wildavsky, Budgetary Process, p. 162.

ieve a balance between revenues and expenditures
submitting a budget to the legislature. The second,
assessment of department requests as padded. Each
amined in turn as explanations of the two expenditure
s of the second stage of municipal budgeting.

Budget Balancing

he first interpretation offered for the executive's
ve, economizer budget role derives from the require-
e faces to submit a balanced budget to the legislature.
ed expenditures for the next fiscal year must be
by an equal amount of revenues. The deficit spending
s the hallmark of the national government is simply
ited at the level. This legal constraint, provides
tivational basis for the executive's specific part
system of municipal budget roles. Because of the
ents' advocacy-spending role, requests almost always
the supply of estimated revenues. Resources expand,
er quite as fast as do proposed expenditures. So,
other reason, initial requests must be cut in order
budget to be balanced.

is this imperative that John Crecine maintains is
me determinant of the municipal executive's behavior:

> e function of the mayor's office relative to the
> dget is to fulfill the legal obligation of of
> bmitting a balanced budget to the city council for
> nsideration. The key word of course, is balanced
> talics in original/. Most of the problem-solving
> tivity and behavior in the mayor's office revolves
> ound attempts to eliminate a deficit or reduce a
> rplus. Like other organizations, subunit requests

stated needs) almost always exceed available
esources. So vis-a-vis /italics in original/
he departments, the major's role is that of
n economizer, cutting departmental requests to the
are minimum . . .17

lar conclusion is reached by Arnold Meltsner and Aaron

sky in their study of Oakland:

he City Charter requires that Oakland balance its
udget. Custom dictates that money be on hand to pay
ll bills. Every year the city manager, his finance
irector, and the budget officer face the problem
f cutting the budget to match the city's revenue
onstraint; for the fiscal year 1967/1968, the total
ount requested was about ten percent more than
stimated revenues. Cutting is an intrinsic part of
y budget process.18

Analysis

ie first question formulated to measure the extent

ves define their budget role as the "balancer" (see

.3) is the most direct, and is in agreement with the

nt that the: "Primary consideration in making de-

on the budget was directed at balancing expenditures

ailable revenues." Here, executives perceive their

deriving to a great extent from the obligation

ace the budget, before its transmission to the city

for final approval.

second question is less explicit, and consequently

a different perspective on the salience of the

g constraint as the explanation of the executive

John P. Crecine, Governmental Problem Solving, p. 206.

Arnold Meltsner and Aaron Wildavsky, "Leave City
Alone: A Survey, Case Study and Recommendations for
reprinted in Financing the Metropolis: Public Policy
Economics, ed. by John P. Crecine (Beverly Hills:
ications, 1970), p. 329.

TABLE 4.3

EXECUTIVE BUDGET ROLE AS A BALANCER

	Primary Determinant	Relative Importance Original Wt.	Describe Own Part	Mean Total
	4.00	3.00-2.00	1.00-4.00	3.33
	4.00	2.33-2.66	0.33-1.33	2.66
	2.50	3.00-2.00	0.00-0.00	1.50
	1.00	1.33-3.66	0.33-1.33	2.00
	3.00	2.66-2.33	1.00-4.00	3.11
	3.66	1.00-4.00	0.25-1.00	2.89
	4.00	1.00-4.00	0.50-2.00	3.33
	3.75	2.00-3.00	0.25-1.00	2.58
	3.33	4.00-1.00	0.33-1.33	1.89
	3.50	2.33-2.66	0.00-0.00	2.05
	2.50	2.75-2.25	0.25-1.00	1.92
	3.50	3.00-2.00	0.00-0.00	1.83
	3.25	3.25-1.75	0.50-2.00	2.33
	3.00	4.50-0.50	0.00-0.00	1.17
	3.21	2.58-2.42	0.34-1.35	2.33
v.	0.81	1.03-0.99	0.31-1.27	0.65

t role. Now, balancing is compared to five other
ses of the budget process.[19] Faced with these al-
tives, the primacy of balancing is less evident.
considered only between the second and third rank,
tween some and great importance. Its relative signifi-
to other functions of executive budgeting is still
but it does not now appear to be the single,
ding concern of the executive as he goes about
ing departmental requests.
inally, by asking the executive to describe in his
rds: "The particular part he plays in making budget
ons" a further decline in the importance place on
balancing is revealed. By being less explicit,
n average of one third of those interviewed in
ity interpreted the executive's particular part in
pal budgeting as balancing.
s a result of utilizing different techniques of
nnaire design, the three questions provide quanti-
y different measurements of the existence of the
ng role orientation. All together, they indicate
some extent executives perceive their own role as
lancer," who brings initial requests for growth
with available resources. Adherence to this role
municipal executives is considerably less prevalent

These four other alternatives are: a) to de-
the future objectives of city government, b) to assure
ds are legally spent, c) to look into the efficiency
omy of department operations and d) to set the tax rate.

in past reports.[20]

Evaluation of Department Padding

A second interpretation of the executive's economizer le derives directly from the interaction of role ex- tations between the first and second stages. As was iginally assumed, departments pad their requests in icipation of executive reductions. The executive, in rn, cuts department requests in the belief that they are lded. He perceives initial requests as inflated as a

---

20. The relationship between the legislature's per- ptions of the importance of balancing the budget and their n budget behavior can also be investigated. The relevancy this concept derives from the research of John Crecine partially attributed the lack of legislative change in executive's budgeting to the balanced budget con- raint. As he writes: "This lack of initiative on the rt of the council is largely explained in terms of . . . addition, the mayor's budget really represents a broad licy where the various parts are not /italics in original/ lependent of one another (the balanced budget requirement sures this). To change one portion of the budget means change at least one other portion to compensate for the nge." (John P. Crecine, Governmental Problem Solving, 99.) Responses to the two questions of balancing as ominant consideration, and the importance of budgeting pared to other alternatives indicates that no such ationship appears between the absolute amount of change executive recommendations and legislative perceptions the need to balance the budget (-0.0890). The legis- ure is not inhibited in making alterations in the ex- tive's budget by the requirement of a balance between enues and expenditures at which the budget is balanced. nding total are not inviolate as Crecine implies. By her increasing or decreasing estimated revenues more less money is made available; while alterations in the perty tax rate can also be made to achieve a growth or line in expenditure levels. The following table, com-

e against his own cuts and is therefore motivated to

ally impose such reductions. As Allen Schick writes

his web of mutual expectations:

> Agencies are expected to pad their requests to guard against cuts . . . Executives believe that the agency is likely to pad and believes that the agency has already made allowances for this . . . the budget office, in the conviction that the budget is padded, makes deep cuts in agency estimates.21

ard Fenno finds the same process at work in the House

opriation Committee:

> The Committee's image of executive agencies is that each wants to expand and that a good deal of such expansion is unnecessary . . . and believe that agencies adjust their budgets upward in anticipation

---

20. (continued) piled from my research, demonstrates e assertions:

Legislative Budget Balancing Orientation

Dominant Consideration	Importance Compared	Mean
2.28 - 2.72	3.50	3.11
1.60 - 3.40	3.00	3.20
2.71 - 2.29	3.42	2.85
1.66 - 3.33	2.66	3.00
2.37 - 2.63	3.60	3.12
2.00 - 3.00	3.50	3.25
2.00 - 3.00	3.50	3.00
3.00 - 2.00	3.00	2.50
2.40 - 2.60	2.60	2.60
2.28 - 2.72	4.00	3.36
2.75 - 2.25	2.00	2.12
2.75 - 2.25	3.25	2.75
2.28 - 2.72	3.50	3.11
2.50 - 2.50	2.50	2.50
2.33 - 2.67	3.11	2.89

21. Allen Schick, "Control Patterns in State Budget tion," Public Administration Review, vol. XXIV, no. 2 , 1964), pp. 100.

of Committee cuts.[22]

Although, it has just been shown that departments do pad their requests in anticipation of such reductions, executive can still believe padding is taking place, and out his budget role accordingly. Thomas Anton recogs the possibility of such misperceptions, writing : "Whether or not agency administrators are in fact nsive in the preparation of budget estimates, it is onably clear that the persons who review estimates eve them to be expansive."[23]

What develops from this role, is a set of evaluations hich departments and by how much, requests are padded. ing degrees of "trust" and "confidence" are evident as executive makes his own assessment of departmental rets for increases. Thus, executive decision makers speak ferreting out frills . . . of too much fat . . . of rets that are out of line . . . of unrealistic figures of additional staff and equipment that is not needed and of programs and spending that is not essential, partments would have an adequate budget without such ditures." Aaron Wildavsky reports similar evaluations e Bureau of the Budget:

If an agency continually submits requests far above

---

22. Richard Fenno, Jr., The Power of the Purse, Appiations in Congress (Boston: Little, Brown and Co., , pp. 103-104.

23. Thomas J. Anton, "Roles and Symbols," Midwest al, p. 29.

what it actually gets, the Budget Bureau and the Appropriations Committee lose confidence in it and automatically cut large chunks before looking at the budget in detail . . . no one will trust an agency that repeatedly comes in too high. 24

ard Fenno writes of the same process in Congress:

If Committee members have confidence in the ability and the integrity of an agency . . . the agency will receive the benefit of the doubt. It is less apt to be suspected of padding budgets . . . Where confidence exists, the Committee will be less quick to criticize and more willing to listen to the agency's point of view . . . Bit by bit agencies acquire a reputation . . . for bringing in an honest budget. 25

John Crecine's study of municipal budgeting goes the nest in describing the significance of the executive's eptions of department budgets as padded by incorporating evaluative models as the major components of the review nitial spending requests. There are two models that for departments that submit "honest," or "realistic" ts and two models that represent less realistic and less t departments. The trusting model is where initial sts are "respected" and are adjusted as the basis for xecutive's own recommendations; but in the non-confidence s, initial requests are ignored.[26]

Analysis

The first question asked to measure the extent department

---

24. Aaron Wildavsky, Budgetary Process, p. 21.

25. Richard Fenno, Power of the Purse, p. 286.

26. John P. Crecine, Governmental Problem Solving, 0-71.

ɜsts are evaluated by the executive as padded (see
ɜ 4.4) is agreement that: "Departments ask for a larger
ɜt than they really need." This comes close to the
ntial meaning of such a role orientation, but only to
extent is this perceived to be the case. Although
e is wide variation among the cities (there is a standard
ation of 0.65) executive reviewers do not strongly
eve the requests asked for by the departments artificially
inflated beyond an honest and realistic appraisal of needs.
Following up this general evaluation, a more specific
ing of individual departments where there is: "Less con-
nce than others that was requested was only what was really
ed." The average number of departments explicitly men-
ed was less than two in each city. This represents an
age of only twelve per cent of all departments present and
cates relatively weak perceptions of departmental padding.
The final question probes executive perceptions of de-
ments as expansive: "Asking for more funds than they are
ently receiving." This is a more neutral formulation
he role of the executive as an economizer vis-a-vis the
ding role of the departments. It does not imply that
increases are seen as wasteful or unnecessary; just that
department automatically, and continually wants more
for itself. Some constraint has to be placed on the
rtments and it is the responsibility of the executive
ay this negative part. This is very much the situation,
o a great extent executive decision makers perceive

TA

EXECUTIV
AS AN EVALUATION

	More Than Need
	3.00
	2.00
	1.50
	2.00
	1.00
	2.00
	2.00
	3.75
	2.66
	1.50
	1.00
	1.50
	2.00
	0.50
Mean	1.60
St. Dev.	0.65

TABLE 4.4

EXECUTIVE BUDGET ROLE
AS AN EVALUATION OF DEPARTMENTAL PADDING

	More Than Need	# of Departments No Confidence Original-Weighted	Ask For More	Mean Total
	3.00	1.50-2.00	4.00	3.00
	2.00	2.00-2.66	4.00	2.89
	1.50	2.00-2.66	4.00	2.72
	2.00	0.75-1.00	4.00	2.33
	1.00	1.00-1.33	4.00	2.11
	2.00	2.66-3.54	3.00	2.85
	2.00	3.00-4.00	3.50	3.17
	0.75	1.00-1.33	2.00	1.36
	1.66	1.00-1.33	3.33	2.11
	1.50	2.50-3.33	3.00	2.61
	1.00	1.50-2.00	2.50	1.83
	1.50	0.00-0.00	2.00	1.17
	2.00	2.66-3.54	3.25	2.93
	0.50	2.50-3.33	3.50	2.44
	1.60	1.72-2.28	3.29	2.39
Dev.	0.65	0.86-1.14	0.72	0.59

partments in these t

they request app

always to get as m

Altogether, thes

increase the execut

of the negative evalua

applied. Departmen

increase, much of wh

Dom
Two Rol

In the past the

executive's role-- th

of that he evaluates

was offered as inter

every year or two,

agreed what they rega

the budgeters have t

---

2. This conc

decisions of the legi

setting, and, indee

the size of the redu

tive for review (

agement heads as as

an executive "inclu

legislature would ha

Council does make su

epartments in these terms: "They would like to see every-
hing they request approved in the budget . . . A department
ead wants to get as much money as he can."

Altogether, these three questions indicate that to
me extent the executive's own economizer role is made up
the negative evaluation of initial department requests
padded. Departments are perceived as always seeking
creases, much of which is unwarranted and undesirable.[27]

Comparison of Two Role Orientations

In the past these two different interpretations of the
ecutive's role-- that he is the balancer of the budget
d that he evaluates department requests as padded-- have
en offered as interchangeable. Thus Allen Schick writes:
very year or two, the estimates come in, expanded far
yond what they regard as reasonable or what can be funded.
e budgeters have to labor around the clock to separate the

---

27. This concept can also be extended to the per-
ptions of the legislature of both department and executive
dding. And, indeed, such an evaluation is related to
e size of the reductions they impose in the budget they
ceive for review (0.3983 + 0.10). The more they see de-
rtment heads as asking for more than they really need, and
e executive "including some fat in his budget so that the
gislature would have something to cut," the more the city
ncil does make such reductions. The following table,

...substance from the ...

...ceptable levels."

...(continued)
...ms this analysis:

Legislat...

Depart...

...	Depth, Feet	No ... Confid...
...	...	4.00-2...
...	...	2.67-1...
...	...	2.78-1...
...	...	2.56-1...
...	...	2.78-1...
...	...	2.92-1...
...	...	--
...	...	0.00-
...	...	2.56-
...	...	2.67-
...	...	1.78-
...	...	1.78-
...	1.55	1.78-
...	0.59	2.34-

28. Allen Sc...

he substance from the chaff and to reduce the budget

o acceptable levels."[28] The first phrases-- "expanding

27. (continued) compiled from my research, demonstrates this analysis:

Legislative Evaluation
of
Departmental Padding

ty	Dep't. Pad	No Confidence	Dep't. Ask for More	Exec. Include Fat So Leg. Cut	Mean
	2.25	4.00-2.35	3.50	0.33	2.11
	1.40	2.67-1.50	2.00	0.40	1.33
	1.57	2.78-1.00	1.57	1.14	1.32
	1.60	3.56-2.00	5.00	0.33	1.97
	1.40	1.78-1.00	2.00	0.40	1.20
	1.50	1.78-1.00	1.50	0.00	1.00
	1.75	2.67-1.50	2.75	1.25	1.81
	2.33	2.92-1.66	1.66	0.50	1.54
	--	--	--	--	--
	0.50	0.00-0.00	2.50	0.00	0.75
	1.25	3.56-2.00	1.75	1.67	1.67
	1.75	2.67-1.50	3.75	0.25	1.81
	2.33	1.78-1.00	2.33	1.50	2.04
	0.50	1.78-1.00	1.50	0.00	0.75
an	1.55	1.78-1.32	2.37	0.60	1.38
v.	0.59	2.34-2.34	0.88	1.14	1.52

28. Allen Schick, Budget Innovation, p. 166.

beyond what they r

substance from the

requests as padded.

...reduce th

sents the balanced

hile the two ex

ding orientation

, the two definit

ected (0.5209 + 0

lanations of the e

ilar. The view th

ther with adherence

this connection is

ctness in line wi

the executive's r

ciated to spendi

partment requests

entation to balan

aluation of depart

the executive p

he imperatives of a

posed to view dep

nding that is lar

Relationship to
Review of

As expected, b

ly positively rela

ır beyond what they regard as reasonable . . . to separate
ıe substance from the chaff" corresponds to the evaluation
f requests as padded. The second phrases-- "what can be
ınded . . . reduce the budget to acceptable levels" re-
resents the balanced budget requirement.

While the two explanations offered for the department's
pending orientation were empirically distinct, in the present
ase, the two definitions of the executive's role are closely
onnected (0.5209 + 0.05). Instead of being alternative
xplanations of the executive's economizer role, they are
ımilar. The view that departments as padders goes to-
ether with adherence to a balancing role. An explanation
f this connection is that the requirement to bring ex-
nditures in line with revenues is the underlying motivation
r the executive's negative behavior. It is then directly
anslated to spending choices through an assessment of
partment requests as inflated and excessive. The
ientation to balance the budget is filtered through the
aluation of departments as padding their requests. The
re the executive perceives himself to be constrained by
imperatives of a balanced budget, the more he is pre-
posed to view department increases as "pie in the sky"
nding that is largely unnecessary.

Relationship to Executive Budget Behavior-- Review of Departmental Requests

As expected, both dimensions of the executive's role
positively related to the size of the cuts made in initial

partment proposals f

ndation to this sp

ination of balancin

(-.7 - 0.10). As t

ident through the ev

ompared to the size

mediate assessment

Further underst

ide, is provided by

ensions to the siz

rtments. Again, as

he indirect motivati

ltered through the

quests, there is a

f increases sought

these requests as pa

ecutive's own balanc

f requests as unnec

ponse to the submis

eed to balance the

more stable componen

not directly determi

the departments.

This is becau

requests in order t

penditures are out

y the executive's

rtment proposals for increases. However, a stronger ciation to this spending output is evident between the uation of balancing (0.8297 + 0.001), than to balancing 407 + 0.10). As the balancing orientation makes itself lent through the evaluation of padding, it is less directly lected to the size of the reduction imposed, than the more diate assessment of unrealistic and unwarranted requests.

Further understanding of the executive's economizer , is provided by the association between these two nsions to the size of increases submitted by the de- ments. Again, as the balancing role is the underlying, indirect motivation for executive behavior that is ered through the more immediate evaluation of padded ests, there is a closer connection between the amount ncreases sought by departments and the evaluation of e requests as padded (0.5989 + 0.025), than to the ex- ive's own balancing orientation (0.3352). The perceptions equests as unnecessarily expansive is an explicit re- se to the submission of budget increases. The perceived to balance the budget, however, is a more basic and a stable component of executive decision making that is irectly determined by the size of increases sought by epartments.

This is because the perceived need to cut department sts in order to balance the budget; or how much ex- ures are out of line with revenues is not determined executive's own role orientations. It is instead

affected by the intera
are asking for and how
there is a large grow
requests can be accep
for more modest incr
executive does not cu
order to balance the
reach that equilibriu
Arnold Meltsner write
of looking for enough
is balanced within th
an executive decision
agents to stay withi
was as high as it co
If we had more money
afford it. It was b
..., at the same tim
... any less than
... of padding, b
balanced. Irrespect
... accept spending
... unjustified.

Executive
Although ther
...'s economizer r

---

29. Arnold J

ffected by the interaction between how much more departments
re asking for and how much more funds are available. If
here is a large growth in revenues than even expansionary
equests can be accepted; but, if there is a small growth
ven more modest increases would have to be reduced. The
xecutive does not cut requests any more than he has to in
rder to balance the budget. He cuts them just enough to
each that equilibrium and satisfy the legal constraint. As
rnold Meltsner writes of these decisions: "The analyst,
looking for enough items to cut, proceeds until the budget
balanced within the existing revenue constraint."[29] And
executive decision makers said: "We had to reduce re-
ests to stay within the tax limit. The sum of the budget
s as high as it could be . . . Its a question of revenue.
we had more money, we could spend more . . . We couldn't
ford it. It was beyond our capabilities to finance."
t, at the same time, the executive does not cut depart-
nts any less than he may want to on the basis of his eval-
tion of padding, because the budget has already been
lanced. Irrespective of this concern, the executive does
t accept spending proposals that he considers extravagant
d unjustified.

Executive Budget Recommendations

Although there is a strong connection between the execu-
ve's economizer role and the amount of reductions imposed

---

29. Arnold J. Meltsner, City Revenue, p. 178

…partmental requ…
…ationship to the s…
…the executive re…
…balancing orienta…
…ming (0.1096), exp…
…nding choices.

The absence of …
…the position of …
…just an "economi…
…wards the expansi…
…does not transla…
…ppeals for expendi…
…ecutive spending o…
…quests are reduced …
…islature still in…
…that sought them.
…sition within the …
…positive, as well …
…up to this poin…
…ecutive only in te…
…the expansion of exp…
…eparately account …
…second stage of budg…

The executive …
…unicipal budget …

pon departmental requests for increases, there is no similar elationship to the size size of yearly spending increases hat the executive recommends to the legislature. Neither he balancing orientation (-0.1527), nor the evaluation of adding (0.1036), explain this second measure of executive pending choices.

The absence of this connection clearly demonstrates hat the position of the municipal executive is much more han just an "economizer," who occupies a negative position s-a-vis the expansionary thrust of the departments. His ole does not translate into a constraint upon his own roposals for expenditure growth. This is evident in xecutive spending outputs itself, for although initial quests are reduced in every city, recommendations to the gislature still increase in every city where departments rst sought them. The executive occupies a multi-faceted sition within the budgetary system. The executive possesses positive, as well as a negative orientation to spending at up to this point has not been incorporated into the ecutive only in terms of budgeting cuts, he opposes e expansion of expenditure levels, is insufficient to equately account for the specific end products of the cond stage of budget review.

Conclusion

The executive's economizer position within the system municipal budgeting is composed of two parts-- his

bligation to balance

partmental requests

ther, as the need to

oposed expenditures

e decision making th

mediate assessment

ts in one half of

ure in terms of bal

ables the executive

he padding of depar

single definition

ll more completely

e reductions in dep

, but weaker t

ile there is stil

ropriations submitte

his point on, both

e considered as th

y the executive in

Legisl

The specific

Legislature closely

aking responsibili

They possess the au

penditure figures,

authoritatively ap

review the manager

obligation to balance the budget and his evaluation of epartmental requests as padded. They interact with each ther, as the need to balance available revenues with roposed expenditures is the more fundamental orientation o decision making that works itself out through the more mmediate assessment of unnecessary and extravagant requests. hus in one half of the cities the executive sees his role ore in terms of balancing while in the other half of the ities the executive sees his role more in terms of opposing he padding of departments. Considering them together as single definition of the executive's economizer role, does ot more completely explain budget outputs. The relationship o reductions in departments' budgets is strong (0.7066 + .005), but weaker than the padding orientation alone, hile there is still no explanation of the size of recom-endations submitted to the legislature (0.100). So from his point on, both dimensions of the executive's role shall e considered as the explanation of the specific part played the executive in the process of municipal budget making.

Legislative Budget Role

The specific budget role occupied by the municipal gislature closely follows from their formal decision king responsibilities. Receiving the executive's budget ey possess the authority to either increase, decrease ex-nditure figures, as they are the only ones who can thoritatively approve the appropriation ordinance: "We view the manager's budget and either accept or change it to

ourselves. The

... The manager

minate some items

isions we work for

inspection."

s the city coun

ose of adopting t

traditional legi

tem." In the chara

governmental institu

legislature has come

than it is to respon

the determination of

either accept, modif

for all practical p

budget decisions.

why we do have an in

Many mechanisms

perhaps most import

legislatures review

ffers a major occas

quality of administ

espoused by Richard

review of the execu

---

30. Jesse Bur

ourselves. The council's the one who finally approve
. . The manager submits it and we tear it apart. We
nate some items and add to others. From the executive's
ions we work forward and backward, making an item by
inspection."

As the city council reviews the executive budget in the
e of adopting the final budget ordinance, they occupy
raditional legislative role of "oversight of administra-
' In the characteristic checks and balances of American
mmental institutions, the part of the popularly elected
lature has come to be less the formulation of policy
t is to respond to the initiatives of others. They affect
termination of public policy through their ability to
accept, modify, or reject the proposals of others:
ll practical purposes we have no original input in
decisions. We criticize and evaluate and in this
do have an impact on budget decisions."

Many mechanisms of oversight exist, but the budget is
s most important. As Jesse Burkhead writes: "The
atures review of the budget executive's budget pro-
a major occasion for examination of the character and
y of administrative actions."[30] A similar view is
ed by Richard Fenno, as he writes that the legislature's
of the executive budget:

---

0. Jesse Burkhead, Governmental Budgeting, pp. 312-

. . . has long c
weapon in its st
situations. The
to support the v
trols represent
over the federal

to the legal aut

the appropriation cro

the opportunity to ev

and through him thos

gives the legislatur

operations of govern

administrative decisio

judgment of the dire

through "budget time

that there are certa

happy with. It is a

gives the legislatur

Previous studie

disclosed the presen

the assessment of t

decision makers.

legislative bodies

the executive's ope

and, plays a much

---

31. Richard

32. John P.

p. 207.

> . . . has long constituted the major legislative weapon in its struggles to control executive institutions. The weight of informed judgment continues to support the view that revenue and expenditure controls represent the most effective legislative sanctions over the federal bureaucracy.31

So the legal authority that they alone possess to pass ppropriation ordinance, provides the legislature with pportunity to evaluate the executive's spending choices hrough him those of the departments. The budget process the legislature an opportunity to scrutinize the tions of government and provides a forum to monitor ad- trative decisions and enables them to make an independent ent of the direction and magnitude of yearly expenditure e: "Budget time gives you a chance to tell the manager there are certain policies and departments you are not with. It is a time to make changes in government, and the legislature the opportunity to make itself felt." Previous studies of municipal budgeting have lften ed the presence of a specific legislative role with sessment of the legislature's influence with other on makers. Thus Crecine writes that, ". . . municipal ative bodies generally serve as a "rubber stamp" for ecutive's operating budget. Congress on the other plays a much more important role [italics mine]."[32]

---

1. Richard Fenno, Power of the Purse, p. 17.

2. John P. Crecine, Governmental Problem Solving,

measurement of th

tribution and the e

mations of behavio

small can adhere to

is-a-vis the executi

municipal budgetin

his is examined, and

will be investigated

ministration that

the legislature i

The first quest

legislature asks a d

particular part the

this ?." The pe

answer that they r

adjust executive

appropriate response

increasing spending

make itself hear

average of just less

then responded in

The second que

"watchdog" responsi

appropriations, ".

just only for thos

at that appropriat

measurement of the importance of the legislature as an
titution and the existence of a set of normative ex-
tations of behavior are two distinct concepts. The city
ncil can adhere to a specific role and not be influential
s-a-vis the executive in the determination of the outputs
municipal budgeting. Presently, the concept of a budget
le is examined, and in subsequent chapters their influence
l be investigated. It is the role of oversight of
inistration that comprises the substantive part played
the legislature in the municipal budget system.

Analysis

The first question asked to members of the municipal
islature asks a description in their words of, "the
ticular part the city council plays in budget making (see
le 4.5)." The percent of respondents in each city who
wered that they review, change, alter, revise, modify,
adjust executive budget recommendations is coded as an
ropriate response of an oversight role. By increasing or
reasing spending totals, the legislature has a mechanism
nake itself heard within the budget system. Overall, an
rage of just less than on half of the councilmen in each
, responded in such a fashion.

The second question specifies the meaning of this
chdog" responsibility as assuring the legal control over
ppriations, ". . . to insure that public funds are
only for those objects or purposes specified by law
hat appropriations are not exceeded. Observance of

LEGISLAT
AS OVERSIGH

	Describe Own Part Original Weighted	A Le Or Re
	0.38-1.52	3.
	0.80-3.20	3.
	0.57-2.28	3.
	0.57-2.28	4.
	0.31-1.24	2.
	0.50-2.00	3.
	0.66-2.66	2.
	0.20-0.80	3.
	0.40-1.60	3.
	0.36-1.44	4.
	0.50-2.00	3.
	0.25-1.00	2.
	0.43-1.72	3
	0.71-2.84	3
	0.47-1.88	3
	0.18-0.72	0

TABLE 4.5

LEGISLATIVE BUDGET ROLE
AS OVERSIGHT OF ADMINISTRATION

Describe Own Part Original Weighted	Assure Legality Original Reverse	How Careful Review	Info. Questions	Justify Questions	Mean Total
0.38-1.52	3.14-1.76	3.75	3.62	3.75	2.88
0.80-3.20	3.00-2.00	3.60	3.00	2.40	2.84
0.57-2.28	3.57-1.43	3.85	3.14	2.42	2.62
0.57-2.28	4.16-0.84	3.50	3.16	2.83	2.53
0.31-1.24	2.87-2.13	2.50	2.37	2.00	2.05
0.50-2.00	3.57-1.43	3.57	2.14	2.71	2.37
0.66-2.66	2.33-2.66	3.00	2.83	2.33	2.70
0.20-0.80	3.80-1.20	3.40	3.80	2.80	2.40
0.40-1.60	3.00-2.00	3.00	3.20	2.40	2.44
0.36-1.44	4.00-1.00	3.00	3.00	2.83	2.25
0.50-2.00	3.50-1.50	3.75	3.50	3.75	2.90
0.25-1.00	2.75-2.25	4.00	3.25	3.00	2.70
0.43-1.72	3.00-2.00	2.33	3.66	3.57	2.66
0.71-2.84	3.25-1.75	3.42	3.00	2.42	2.69
0.47-1.88	3.28-1.72	3.34	3.12	2.80	2.57
0.18-0.72	0.51-0.49	0.48	0.45	0.53	0.26

mmatory restrictio

appropriations act

e this is a narro

nsight, it does en

gislature as a pol

ted upon the admin

th a choice of fiv

ieve to exert cont

bility of governme

rresponds to an ev

tive role.

The next three

sistence of the ove

terior in reviewi

ssion Ira Sharkans

tween congression

ile the character

he budget is much

---

33. Charles L
Public Spending
, pp. 5-6.

34. Ira Shark
and its Client Ager
ss Control," The A
, no. 3 (Septemb

:atuatory restrictions, adherence to the funds provided
ı appropriations acts, and avoidance of corruption."[33]
ıile this is a narrow definition of the purpose of
/ersight, it does emphasize the distinction between the
egislature as a policy initiator and the legislature as a
heck upon the administrative branch of government. Faced
ith a choice of five alternatives, the purpose of budget
eview to exert control over the means to assure the
egality of governmental spending is ranked third. This
orresponds to an evaluation of some adherence to an over-
ight role.

The next three interrelated questions examine the
xistence of the oversight role in the legislature's overt
ehavior in reviewing the executive's budget. These questions
ollow Ira Sharkansky's study of the supervisory relationship
etween congressional committees and administrative agencies.[34]
ıile the character of the numicipal legislature's review of
ıe budget is much more informal than it is on the national

---

33. Charles L. Schultze, The Politics and Economics
Public Spending (Washington, D. C.: The Brookings Institute,
68), pp. 5-6.

34. Ira Sharkansky, "An Appropriations Sub-Committee
i its Client Agencies: A Comparative Study of Supervision
l Control," The American Political Science Review, vol.
X, no. 3 (September, 1965), pp. 254-281.

...ard and there is no
...m any official minu
...e legislative never
...p over the budget "
...ant to characteriz
...ment it offers a m
...e spending choices
...ld be, in the cour
...dget ordinance.

The first of th
...ew carefully the c
...e than by the execu
...ment of overall at
...dget in the myriad
...decisions made, h
...process took up, and
...vehicle of legislati
...assessed by a second
...estions-- the exp
...ked by the council
...of their review and
...inistrative operat
...ess of their revie
...the need of a bu
...ask for information
...the budget, chal
...ously by the exec

l and there is no prepared testimony by the departments any official minutes that can be examined afterwards, legislative nevertheless still has the opportunity to ver the budget "line by line." These questions are nt to characterize the "quality" of that review and the ent it offers a means for the legislature to evaluate spending choices of the executive and after them as l be, in the course of approving the authoritative get ordinance.

The first of these features is the most general and is: w carefully the council went over the budget submitted them by the executive." This intends to measure the unt of overall attention the legislature paid to the get in the myriad forms of legislative activity and kinds decisions made, how much time and effort the budget ess took up, and how important it is considered as a cle of legislative decision making. The latter is ssed by a second question: "How many information tions-- the explanation of a recommendation--" were d by the council to the executive measures the thoroughness heir review and the intensiveness they check upon ad- strative operations. The last component is the incisive- of their review; the extent they ask for "justifications e need of a budget item." Not only does the city council or information, but they make an independent evaluation e budget, challenging the spending choices made pre- ly by the executive.

The responses to
unicipal legisla
inory review of t
th great care, ask
uire the executiv
mmendations.

All together th
ger extent members
fferent cities adh
their budget role.
the system of buc
the decisions of the
rtments. The pre
havior is quite u
ained only from so

This finding s
ports of the abse
unicipal budget
riticism of local
ssess the capabil
the distribution
ture, compared to
ining the necessa
till and what hav
ocess. As Rober

It is difficu
only a few ho
of problems o

The responses to these three questions indicate that municipal legislature does not make a cursory and per- tory review of the executive's budget. They examine it great care, ask a great many information questions and ire the executive to justify a great many of his budget mmendations.

All together the five questions indicate that to a t extent members of the city council in the fourteen erent cities adhere to an oversight interpretation of r budget role. They perceive their own particular part he system of budgeting as reviewing and supervising decisions of the executive and through him the de- ments. The presence of this normative orientation to vior is quite uniform, as differences among the cities nd only from some to great extent.

This finding stands in marked contrast to previous rts of the absence of any specific legislative part unicipal budgeting. It also challenges the usual icism of local and state legislatures that they do not ess the capabilities to fulfill their responsibilities he distribution of governmental authority. The legis- re, compared to the executive branch is portrayed as ng the necessary staff, information time, ability, and what have you to play a role in the policy making ss. As Robert Loveridge writes:

> It is difficult for an amateur council, meeting only a few hours a week, to act as an articulator of problems or issues, much less act as a broker

for conflicting
planner for a ra

e present analysis

ments are less cru

ne the values and

ell-defined orienta

ign administrative

mination within t

ffects of this role

alysis now turns.

elationship to L
Review of Exe

The legislature

is expected to be d

levels. It is exer

economy and efficie

connection is clear

f Congress, where

ers to:

". . . screenir
make certain t
"a dolar's va
protecting the
". . . Committe
effectively gu
get reductions
committee's m
ittee member
guardianship

35. Ronald L
Politics (Indianap
971), p. 26.

for conflicting political interests or the general planner for a rapidly changing environment.35

present analysis suggests that these institutional com-ents are less crucial to the position of the legislature n the values and attitudes of its members, and their own f-defined orientations toward the executive. The over-ht administrative role gives them a particular normative entation within the municipal budget process. To the fects of this role upon actual expenditure outputs, the lysis now turns.

Relationship to Legislative Budget Behavior
Review of Executive Recommendations

The legislature's oversight of the executive budget expected to be directed against the expansion of spending els. It is exercised to "guard the treasure," to affect nomy and efficiency in government operations. Such a nection is clearly expressed in Richard Fenno's study Congress, where the House Appropriations Committee s to:

> . . . screening requests for money, checking to make certain that the taxpayer gets his money's worth ("a dolar's value for every dollar spent"), and protecting the nation against ill-advised expenditures . . . Committee members feel the treasury can be most effectively guarded by cutting budget requests. Budget reductions, being reasonably specific, becomes the Committee's most central guide to action . . . Committee members believe that the long-run goal of guardianship and the short-run goal of budget-cutting

---

35. Ronald Loveridge, City Managers in Legislative ics (Indianapolis, Indiana: Bobbs Merrill and Company, , p. 26.

eet basic House
Furthermore, the
a highly critica
requests for ex
expectations re
budget cutting
Committee wield
activities.36

e one councilman sa

ure the admini

nd to minimize wast

ess."

The data in the

confirms this relati

n this normative or

ess they impose in

en even beyond this

financial linkage be

the absolute amount

difference between

direction of legisl

variations is less

triggering than the

creasing or decreas

the exercise of leg

simply reducing the

An explanation

study of the role

36. Richard

> meet basic House expectations regarding economy . . . Furthermore, the members believe that if they strike a highly critical and aggressive posture toward all requests for expenditures they will fulfill House expectations regarding oversight of executive agencies. Budget cutting is the essential sanction which the Committee wields in its effort to control executive activities.36

ne councilman said: "We are the citizen's watchdog to sure the administration is spending money efficiently to minimize waste which would result in an increase in s."

The data in the present study of municipal budgeting irms this relationship between the council's adherence his normative orientation to behavior, and the size of they impose in the executive's recommendations (0.3254). even beyond this moderate connection, there is a sub- tial linkage between the legislature's oversight role and absolute amount of changes made (0.5814 + 0.025). The erence between these two correlations suggest that the ction of legislative alterations in executive recom- ations is less crucial to their part in municipal eting than the imposition of change in itself. In- sing or decreasing the size of spending totals, represents xercise of legislature oversight more than does y reducing the budget submitted to them for review. An explanation for this pattern, compared to Fenno's of the role of Congress in national budgeting, derives

---

36. Richard Fenno, Power of the Purse, pp. 99, 102.

the balanced budg

ntrol, is a distur

cutive's recommenda

inistrative spend

the integrity of his

ut when such a bala

the legislature can

ucing expenditure

The association

absolute amount of

ssures that the pr

negative response

This is made most e

such a role and the

ken by the executi

more stable featu

their interactions

diverse response to

It is present regar

to them for review

Legisl

There is no a

of an oversight ro

the final appropri

association is sug

relationship is evid

role is connected

the balanced budget requirement. Any change by the city ncil, is a disturbance in the equilibrium of the ex- tive's recommendations that represents a check upon inistrative spending choices. The executive defends integrity of his recommendations against any modification; when such a balanced budget constraint does not exist, legislature can only act out their budget role by ing expenditure totals.

The association between the legislature's role and the lute amount of change in expenditure totals also in- tes that the presence of an oversight role is more than gative response to recommendations for spending increases. is made most evident by the negative correlation between a role and the size of increases actually submitted to by the executive (-0.2501). The oversight role is re stable feature of legislative decision making and r interactions with the executive. It is not just an rse response to executive recommendations for expansion. s present regardless of what kind of budget is submitted nem for review.

Legislative Appropriations

There is no apparant relationship between the presence oversight role and the size of increases recorded in final appropriations ordinance. Although a negative iation is suggested by the concept, only a weak re- nship is evident (-0.1395). Although the oversight is connected to the size of reductions imposed by the

gislature, its imp

nsure change made

ently, when it com

nnication is evide

gain, this provides

ore than a simpl

functions less as

ve as a mechanism

ng of munici

Furthermore, t

ision makers' ro

the case of the

ve a negative par

though, on the av

ey receive fo

ncreases over the

the legislature

the outputs of the

Often the legi

s a failure to ful

going over the

the overall obje

s as a mechanism

priorities whic

ture of the city

es, like whether

slature, its impact is stronger upon the amount of
lute change made in the executive's budget. Conse-
ly, when it comes to the end-product of that review, no
iation is evident to the size of yearly increases.
, this provides clear evidence that the oversight role
re than a simple negative response to spending increases.
nctions less as a constraint upon spending growth,
as a mechanism for the legislature to participate in
aking of municipal expenditure decisions.

Furthermore, the absence of a connection between
ion makers' role and yearly growth in expenditures, as
e case of the executive, the legislature occupies more
a negative part in the process of municipal budgeting.
gh, on the average, the city council reduces the bud-
ey receive for review, the budget, on the average, still
ses over the level of the previous year. Looking
legislature only in negative terms, does not explain
tputs of the third stage of the budget process.

Conclusion

ften the legislature's oversight role is criticized
ailure to fulfill their policy making responsibilities.
ng over the details of administration, they lose sight
overall objectives of government and fail to utilize
a mechanism to set policy: "We do not address ourselves
orities which might be better. We do not see that the
of the city is protected. We look in nit-picking
like whether we need 9,000 petunias in the park. It

ress us think we ha

e council ought to

e should be giving

e spending and deal

mbers they think

would be one of so

ess, and not gett

sponsibility as wel

e this or that dir

But this rig

nistrative policy

e understand that

administrative

n impact on polic

mmendations--

ress this is still

ional details to

e the review of

the capabilities a

Allen Schick wr

ves a guard again

device for influe

policy . . . cont

for control over

37. Allen

s us think we have influence, but it's an illusion . . .
ouncil ought to be operating at a high policy level.
ould be giving the chief administrator their priorities
ending and deal only with the level of the type of
ces they think ought to be performed . . . Their part
d be one of sorting priorities and determining program
, and not getting down to details. They have the re-
ibility as well as the right to say they want to move
is or that direction."

But this rigid distinction between the formulation of
antive policy and overseeing administrative details fails
derstand that it is often only through the supervision
ministrative particulars that the legislature can have
pact on policy: "We make an item by item inspection of
mendations-- about two hundred pages of IBM paper. Some-
this is silly and too much, but sometimes you have to
at details to see what the situation is." By a line
ne review of purchases and costs, the legislature develops
apabilities and resources to participate in shaping policy.
len Schick writes: "Legislative control over details,
a guard against administrative transgression, now is a
e for influencing the course of administration-made
y . . . control over details has become a mechanism
ontrol over policy."[37]

---

37. Allen Schick, Budget Innovation, p. 183.

Often this perv

ding is forgotten

"quality" of legisla

vement for PPB is

ems, and substitut

is actually being de

n control policy; c

rmation. As Richa

One long-stand
the Appropriat
far too much t
the specifics
impeding the i
ecutive view h
make only the
then allow the
in matters of
felt that a pr
committee inqu
judgments and
vestigation of
classificatior
the Committee'
can effectivel
executive brar
intervention
of administrat
capacity to a
so many forma
ecutive contr

36. Richard
Appropriations Pro
F. Sugo, Informati
Congress (New York

Often this pervasive fact of legislative decision
ing is forgotten in the reformer's zeal for improving the
ality" of legislative participation in budgeting. The
ement for PPB is such an example. By eliminating line
ns, and substituting program categories, the legislature
ctually being denied the kind of information they need
ontrol policy; one goal of such a change in budget
ation. As Richard Fenno writes in this regard:

> One long-standing executive branch criticism of the Appropriations Committee holds that they spend far too much time inquiring into and acting upon the specifics and details of agency activity, thereby impeding the implementation of programs. The executive view has been that the Committee should make only the broadest kind of program judgments, and then allow the executive flexibility and discretion in matters of administrative detail. Executives have felt that a program budget might force Appropriations Committee inquiry into the realm of broad program judgments and steer them away from the detailed investigation of the items highlighted by an object-classification budget. The truth of the matter, from the Committee's standpoint, is that the only way they can effectively find out what is going on in the executive branch is through detailed and specific intervention (or the threat thereof) in the process of administration. It is precisely the Committee's capacity to affect the implementation of programs in so many formal and informal ways that keeps the executive continuously attentive to legislative wishes.38

---

38. Richard Fenno, "Impact of PPBS on Congressional
ppriations Process," in R. Chartrand, K. Janda, and
ago, Information Support, Program Budgeting and the
ess (New York: Spartan Books, 1968), pp. 183-184.

The System

As described ea

a particular part

perations. Each is

n each role interac

tart off the proce

ld expend expansio

disparate parts int

bigger that is more

initial department

oversees the whole

bigger in the cours

an authoritative a

sense, in relation

an executive vetoe

policy decisions.

bigger on the natio

The roles fit
stable patter
great deal to
for the partic
in great deta
President's o
criteria will
The Appropria
know that the
the programs
and can conce
program or on
operates on t
are left out
carry an appe
roles and sol
of mutual exp

The System of Municipal Budget Roles

As described earlier, each role is looked upon as only particular part in the system of complementary ex-tations. Each is a component of the "division of labor" each role interacts with each other. The departments rt off the process and provide the impetus to program expend expansion. The executive pulls together the parate parts into a unified whole as he prepares a get that is more in line with previous spending than tial department requests. Finally, the legislature rsees the whole process, by reviewing the executive's get in the course of putting the stamp of approval upon authoritative appropriation ordinance. Each role makes se, in relation to each other, as the departments initiate, executive vetoes and the legislature modifies spending cy decisions. As Aaron Wildavsky writes of such a em on the national level:

> The roles fit in with one another and set up a stable pattern of mutual expectations, which do a great deal to reduce the burden of calculations for the participants. The agencies need not consider in great detail how their requests will affect the President's over-all programs; they know that such criteria will be introduced in the Budget Bureau. The Appropriations Committees and the Budget Bureau know that the agencies are likely to put forth all the programs for which there is prospect of support and can concentrate on fitting them into the President's program or on paring them down. The Senate Committee operates on the assumption that if important items are left out through House action the agency will carry an appeal. If the agencies suddenly reversed roles and sold themselves short, the entire pattern of mutual expectations might be upset, leaving the

participants w
complexity.[39]

But does such

[illegible] empirically or

the data gathered

specific fashion

[illegible] the presen

measure of each

[illegible] expectations

Beginning wit

[illegible] orientatio

the executive, c

sufficient strength

[illegible]. This is be

[illegible] of thei

[illegible] to balance the

[illegible], the rel

[illegible] executive eval

[illegible] 0.0754). T

[illegible] and execu

[illegible] and execu

[illegible] not go together

between the execut

to an oversight ro

[illegible] the presence

---

[39] Aaron

participants without firm anchor in a sea of complexity.39

But does such a logical system of mutual budget roles ist empirically on the municipal level? Evidence, at least the data gathered in the present fourteen cities, and in e specific fashion each role was measured does not corborate the presence of such a system. By interrelating e measure of each actor's role such a rational set of tual expectations does not appear to exist.

Beginning with the interaction between the department's ending orientation and the accompanying economizer role the executive, only one of the four correlations are of fficient strength to suggest the existence of such a stem. This is between the departments own assessment of e padding of their requests and the executive's perceived ed to balance the budget (0.3940 + 0.10). Most significantly, the relationship between departmental padding d executive evaluation of such padding does not at all ist (0.0754). The two relationships between departmental vocacy and executive balancing (0.0504) and departmental vocacy and executive evaluation of padding (-0.2651) also not go together as expected. Similarly the connection ween the executive's economizer role and the adherence an oversight role by the legislature does not substante the presence of a system of mutual budget roles. The

39. Aaron Wildavsky, Budgetary Process, p. 161.

rrelation of the legislature's role and executive balancing .0405) and executive evaluation of departmental padding .2509) are quite low. Finally, there is no connection tween the departments' spending role and legislative ersight (padding, -0.1083; advocacy, 0.1868).

The absence of such a system of mutual roles, perhaps ovides an explanation of the failure of executive and gislative roles to account for the size of annual in- ease in expenditures are either recommended or approved. ese two actors do not stand in a contrasting position th one another and toward the departments, for as much they cut the budget they receive for review, they also vor and support the expansion of municipal spending vels. Looking at the executive and the legislature lely in terms of their negative position is only one de to their spending choices and alone does not com- etely explain the decisions made.

apter Five: Infl

The first eler
luence derives f
ossesses in the se
partment heads s
equests. The fir
his forms the bas
They are the base
ter, the budget i
luence on it." F
their budgets is c
o successfully ac
heads have to infl
authority over the
ver final expendi
lear in the prev
the size of initi
determinant of al
departments budge
making process.
They set the fram
a very real sense

pter Five: Influence Exercise Through Formal Authority

Introduction

The first element of the structure of budget making luence derives from the formal authority each actor sesses in the sequence of decision making stages. The artment heads start off the process by formulating budget uests. The first set of spending figures are theirs, and s forms the basis for subsequent executive decisions: ey are the base of the budget making pyramid . . . From m, the budget is first shaped. They are the first in- ence on it." Even though the final determination of ir budgets is outside of their jurisdiction and in order successfully achieve their spending goals, department ds have to influence decision makers who have formal nority over them, they possess considerable influence r final expenditure outputs. This is made strikingly ar in the previous statistical analysis which shows that size of initial requests is the single most important erminant of all other budget decisions: "Preparing the artments budget is the key step in the whole budget ng process. You set the mold for what comes after." set the framework for the decisions that follow. So in ry real sense the departments, as initiators possess

nsiderable importa

ning and in the d

nuts.

The executive

ts puts together

ith. He reviews

ns to the legisl

nsible for the

dget requires th

ty council the bu

semble all depart

ing a unity and

According to

the executive stag

fluence is centr

a manager or a

ically describe

He is the ke

" the ci

for the most

the city cou

that it is h

influence fe

s described by th

ver. This is wh

1. Arnold

ng Budgeting Al

al Reform," in Jo

ations: A Comput

Chicago: Rand

onsiderable importance in the process of municipal bud-
eting and in the determination of final expenditure
utputs.

The executive then prepares the budget, as a document
hat puts together expenditures and revenues in a single
lace. He reviews department requests and makes recommenda-
ions to the legislature: "As the chief executive he is
esponsible for the whole operation . . . The charter
learly requires the manager to prepare and present to the
ity council the budget . . . As the chief administrator I
ssemble all department requests and develop a total budget.
put a unity and a particular thrust into it."

According to previous reports of municipal budgeting,
he executive stage is the most important. Budget making
nfluence is centralized in the office of the executive, be
e a manager or a mayor. As Arnold Meltsner and Aaron
ildavsky describe the manager of Oakland:

> He is the key figure in making most of the decisions . . . the city manager reviews all the budgets and, for the most part, makes the decisions. He guides the city council in its consideration. He feels that it is his budget. And he uses it to make his influence felt throughout city government.1

described by those presently interviewed: "He is the prime
ver. This is where the manager makes his administrative

---

1. Arnold J. Meltsner and Aaron Wildavsky, "Leave
ty Budgeting Alone: A Survey Case Study and Recommendation
d Reform," in John P. Crecine, Governmental Problem
lying: A Computer Simulation of Municipal Budgeting
hicago: Rand McNally, 1969), p. 344.

ecisions most effe

rograms of the yea

what happens in

as a very key role

ctivities go beyon

d compiling the r

nal policy decis

he allocations and

ught to be, of whe

xpansion or contra

The executive

ships that define

ontrols the depart

the other, as we

he departments an

ation of budget a

Smith writes, the

> In the minds
> meant execut
> separable.
> budget it mu
> responsible

Before this

the authority was

onjunction with t

Each department he

---

2. Allen Sc
Washington, D. C.

decisions most effectively and sets the stage for the programs of the year. Where he intervenes most directly in what happens in the rest of the year . . . The executive has a very key role in making budget decisions. His activities go beyond the mere administration of the budget and compiling the recommendations of others. He makes actual policy decisions in the budget. His perceptions of the allocations among departments, of what the tax rate ought to be, of whether a particular function is worthy of expansion or contraction are all the mayor's."

The executive is the fulcrum of the set of relationships that define the structure of budgetary influence. He controls the department heads on one side the legislature the other, as well as the interaction directly between e departments and the legislature. This institutionalition of budget authority in the executive was, as Allen hick writes, the intention of this reform movement:

> In the minds of its prime movers, budget reform meant executive budgeting. The two were inseparable. Thus Cleveland's dictum: "To be a budget it must be prepared and submitted by a responsible executive.2

Before this time, the executive was weak. Administrave authority was dispersed, and the legislature in njunction with the departments were correspondingly strong. ch department head, independent of the executive, submitted

---

2. Allen Schick, Budget Innovation in the States shington, D. C.: The Brookings Institute, 1971), p. 17.

its own separate bu

ternal authority t

epartment expendit

available revenu

office to impose st

ernal and purchasi

inadequacies of thi

authority in the ex

ability to revise

ions to the legis

to integrate the s

prehensive and coo

authority places t

ion within the mu

Finally, the

they alone possess

ordinance, without

They possess the r

the final voice .

vision." The legi

ive assessment of

levels and this t

to them by the ex

unicipal budget

ure outputs. Co

relationships are

s own separate budget to the legislature. There was no
ntral authority to compile and consolidate individual
partment expenditures into a whole that was related
available revenues. Nor was there any central finance
fice to impose standard accounting controls over per-
nnel and purchasing expenses. Dissatisfaction with the
dequacies of this system led to the centralization of
thority in the executive who was given the formal respon-
ility to revise department requests and make recommenda-
ns to the legislature. The executive assumed the power
integrate the separate department budgets into a com-
hensive and coordinated whole. This system of formal
hority places the executive in the most influential posi-
n within the municipal budget making system.

Finally, the legislature completes the sequence as
y alone possess the authority to adopt the appropriation
inance, without which no money could be legally spent.
y possess the right to act: "We have the final say . . .
final voice . . . the ultimate determination and de-
on." The legislature has the opportunity to make their
assessment of the rate of annual growth in total spending
ls and this they do by changing the budget submitted
hem by the executive. In this way, they influence the
cipal budget process and the determination of expendi-
outputs. Consequently three pairs of formal influence
tionships are identified. Between the department heads

at the executive,

ten between the de

ght will be examin

Examining fix

ne budget moves fr

nages, an executiv

ne any passive o

ential requests.

influence attempts

ons are imposed.

control over depar

n the course of r

ained a cut in t

n did not permit

s best made ,

anager. When I

the forms, the bus

approval, nor wou

been consulted."

to limit the size

ected the discre

ways to implemen

duction. Other

expenditure reque

additional effect

On the othe

executive decisio

i the executive, the executive and the legislature, and
en between the department heads and the legislature.
ch will be examined in turn.

Examining first the pattern of formal influence as
e budget moves from the first to the second decision
ages, an executive centered process is where departments
e only passive onlookers to the decisions made on their
tial requests. Executive choices are "closed" to the
luence attempts of the departments as unilateral budget
s are imposed. The executive exercises hierarchical
trol over departments and does not consult with them
the course of reviewing their budget: "The manager
ered a cut in the department, within a specific area,
did not permit me to select the area where I thought
ut best made . . . We had no discussions with the
ager. When I first saw my budget, after completing
forms, the budget had been cut in places I had not
roved, nor would I have chosen those areas if I had
n consulted." It is not that departments are unable
limit the size of cuts made, but that they are even
ed the discretion within their own department of
re to implement a certain percentage or dollar value
ction. Other than the submission of their initial
nditure requests, department heads have little
tional effect upon executive decisions.

On the other hand, a decentralized system is where
utive decisions are "open" to department pressure, and

he interaction bet

rgaining, negotia

scribes such an i

> It is at this
> (budget game)
> departments he
> ministrator ar
> balanced budge
> suasive . . .
> contrary, the
> presentations
> are retained

ntact is close a

rsive. Departme

se" to an execut

penditure figure

ecutive's own re

s a product of mu

tive action alo

termine places f

g.. "If I cut he

n't take it her

tuations, the se

ther isolated r

fluence of the

De
Inf

The first qu

fluence relatio

3. Donald B
Viewpoint," in Jo

e interaction between these two actors is marked by
rgaining, negotiation and compromise. As Donald Borut
scribes such an influence structure:

> It is at this stage that the advocate process (budget game) is presumed to operate. The departments heads plead their case and the administrator argues for reduction on behalf of the balanced budget. If a department head is persuasive . . . cuts may be restored. If, on the contrary, the back up data and the departments presentations are weak . . . the reduced figures are retained . . .3

tact is close and continuous, and consultation is ex-
sive. Departments have the opportunity to "plead their
e" to an executive who is susceptible to such pressure.
enditure figures are tentative when they meet, as the
cutive's own recommendations to the legislature emerges
a product of mutual accommodation, rather than of ex-
tive action alone: ". . . Together the manager and I
ermine places for a cut in my budget . . . He would
-- 'If I cut here, what would that do?' I'd say,
n't take it here, take it somewhere else.'" In these
ations, the second stage of executive budgeting is
her isolated nor insulated from the involvement and
uence of the departments.

Department-Executive Influence Relationship

The first question formulated to measure the formal
uence relationship between the departments and the

---

3. Donald Borut, "Implementing PPBS: A Practitioner's
point," in John Crecine, Financing the Metropolis

ecutive was the,

epartment heads an

ecutive's budget

estion was coded

0 -
1 -

2 -
3 -
4 -
5 -

e underlying con

ount of bargaini

ese two actors,

uthority over the

ore that corresp

were to a high ra

were departments

hoices,

The first two

executive domi

bility to change

eeds are not ever

eet with the exe

hey certainly po

with the executiv

fluence, when suc

3. (continu
ompany, 1970),

xecutive was the, "Purpose of the meeting between the epartment heads and the executive in determining the xecutive's budget recommendations." This open-ended uestion was coded into the following ranked categories:

0 - No meeting takes place
1 - Inform departments heads of previous decisions
2 - Support the executive's budget
3 - Exchange of information
4 - Persuasion
5 - Place where actual decisions made

he underlying conceptual dimension of the scale is the mount of bargaining and negotiation that takes place among hese two actors. The executive asserts his hierarchical uthority over the departments. It extends from a low core that corresponds to an executive centered system here to a high rank that represents a decentralized process here departments are able to influence executive spending hoices.

The first two categories point to the highest degree executive dominance, where department heads have little bility to change executive behavior. Where department eads are not even provided with the formal opportunity to et with the executive concerning their spending requests ey certainly possess little influence. But simply meeting th the executive does not represent an increase of in- uence, when such contact simply informs the departments

---

3. (continued) (Beverly Hills: Sage Publishing mpany, 1970), pp. 298-299.

previous executi

tion that has bee

an executive cer

A series of e
sessions are
submitted to
mayor's budge
mayor's decis
very little m
Oftentimes th
department he
to grant thei

The middle tw

executive control,

the departments fo

This provides the

for influence thr

the executive use

It could also be

with the legislat

facts and informa

levels of expendi

'sell' it to the

his own recommend

senting more deta

particular quest

subordinate to t

autonomously, on

4. John Cr

previous executive choices. It is exactly this sit-
ion that has been described by John Crecine as a feature
an executive centered process:

> A series of executive budget hearings or review sessions are held before the mayor's budget is submitted to the council . . . By the time the mayor's budget reaches this stage, most of the mayor's decisions have been made and there is very little money left, if any, left to allocate. Oftentimes these sessions are used to explain to department heads just why no funds are available to grant their particular request.4

The middle two categories point to a relaxation of
cutive control, as he now displays a reliance upon
departments for information he does not possess.
s provides the departments with potential resources
influence through judicious selection and presentation.
executive uses this information for this purpose and
could also be used to support his subsequent dealings
h the legislature: "It gave the manager the necessary
ts and information so that he could justify certain
els of expenditure to the council. So he could then
ll' it to the legislature." The purpose of preparing
own recommendations is, "to clarify a request by pre-
ting more detailed and comprehensive response to a
ticular question." In either case, departments are
ordinate to the needs of the executive. They do act
onomously, on behalf of their own goals of increased

4. John Crecine, Financing the Metropolis, p. 37.

ysis and display l

n change his revie

The last two c

system of executive

The executive, now

n the departments

It gave me the ch

It is the opportun

is an immediate an

ations, at the tim

is unfixed and eve

charges from the g

system.

The response

of the meeting bet

dicates an open

of the three depar

The fourth categor

ifth category of

esponds, along t

etween some and

decisions of the

meeting. From th

departments, this

for an exchange o

executive centere

ds and display limited pressure upon the executive
change his review of their requests.

The last two categories represent a decentralized
tem of executive influence, where persuasion occurs.
executive, now, does not impose unilateral decisions
he departments who are allowed to "plead their case."
gave me the chance to campaign for my requests . . .
s the opportunity to fight for their budgets." There
n immediate and direct consultation between these two
rs, at the time of this meeting. The executive budget
nfixed and everything is up for grabs, as the budget
ges from the give and take of the decentralized budget
tem.

The response to this question concerning the purpose
the meeting between the departments and the executive
icates an open influence system. From the perspective
he three departments interviewed it is midpoint between
fourth category of an "exchange of information" and the
h category of "persuasion" (see table 5.1). This cor-
onds, along the five point scale, to the position of
een some and much influence by the departments over the
sions of the executive during their formal budget
ing. From the executive's general description of all
rtments, this meeting serves the purpose of a forum
an exchange of information. This points to a more
utive centered process, where departments possess some

DEPARTMENT-E
RELATIONSHIP

	Purpose of Meeting
	4.00-3.20
	3.25-2.60
	4.16-3.33
	3.66-2.93
	5.00-4.00
	3.33-2.66
	0.66-0.53
	2.50-2.00
	5.00-4.00
	3.33-2.66
	4.20-3.36
	3.00-2.40
	3.00-2.40
	4.00-3.20
Mean	3.51-2.81
St. Dev.	1.10-0.88

TABLE 5.1

DEPARTMENT-EXECUTIVE FORMAL INFLUENCE RELATIONSHIP (DEPARTMENT HEAD REPLIES)

y	Purpose of Meeting	Resolve Disagree-ments	Influence Strategy	Mean
	4.00-3.20	3.00	2.00-1.60	2.90
	3.25-2.60	0.66	2.00-1.60	1.62
	4.16-3.33	0.33	1.66-1.33	1.66
	3.66-2.93	0.50	3.33-2.66	2.03
	5.00-4.00	0.50	1.33-1.06	1.85
	3.33-2.66	2.66	1.20-1.00	2.11
	0.66-0.53	2.00	3.00-2.40	1.64
	2.50-2.00	0.50	1.00-0.80	1.10
	5.00-4.00	2.00	1.66-1.33	2.44
	3.33-2.66	2.03	1.75-1.40	2.03
	4.20-3.34	0.00	0.66-0.53	1.29
	3.00-2.40	0.00	1.00-0.80	1.07
	3.00-2.40	0.50	1.66-1.33	1.41
	4.00-3.20	2.20	1.50-1.20	2.13
n	3.51-2.80	1.21	1.70-1.36	1.85
Dev.	1.10-0.88	1.40	0.73-0.60	0.75

ome influence (see

n either case, how

nts of the scale,

effect some change

A second ques

formal influence i

ver the budget ar

reference to this

studies, the way c

indicator of each

er who is the wea

where spending pre

which participant

ined by the appli

connection. By b

ne's own interes

Responses to

ject along the d

influence, from a

ection situation

0
1
2
3
4

Where the ex

ver the departme

here certainly

e influence (see table 5.2). Individual city responses,
either case, however, are generally within the upper
s of the scale, where the departments are able to
ect some change in executive behavior.

A second question measuring the distribution of
nal influence is the process by which disagreements
r the budget are resolved. Although there is little
erence to this feature of the budget process in past
lies, the way conflict is resolved is an important
icator of each actor's influence. Who is the stronger,
who is the weaker becomes apparent in a situation
e spending preferences are in direct and overt conflict.
h participant wins and which one loses is often deter-
d by the application of influence to settle the issue in
ention. By being able to change the behavior of others,
s own interests and values are satisfied.

Responses to this open ended question was similarly
d along the dimension of executive centralization of
uence, from a hierarchical to a bargaining and nego-
ion situation. These codes are:

0 - Executive made the decision
1 - Exchange of information
2 - Compromise
3 - Deadlock
4 - Legislature made the decision

Where the executive asserts his hierarchical authority
the departments and hands down unilateral decisions
certainly is the highest degree of executive influence

DEPARTMENT-
RELATIONS

| | Purp
Mee |
|---|---|
| | 3.60 |
| | 3.00 |
| | 4.00 |
| | 3.50 |
| | 3.60 |
| | 3.50 |
| | 3.33 |
| | 2.66 |
| | 3.33 |
| | 2.25 |
| | 2.33 |
| | 3.66 |
| | 3.71 |
| | 2.50 |
| | 3.2 |
| Dev. | 0.4 |

TABLE 5.2

DEPARTMENT-EXECUTIVE FORMAL INFLUENCE RELATIONSHIP (EXECUTIVE REPLIES)

	Purpose of Meeting	Resolve Disagree-ments	Mean
	3.60-2.88	1.00	1.94
	3.00-2.40	0.50	1.45
	4.00-3.20	0.75	1.48
	3.50-2.80	1.60	2.20
	3.60-2.88	1.25	2.06
	3.50-2.80	1.63	2.22
	3.33-2.66	1.00	1.83
	2.66-2.13	0.33	1.23
	3.33-2.66	1.60	2.13
	2.25-1.80	0.60	1.20
	2.35-1.88	0.71	1.29
	3.66-2.93	1.33	1.13
	3.71-2.97	0.00	1.49
	2.50-2.00	1.20	1.60
	3.22-2.57	0.97	1.66
Dev.	0.40-0.45	1.19	0.39

Departments have p

ending the issue

executive spe

to acquiesce t

have no choice but

. . . He made the

. . . He's the bos

There compr

disagreements are

these two decisio

acceptable to bot

. . . We try

sessions on both

is more balanced,

decision mark the

department heads

Finally, wh

decisions, the exec

formal influence

able to prevent t

controversy before t

has been extended

influence changed

council. They ma

ment heads gave

made the determi

tments have practically little to say in
ing the issue in contention and virtually no impact
executive spending choices. They have little choice
o acquiesce to executive spending preferences: "I
no choice but to accept the decisions of the manager
He made the decision. I had nothing to do with it
He's the boss. He has the final say."
Where compromise is the process by which budget
reements are resolved, there is a partnership among
two decision makers. The specific outcome is mutually
table to both of them: "We came to a meeting of the
. . We try to reach a consensus . . . There are con-
ns on both sides." The distribution of influence
re balanced, as persuasion, bargaining, and nego-
n mark the pattern of interactions between the
ment heads and the executive.
Finally, where the legislature made the final de-
s, the executive possesses the least amount of
influence over the department heads. By not being
o prevent the departments from beinging the con-
sy before the city council, the scope of conflict
en extended to a third actor and the equation of
nce changed: "The problem was presented to the city
l. They made the final decision . . . The depart-
eads gave their position to the council and they
ne determination." By not being able to contain

ne controversy wi

ne disagreement b

nds, the executi

ver his administr

tial budget proce

The response

between the depart

greater degree

budgeting than

ne perspective o

ne process by wh

may allow the de

is the second of

ne departments h

active when conc

ther. The exchan

ressing, but wher

issue sticky, the

ver the departme

ierally announc

The third m

ationship is in

n order to succ

uestion here is

ncise their inf

o change the be

ontroversy within the second budget stage and ending
isagreement by dealing directly with the department
, the executive has lost almost complete control
his administrative subordinates and over the muni-
budget process.

The response to this measure of the relationship
en the department heads and the executive points to
ater degree of executive influence over the process
dgeting than did the previous question. From both
erspective of the department heads and the executives
rocess by which budget disagreements are resolved
llow the departments to present information. This
e second of the five categories and corresponds to
epartments having slight influence over the ex-
ve when concrete budget conflict is evident between
The exchange between them is fluid, during their
g, but when the discussion becomes heated and the
sticky, the executive quickly asserts his authority
he departments to end the controversy, by uni-
lly announcing a settlement.

he third measure of this particular influence re-
ship is in the "strategies pursued by the departments
er to successfully obtain what was requested." The
on here is the mechanism departments employ to ex-
their influence. The specific ways they attempt
nge the behavior of the executive; the tactics and

alculation depart

mploy to effect a

udget are analyze

An active and

ney explicitly ar

xecutive's review

ntralized budg

ehavior are foll

eads have presum

trategies succes

ause the executi

ther hand, passi

learned there is

spending choices.

is ineffective, t

vidence.

Responses t

ried from a low

executive dom

0
1
2
3
4
5

The first t

department heads

executive. The

department heads

ulation department heads explicitly and consciously
oy to effect a positive executive review of their
et are analyzed.

An active and aggressive departmental strategy, where
explicitly and overtly attempt to influence the ex-
ive's review of their initial requests points to a
ntralized budget making structure. Such modes of
vior are followed, as they are effective. Department
s have presumably learned from past years that these
tegies successfully change executive behavior be-
e the executive is open to such pressure. On the
r hand, passive departments, who do little have
ied there is little they can do to effect executive
ding choices. Any particular departmental strategy
neffective, because the executive is immune from such
ence.

Responses to this open-ended question were again
from a low to a high rank that indicates variation
ecutive dominance. These codes are:

0 - No strategy followed
1 - Exchange of information
2 - Prepare a budget acceptable to others
3 - Establish trust and confidence
4 - Emphasize external considerations
5 - Persuasion

The first two responses point to essentially powerless
tment heads who pursue no strategy to pressure the
tive. The next two categories also point to passive
tment heads, except that it indicates at least

awareness of th

higer success. B

executive behavior

preparing their re

themselves unable

higers. Departme

little to offset

ir efforts, excep

pproval of the e

ver, displays th

eturns to a decen

ot alter thei

xplicitly attemp

them by their

et of requests,

ther.

The response

executive center

ected of the exe

to successfully

ther is acceptab

xplained, a pas

to only slight i

---

5. The thi

to influence oth

the executive's

he does not empl

authority and th

concept is measu

wareness of the importance of the executive for their
et success. But the only way it is seen to effect
utive behavior is to alter their own decisions in
aring their requests in the first place. They perceive
selves unable to change the executive's review of their
ets. Department heads perceive that they can do
le to offset the opposition of the executive by their
efforts, except to act in a way that would meet the
oval of the executive. The last two categories, how-
, displays the active and aggressive strategy that
ts to a decentralized budget system. The departments
ot alter their own budget behavior but overtly and
icitly attempt to alter the executive's evaluation
hem by their own tactical maneuvers. They make the same
of requests, but pressure the executive to approve

The response to this particular question points to an
tive centered process. Department heads (it was not
l of the executive)[5] describe the strategy they pursue
ccessfully attain their goals as preparing a budget
is acceptable to others. This represents, as just
ined, a passive department strategy and corresponds
ly slight influence with the executive. Departments

---

5. The third question of the strategy employed
fluence others, was not asked from the perspective of
xecutive's interactions with the department heads.
es not employ a strategy as much as he asserts his
rity and thus this question is not relevant and the
pt is measured by only two question.

eads are passive

the executive c

consciously at

lieving that suc

be aggressive

fficial meeting,

given to them by

to create a n

The index of

epartment heads

departments du

executive budgeti

rally open to

their requests

ome opportunity

executive as som

between them in

is formal autho

Although th

ciles extends f

great influen

is skewed to the

single city wh

50, while on the

ome influence

cutive, the ex

ads are passive participants to the decisions made
the executive over their requests. They do not actively
d consciously attempt to change executive spending choices,
lieving that such attempts would be ineffective. They
y be aggressive and influential at the time of their
ficial meeting, but this is an opportunity that is
ven to them by the executive himself. They do not go
t to create a new situation, to exert such influence.

The index of the questions reveals that both the
partment heads and the executive attribute some influence
departments during the second stage of budget review.
ecutive budgeting is neither completely closed, nor
tally open to pressure exerted by departments in support
their requests for more funds. Departments possess
ne opportunity to change the spending choices of the
ecutive as some bargaining and negotiation takes place
tween them in the course of the executive's exercise of
s formal authority to review their requests.

Although the distribution of responses among the
ies extends from where departments possess from slight
great influence, the pattern of infividual city scores
skewed to the lower end of the scale. There is only
ingle city where great influence is attributed to them.
while on the average, departments in each city possess
e influence over the expenditure outputs of the ex-
tive, the executive is the stronger partner.

Relati

It is first e

partments possess

requests increase

year. Where depa

with the executiv

rrent tactical

n increase is re

partments create

s a set of compr

ive and take of

there is only wea

cation of initia

epartments to ir

This statis

influence system

expansionary req

ecutive centered

from being made.

review of the se

backward to the

requests. The e

udgets and prep

ot control the

udgeting.

Relationship to Department Budget Requests

It is first expected that the more influence de-
ments possess vis-a-vis the executive, the more their
ests increase over the spending level of the previous
. Where departments have the opportunity to bargain
the executive, the size of their initial budget is an im-
ant tactical maneuver in the negotiations. The more of
ncrease is requested, the more slack resources the de-
ments create for themselves that can be given away,
set of compromise spending figures emerges from the
and take of a decentralized influence system. However,
e is only weak support to this linkage between the form-
ion of initial budget requests and the ability of
rtments to influence the executive (0.1615).

This statistical relationship shows that a decentralized
uence system does not propel the departments to submit
nsionary requests. It also demonstrates that an ex-
ve centered process does not inhibit such requests
being made. The pattern of formal influence budget
w of the second decision making stage does not extend
ard to the department's formulation of their initial
sts. The executive's authority to review department
ts and prepare his own set of recommendations does
ontrol the original expansionary thrust of departmental
ting.

Relation
in

More central

dget making sys

viewing departm

agonistic budg

sh and their r

s expected that

ish the size of

to the extent tha

ressure, a const

mpers of the se

xecutive to con

e department neg

he ability to i

strong executive

ivation for t

tatistical asso

pparent reason

ctions when he

ttempt to demons

educe departmen

ominate them by

pending cuts re

egardless of va

ship among the d

he ineffective

Relationship to Executive Cuts
in Department Requests

More central to the place of influence within the
et making system is the behavior of the executive in
ewing departmental requests. In this decision, the
gonistic budget position of these two actors directly
h and their relative influence is most apparent. It
xpected that departments utilize their influence to
t the size of cuts the executive makes in their requests.
he extent that the executive is susceptible to such
sure, a constraint is placed on the budget cutting
uts of the second stage. It takes influence for the
utive to contain at this point the expansionary thrust
epartment heads. A weak executive does not possess
ability to impose such reductions as much as does a
ng executive. However, there is no empirical cor-
ration for this hypothesis. In fact, a moderate positive
istical association is evident (0.2275). There is no
ent reason why the executive would make larger re-
ons when he is more open to departmental pressure,
t to demonstrate that the executive does not
e department requests any less when he does not
ate them by means of his hierarchical authority.
ing cuts result from the second decision making stage
dless of variation in the formal influence relation-
among the departments and the executive. Departments
neffective in preventing executive cuts in their requests

ecause they do n
fluence to contr
avior. Departm
fluence is not
isions. It wi
ure, where depa
e executive in
ourth of the fiv
ere reports of
ecutive, then
ange executive
eir own budget

Exec

Although
ere reducing th
ccessful in ef
ssess sufficie
timate goal of
ernments have w
n spending the
egislature (O.
ave enough infl
aking such exte
equests that t
heir spending
ack of power m

use they do not possess a sufficient amount of
uence to contain the negative thrust of executive
vior. Departments possess some influence, but some
uence is not enough influence to change executive
sions. It will be recalled that the highest absolute
e, where departments possess the most influence with
executive in any of the fourteen cities, is only the
h of the five ranked categories. Possibly, if there
reports of greater department influence with the
tive, then they would have enough influence to
e executive spending choices in the direction of
own budget objectives.

Relationship to Executive Recommendations

Although departments fail to prevent the executive
reducing their requests, they are not completely un-
ssful in effecting executive decisions. They still
ss sufficient influence themselves to achieve their
ate goal of annual growth. The more influence de-
ents have with the executive, the more of an increase
ending the executive recommends, for them to the
ature (0.3703 + 0.10). Departments, apparently
nough influence to prevent the executive from
such extensive and severe cuts in their initial
ts that they receive no yearly increase at all, in
spending level. As Thomas Anton writes: ". . .
f power means inability to persuade the governor to

clude a proposa

enting a cut and

ecessarily the s

fluence they poss

ing decisions of

ditions to thei

their goal of exp

stage. The distr

the executive and

the consequences

Exe
Ini

The second

the executive and

tatively adopte

dinance of the

new council has

both state and l

of the Illinois

Despite its
the 1963 Ge
in the dete
the legisla
propriation
only produc
made elsewh
was incapab

6. Thomas
re in Illinois
Illinois Press,

7. Thomas

ıde a proposal for change within his budget."[6] Pre-
ıng a cut and ensuring yearly expansion are not
ssarily the same. Departments utilize whatever in-
ıce they possess, not negatively, to oppose the cut-
decisions of the executive; but positively to support
ions to their funds. In this way they ensure
goal of expansion at the end of the second budget
. The distribution of formal influence between
xecutive and the legislative body most definitely
onsequences upon expenditure outputs.

Executive-Legislature
Influence Relationship

The second formal influence relationship is between
xecutive and the legislature as the budget is author-
vely adopted as the appropriation ordinance. The
ance of the executive, over the deliberations of the
ouncil has been widely reported in past studies of
state and local budgeting. As Thomas Anton writes
Illinois State Legislature:

espite its formal authority over appropriations,
he 1963 General Assembly was virtually powerless
n the determination of state expenditures . . .
he legislature did nothing more than pass ap-
ropriation bills . . . legislative behavior could
nly produce a stamp of acceptance for decisions
ade elsewhere. As an institution the legislature
as incapable of doing more.7

Thomas J. Anton, The Politics of State Expendi-
Illinois (Champagne, Illinois: University of
s Press, 1966), pp. 202-203.

Thomas J. Anton, Politics of Expenditure, p. 246.

John Crecine writ

similar terms:

> The council,
> the mayor's
> . . . the co
> to approving
> cipal legis
> for the exe

This conclu

studies of Congr

purse" is a cruc

itself. As Jess

> The budget
> democratic
> of the purs
> order to pr
> ful and arb
> The budget
> tive author

Richard Fenno si

that:

> . . . when
> we are talk
> legislative
> the purse i
> the House c
> Political S
> the House a
> share of th

---

8. John Cr
33, and 207.

9. Jesse
John Wiley and

10. Richar
Appropriation P
Hugo, Informati
Congress (New Y

n Crecine writes of the municipal legislature in

ilar terms:

> The council, in virtually every case, approves the mayor's budget almost exactly as submitted . . . the council's options are limited largely to approving the mayor's budget . . . the municipal legislative body serves as a "rubber stamp" for the executive operating budget.8

This conclusion of legislative impotence contrasts to

dies of Congress which contend that the "Power of the

se" is a crucial component of legislative authority

elf. As Jesse Burkhead writes:

> The budget system developed as an instrument for democratic control over the executive. The power of the purse came to reside in the legislature in order to prevent the executive from imposing willful and arbitrary tax payments on his subjects. The budget is an expression of ultimate legislative authority.9

hard Fenno similarly writes in his study of Congress,

t:

> . . . when we talk about the appropriation process, we are talking about the most important source of legislative power. More particularly, the power of the purse is the key to the institutional power of the House of Representatives within the American Political System. The single most serious blow to the House as an institution would be to reduce its share of the money power.10

---

8. John Crecine, Financing the Metropolis, pp. 35, and 207.

9. Jesse Burkhead, Governmental Budgeting (New York: Wiley and Son, 1956), p. 83.

10. Richard Fenno, "Impact of PPBS on Congressional opriation Process," in R. Chartrand, K. Janda, and M. , Information Support, Program Budgeting and the ress (New York: Spartan Books, 1968), p. 176.

me does hav

n find that the

penditures reside

they have the for

priation ordinanc

timate decisio

usion that the

tary" to a domi

plications for

ates of America

This conclu

he amount of ch

expenditure reco

liberations in s

al review of th

participants in

fulfill, the leg

ormance. The

percent, and the

would appear to

the present fou

executive's rec

n the budgetar

However, t

As with the con

standard to sep

One does have to travel far from the local Charter find that the legal authority over taxation and ex-ditures reside in the popularly elected legislature. y have the formal responsibility to adopt the appro-ation ordinance. This gives them the, "final say, the imate decision on the budget." Consequently, the con-sion that the local legislature is only a "rubber mp" to a dominant executive has important normative lications for the functioning of the checks and bal-es of American political institutions.

This conclusion rests solely upon the analysis of amount of change the city council makes in executive enditure recommendations. Because they impose "small" erations in spending totals at the time of their for-review of the budget, they are portrayed as unimportant ticipants in the municipal budget process, who only fill, the legal requirement of adopting the appropriation inance. The average absolute change of less than 2 cent, and the average reduction of less than 3 percent, ld appear to indicate that the municipal legislature in present fourteen cities also make minimal changes in cutive's recommendations, and are also uninfluential he budgetary process.

However, this interpretation is not presently accepted. ith the concept of incrementalism, there is no exact dard to separate a small and unimportant change from a

rge and importa

scription of va

ssed by municip

gislative autho

sis, masks the

al expenditure

ties the resul

ased expansion

low the level

ese reductions

ities have much

nd the executiv

Consequentl

essed by the ci

attern of inter

he course of th

nd the adoptio

fter this analy

ween the patte

agnitude of th

he city counci

The means

formal budget m

legal authority

egulations and

formal responsi

ge and important one which would enable a precise
cription of varying amounts of formal influence pos-
sed by municipal legislatures. Furthermore, measuring
islative authority in the budgetary process on this
is, masks the impact these alterations have upon
al expenditure outputs. As described earlier, in three
ies the result of the third stage is to turn a recom-
ded expansion of spending into appropriations that are
ow the level of the previous year. While the size of
se reductions is still small, the legislature in these
ies have much greater significance for the departments
the executive than first indicated.

Consequently, the amount of formal influence pos-
sed by the city council is measured by the actual
tern of interactions with the executive revealed in
course of their review of his budget recommendations
the adoption of the budget ordinance. It is only
er this analysis that a direct connection is made be-
en the pattern of influence and the direction and
nitude of the change in expenditure levels imposed by
city council.

The means by which the legislature exercise their
al budget making influence is by activating their
l authority to review the executive's budget recom-
ations and adopt the appropriations ordinance. Their
al responsibilities gives them the ability to modify

the budget submit

r not they choos

search has indica

nt to activate t

ent that they do

n a dominant exe

important part in

The first q

ff and council

fluence relati

the importance o

fluence, that:

the city council

search of govern

participants agr

f the significa

f influence wit

The second

the actual influ

ginal budget, th

minimal effect

no decision ma

the city counci

a great extent,

is perceived as

e budget submitted to them. The question is whether not they choose to assert themselves. Previous research has indicated that the city council simply chose to activate their potential influence. To the extent that they do so, they are no longer a "rubber stamp" a dominant executive; assuming for themselves an portant part in the municipal budget process.

Analysis

The first question asked to executives (see table) and councilmen (see table 5.4) to measure their luence relationship is the normative evaluation of importance of the budget as a mechanism of legislative luence, that: "The budget is the most effective means city council has of controlling the administrative nch of government." To a great extent these two ticipants agree with this statement. Both are aware the significance budgeting holds for the distribution influence within the policy making process.

The second question measures overall assessment of actual influence the legislature has upon the municipal budget, that: "Council decisions on the budget had mal effect upon actual spending." Neither of these decision makers express more than slight agreement that city council is so powerless. In other words, to eat extent, legislative participation in budgeting erceived as important in determining spending outputs.

EXECUTIVE-

	Budget Legislative Control
	3.00
	2.00
	2.00
	3.00
	2.33
	3.33
	3.00
	2.25
	3.66
	1.50
	2.50
	3.50
	2.50
	3.00
	2.68
	0.82

TABLE 5.3

EXECUTIVE-LEGISLATIVE FORMAL INFLUENCE
(EXECUTIVE REPLIES)

y	Budget Legis-lative Control	Minimal Effect	Decisions Left	Resolve Disagree-ments	Carry Out Anyway	Mean
	3.00	0.00-4.00	0.66-2.66	4.00	4.00	3.53
	2.00	1.66-2.33	0.66-2.66	1.00	2.66	2.13
	2.00	3.00-1.00	0.50-2.00	2.00	4.00	2.20
	3.00	0.00-4.00	0.66-2.66	2.00	4.00	3.13
	2.33	1.66-2.33	0.00-0.00	2.00	3.33	2.00
	3.33	0.00-4.00	0.00-0.00	3.25	2.00	2.52
	3.00	0.00-4.00	0.00-0.00	4.00	2.00	2.60
	2.25	2.00-2.00	0.66-2.66	1.00	1.75	1.93
	3.66	1.00-3.00	0.33-1.33	0.00	3.33	2.27
	1.50	1.00-3.00	1.00-4.00	3.00	3.00	2.90
	2.50	0.00-4.00	1.00-4.00	3.50	3.50	3.50
	3.50	0.50-3.50	0.00-0.00	3.00	3.50	2.70
	2.50	1.33-2.66	0.00-0.00	2.75	4.00	2.38
	3.00	0.50-3.50	1.00-4.00	4.00	3.50	3.60
n	2.68	0.90-3.10	0.45-1.86	2.51	3.18	2.53
	0.82	0.93-0.93	0.40-1.61	1.49	0.79	1.01

EXECUTIVE-L
(I

	Budget Legis-lative Control
	3.50
	2.30
	2.00
	3.33
	2.00
	2.50
	2.50
	2.66
	--
	2.00
	2.75
	3.50
	3.00
	1.50
	2.62
	0.62

TABLE 5.4

EXECUTIVE-LEGISLATURE FORMAL INFLUENCE
(LEGISLATIVE REPLIES)

y	Budget Legis-lative Control	Minimal Effect	Decisions Left	Resolve Disagree-ments	Carry Out Anyway	Mean
	3.50	1.00-3.00	0.25-1.00	2.87	2.50	2.57
	2.80	0.40-3.60	0.40-1.60	1.00	1.75	2.15
	2.00	1.14-2.86	0.84-3.36	3.29	3.00	2.70
	3.33	0.33-3.66	0.66-2.66	3.20	2.66	3.11
	2.00	1.20-2.80	0.25-1.00	2.26	1.20	1.85
	2.50	0.75-3.25	0.84-3.36	3.71	1.55	2.87
	2.50	0.66-3.33	0.50-2.00	1.66	1.50	2.20
	2.66	2.00-2.00	0.00-0.00	**2.25**	2.66	1.92
	--	2.40-2.40	0.40-1.60	3.20	2.40	2.40
	2.00	1.00-3.00	0.50-2.00	2.66	1.66	2.07
	2.75	0.50-3.50	0.50-2.00	2.75	2.25	2.65
	3.50	0.50-3.50	0.87-3.48	4.00	2.00	3.30
	3.00	0.70-3.25	0.66-2.66	2.29	3.00	3.04
	1.50	0.75-3.25	0.57-2.28	2.17	2.75	2.39
n	2.62	0.84-3.16	0.52-2.08	2.66	2.19	2.51
	0.62	0.44-0.47	0.25-1.00	1.97	0.62	1.64

The next qu

dget decisions

the executive

d executive bu

ion upon the ki

legislature mean

assumes greater

certain issue

ve's review, b

a technical que

arily restricti

more powerful

is where most bu

nd not by the

decisions are le

t's his budget.

whole thing up

anager. It's

The city counci

isions of budg

left to the res

average of just

interviewed in

isions, the le

erogatives, le

The next q

The next question asks if there were: "Certain
et decisions that the council did not make, but left
he executive." This defines the scope of legislative
executive budget making responsibilities. A limita-
upon the kind and number of decisions made by the
slature means that the executive correspondingly
mes greater latitude in making expenditure choices.
ertain issues are outside the purview of the legisla-
's review, because they are looked upon as administrative
echnical questions, then the city council is volun-
ly restricting their own influence and deferring to
e powerful executive. An executive centered system
here most budget decisions are made by the executive
ot by the legislature or the departments: "Most
ions are left to him. He pulls the budget together.
his budget-- he has to make it work . . . In effect the
thing up to the actual appropriations belong to the
er. It's his responsibility to prepare it . . .
ity council is less able to make the bulk of the de-
ns of budget preparation and planning, which are
to the responsibility of a competent manager." An
ge of just half of the executives and councilmen
viewed in each city replied that there were no de-
ns, the legislature instead of exercising their own
atives, left to the executive to make.
The next question asked was the: "Process by which

isagreements ar
ined between t
ere ranked cate
egislative stre
uestion provide
al legislature
hen these two a
ther over spend
ar the legisla
sion than the
s the executive
his was descri
ative power of
as what we wan
. . . The manage
e disagrees to
it was resolved
he budget to t
as a direct or
f both of thes
he fourth of t
This describes
them, arising f
persuasion and
the decision.
ordinate to the

greements are resolved." This was previously ex-
ed between the departments and the executive and the
ranked categories that extend from executive to
slative strength, are employed. Responses to this
tion provide evidence for a considerably more power-
legislature than has been described in past research.
these two actors are directly in conflict with each
r over spending preferences, it is far more likely
the legislature will prevail and make the final de-
on than the executive. The legislature is now dominant,
ne executive acquiesces to their spending choices. As
was described: "The issue was resolved by the legis-
e power of the city council. We just told him this
hat we wanted to do and we have the power to do it
The manager works on a week to week contract and if
sagrees too much we can terminate his contract . . . .
s resolved by instructing the city manager to change
udget to the council's way of thinking, not his. It
direct order by the council." The actual response
th of these two decision makers both correspond to
ourth of the five categories, where there is deadlock;
describes a situation of balanced influence between
arising from a combination of the third code of
asion and the fifth category of the legislature making
ecision. The legislature is most certainly not sub-
ate to the executive. They are not reluctant to

ssert their fort

rceive they ne

ending goals.

The last qu

mpoundment of f

asks how ofte

isagree with th

dget recommend

mplies that in

rences when it

would not disbur

ature's influe

isplayed by th

ormal review m

roughout the

figures without

he executive i

egislature wit

ative weakness

xtent he carri

endations, eve

egislature its

ome extent the

xtent of their

Altogether

nd exercise o

rt their formal authority over the executive if they
eive they need to do so in order to achieve their own
ding goals.

The last question intends to represent the executive's
undment of funds that takes place on the national level.
sks how often: "The executive, even though he may
gree with the changes made by the legislature in his
et recommendations, he carries them out anyway," this
ies that in situations of conflict over spending pref-
ces when it comes to budget execution, the executive
d not disburse the money as appropriated. The legis-
re's influence over the executive and budget outputs,
layed by the changes imposed at the time of their
l review must also be extended to the implementation
ghout the year. Making alterations in expenditure
es without having them subsequently executed; as
xecutive is able to ignore the decisions of the
lature with impunity is certainly a sign of legis-
e weakness. The executive responds that to a great
t he carries out the changes made in his budget recom-
tions, even when he disagrees with them, but the
lature itself is less certain, believing that to
extent the executive does not follow through on the
t of their actions.

ltogether the five questions describe the possession
ercise of between some and great legislative formal

influence toward
city council is
cutive as they
independent asse
ture totals. Th
possess a relati
municipal budget

Rela

It is expe
council, who ex
notifications i
have some kind
the executive h
influence, at t
view would carr
the executive i
in preparing hi
in the size of
requests or th
affected by th
influence poss
does not confi
connection is
requests (0.02
legislature (

uence toward the executive. By this measure the
council is not a "rubber stamp" to a dominant ex-
ive as they do exercise their authority to make an
pendent assessment of the annual change in expendi-
totals. They are far from powerless, but instead
ess a relatively strong amount of influence within the
cipal budget process.

Relationship to Executive Budget Behavior

It is expected that the presence of a strong city
cil, who exercises their authority by imposing
fications in the executive's recommendations, would
some kind of effect upon the previous decisions of
executive himself. That is, the exercise of formal
uence, at the time of the third stage of budget re-
would carry back to the spending choices made by
executive in reviewing departmental requests and
reparing his own spending revommendations. Either
ie size of the reductions made in initial department
sts or the amount of increases recommended might be
ted by the executive's evaluation of the amount of
ence possessed by the legislature. But the data
not confirm such a relationship. No statistical
ction is revealed, either to cuts in departmental
sts (0.0299) or to the growth proposed to the
lature (0.1298).

As evident

influence over t

authority to cha

review does not

made in the prec

budget to be rev

what will subse

this aspect of

neither the exe

in making their

preferences and

The authority o

boundaries of t

of decision mak

light).

Rela

Exe

When it c

of executive r

positions and

situation is m

tivated to see

changes as pos

turn, to impos

The spend

represent the

As evident in the previous analysis of executive
fluence over the departments, the exercise of formal
thority to change spending totals in their official
view does not extend backward to affect the decisions
de in the preceding stage. The formulation of the
dget to be reviewed is not affected by evaluations of
at will subsequently happen to it. As measured by
is aspect of the structure of budgetary influence,
ither the executive, nor the department heads defers
making their own budget choices to the spending
eferences and influence of the legislature (executive).
e authority of each actor does not reach beyond the
undaries of their own budget making arena. The sequence
decision making stages are compartmentalized (see Chapter
ght).

Relationship to Legislative Budget Behavior-- Legislative Changes in Executive Recommendations

When it comes to the legislature's official review
executive recommendations, their antagonistic spending
itions and objectives, that place them in a conflictual
uation is most readily apparent. The executive is mo-
ated to see his recommendations accepted with as few
nges as possible, while the legislature desires, in
n, to impose just those changes that are opposed.

The spending recommendations of the executive partially
esent the result of his bargain with the department heads.

departments are
annual expansion
stage and expect
with the city c
final appropria
the legislature
the executive t
end of the comp
of such a situa
to cooperate wi
to establish in
order to preven
objective of in
the executive i

Aaron Wild
agencies, the
this influence
too often overr
find that its
defeat jeopardi
exploit, is t
gress that is

A most se
Bureau la

11. Aaro
Process (Bosto

epartments are able to satisfy their own goal of an nual expansion of expenditures at the end of the second tage and expect that the executive will use his influence th the city council to retain these increases in the nal appropriation ordinance. Subsequent reductions by e legislature, naturally upset that agreement, and exposed e executive to weakness for not being able to deliver his d of the compromise with the departments. The prospect such a situation could lessen the departments willingness cooperate with the executive. It could motivate them establish independent contact with the city council in der to prevent such reductions and assure their spending jective of increases; and thus undercut the position of e executive in the process of budgeting.

Aaron Wildavsky's study of the relationship between ncies, the Bureau of the Budget and Congress illustrates s influence pattern. If the Bureau of the Budget is often overruled by Congress, he writes, the Bureau may d that its "currency has depreciated," for a "record of eat jeopardizes its effectiveness."[11] What is made licit, is that it is not just any alteration by Con- ss that is important, but only reductions:

> A most serious handicap under which the Budget Bureau labors is not so much that Congress may

---

11. Aaron Wildavsky, The Politics of the Budgetary cess (Boston: Little, Brown and Company, 1964), p. 41.

raise its e
important)
a cooperati
it has reco
on receivi
would have

It is outs in h

as he utilizes

At the same tim

Is the change l

Penno writes of

> They see t
> conservati
> estimates
> only by pr
> by carryi
> House can
> requests
> Experienc
> outs and
> formidabl
> activity.

> The assoc

reductions in

confirmed. Th

correlation sh

between these

made. It not

directed at de

but that it r

---

12. Aar

13. Ric

raise its estimates (though this is obviously important) but that it cannot guarantee that a cooperating agency will receive the amount that it has recommended . . . If agencies could depend on receiving the Budget Bureau's figures, they would have much greater incentive to cooperate.12

s cuts in his recommendations that the executive opposes,

e utilizes his influence to prevent them from being made.

ne same time, it is exactly that this kind of change

he change legislatures desire to make. As Richard

o writes of Congress:

> They see their job, essentially, as the negative, conservative one of reducing executive budget estimates wherever possible. Basically, it is only by prescribing this job for themselves and by carrying it out that the committee and the House can be powerful. To rubber stamp executive requests would not be the road to influence . . . Experience has shown Committee members that budget cuts and threats of budget cuts are their most formidable sources of control over executive activity.13

The association between legislative influence and

ctions in executive recommendations is moderately

irmed. The association is 0.3891 + 0.10. This

elation shows that the distribution of influence

een these two actors does account for the decisions

. It not only indicates that formal influence is

cted at decreasing the budget received for review,

hat it requires the possession of more influence

---

12. Aaron Wildavsky, Budgetary Process, p. 40.

13. Richard Fenno, "Impact of PPBS," p. 179.

to cut the budge

easier for the c

is to cut it, as

as much as he do

stake, by not be

does by addition

But beyond

cutive's recomm

ny change repre

The substantial

spending modifi

view. A weak l

spending choice

of municipal bu

the blanket acc

sign of a power

pparent in the

were made by th

as they accept

---

14. This

Arnold Meltsner

increases to hi

times delicate

writes: "The ma

of the council,

just the counci

approve expensi

he makes his bu

to increase an

revenue to pay

of City Revenue

1971), p. 183.

it the budget than it does to add to it.[14] It is
er for the city council to add to the budget than it
cut it, as the executive does not resist increases
ch as he does decreases. The executive has more at
, by not being cut up by the legislature than he
by additions to it.

But beyond the imposition of reductions in the ex-
ve's recommended budget it is further evident that
nange represents the exercise of legislature influence.
ubstantial association toward the absolute size of
ng modification (0.5781 + 0.005) supports this
A weak legislature is one that accepts executive
ng choices with few alterations. Previous studies
icipal budgeting have been correct in explaining
anket acceptance of the executive's budget as a
f a powerless legislature. This is most strikingly
nt in the three cities where no modifications at all
ade by the city council in budget recommendations,
accept the appropriations ordinance exactly as

. This finding challenges the conclusion of Meltsner that the executive opposes legislative es to his budget for fear of upsetting the often-elicate equilibrium of a balanced budget. As he "The manager . . . does not want to be cut up council. To be "cut up" in this context means e council will be fiscally irresponsible and expensive projects or excessive salary increases. s his budget **so tight that,** if the council wants ease an **item,** they will also have to find the to pay for it," in Arnold J. Meltsner, The Politics Revenue (Berkeley: University of California Press, p. 183. This does not appear to be the case.

the executive st
umbers five, e
ranks of the ex
wo and three r
eplies and num
ecutive respons
egislature's f
ccurately iden
s seemingly a

However,
wo decision m
of the structu
ariation is v
egislature as
he budget sub
ouncil are so
pending choic
mmediate effe

Le

The effec
ent in the fi
nd amount of
hey utilize
roposed to t
triking the
rdinance (-0

executive submitted it to them. These cities, bers five, eight, and ten, generally exhibit low ks of the exercise of formal influence (number one, and three respectively according to legislative lies and number two, one and ten according to ex- tive responses). So clearly, the measurement of the islature's formal budget making authority is able to urately identify the situations where the legislature seemingly a "rubber stamp" to a dominant executive.

However, this pattern of influence between these decision makers is far from a universal description the structure of formal budget making influence. iation is very much in evidence in the extent the slature asserts their formal authority to change budget submitted to them for review. Not all city ncil are so impotent and subordinate to executive ding choices; and when they are not, there is an diate effect upon their budget behavior.

Relationship to Legislative Appropriations

The effect of legislative influence is further evi- in the final dependent variable of the direction amount of annual change in expenditure levels. Since utilize their formal authority to reduce the budget osed to them, this decision has the result of re- cting the yearly expansion of the appropriations nance (-0.2301). The strength of this correlation

is just barely
There is some e
as a force oppo
directly in cor
cutive. The f
the more succes
holding the li
tion from both
formal budgetar
unicipal spend

Completin
formal influen
rmes decision
department hea
of budget maki
portion of the
departments ar
cutive's abil
partment heads
the city counc
their requests
of this practi
ormally do n

just barely sufficient to be categorized as moderate. re is some evidence that a strong legislature, serves a force opposing annual spending growth; a position ectly in conflict with the departments and the ex- tive. The formal influence the city council possesses, more successfully they achieve their own goal of lding the line" on spending. In the face of opposi- n from both these two other actors, the pattern of mal budgetary influence does have a direct impact upon icipal spending policy.

Department-Legislature Influence Relationship

Completing the description of the exercise of mal influence over the budget as it moves along the ee decision stages is the relationship between the rtment heads and the legislature. This feature udget making influence is significant because a ion of the executive's dominance over both the rtments and the legislature derives from the ex- ive's ability to limit their direct contact. De- ment heads do not have the opportunity to appeal to city council for a restoration of previous cuts in r requests. As Thomas Anton writes of the absence his practice on the state level: " . . . agencies ally do not press for increases once the Governor

as turned them
of urban goverru
the mayor's hea
for their progr
office. No wid
seem to exist b
and departments

When the
the legislatur
and have to re
The city counc
with the depar
fluence the ex
recommended ex
cities follow
this structure
to legally po
powers and is
ship, in the
policy making
a specific ch
scope of con

---

15. Tr
P. 198.

16. Jo
Pp. 50-51.

:ned them down."[15] John Crecine similarly writes
ın government: ". . . departments do not go "over
ror's head" to the council to request more funds
:ir programs or to restore cuts made in the mayor's
. No widespread system of stable relationships
› exist between particular members or committees
›artments."[16]

ıen the executive also exercises his control over
;islature. They are denied an alternative voice
re to rely upon the executive for information.
:y council is prevented from forming a coalition
ıe departments as a resource and strategy to in-
: the executive in their own goal of modifying
ended expenditure figures, and eleven of the
follow the city manager form of government. In
:ructure, the chief executive officer is supposed
lly possess all appropriate administrative
and is to provide coordinated and unified leader-
n the budget, as well as throughout the governmental
making process. In many of these cities, there is
fic charter provision that intends to limit the
f contact between the legislature and the departments

. Thomas J. Anton, Politics of Expenditure,

. John Crecine, Financing the Metropolis,
51.

In order to ens
ager as head of
this phrase, of
the next states
deal with the a
city manager ar
thereof shall g
the city manage
agents of the c
behalf of their
the here preser
provide a descr
in the actual c
vestigated in t
schedule.

Not all
report the dep
the decisions
budgets. On t
that: ". . . e
around the Bur
partment heads
recommended sp

18. Jo
pp. 50-51.

r to ensure the position of the city man-
head of the executive branch of government.
rase, often repeated verbatim from one city to
t states that: "The council and its members shall
th the administrative service solely through the
nager and neither the council nor any member
shall give orders to any of the subordinates of
manager.[17] Department heads are intended to be
of the executive and not independent actors on
of their own goal of increased funds. However,
presence or absence of such a clause does not
a description of what necessarily takes place.
ctual character of this interaction must be in-
ed in more behavioral terms through the interview
.

t all descriptions of governmental budgeting
he department heads as passive participants to
sions that are made by the legislature on their
On the national level, Aaron Wildavsky writes
. . everyone knows that agencies make end-runs
he Bureau to gain support from Congress."[18] De-
heads do not always support the executive's
ed spending totals for their departments.

John P. Crecine, Financing the Metropolis,

often they decl

letting their d

in an attempt t

recommended for

The Bureau
direction,
the Execut
Executive
administra
agencies g
it in leag
result on
which any
recognize
or not he
budget and
sounds li
that it m
a marked
too enthu
will then
originall
There fol
the form
Executive
minders o
man cites
the money
The presu
asked for
made expl
the Admir
however,
demands f

Richard Fenno

between depart

that:

Normally
the exec

they declare their autonomy from the executive,

ng their dissatisfaction known to the legislature,

attempt to obtain more money than the executive

nended for them. As Wildavsky goes on to write:

> The Bureau of the Budget, under Presidential direction, lays down the rule that members of the Executive Branch are not to challenge the Executive Budget. But everyone knows that the administrative officials want more for their agencies and are sometimes in a position to get it in league with supporting Congressmen. The result on these occasions is a formalized game, which any reader of appropriations hearings will recognize. The agency official is asked whether or not he supports the amounts in the President's budget and he says 'yes' in such a way that it sounds like yes but that everyone present knows that it means 'no.' His manner may communicate a marked lack of enthusiasm or he may be just too enthusiastic to be true. A committee member will then inquire as to how much the agency originally requested from the Budget Bureau. There follows an apparent refusal to answer in the form of a protestation of loyalty to the Chief Executive. Under duress, however, and admidst reminders of Congressional perogatives, the agency man cites the figures. Could he usefully spend the money, he is asked. Of course, he could. The presumption that the agency would not have asked for the money if it did not need it is made explicit. Then comes another defense of the Administration's position by the agency, which, however, puts up feeble opposition to Congressional demands for increases.19

l Fenno adds to this description of the relationship

departments, the executive, and the legislature

rmally, the agency fights for its desires within e executive branch, accepts the decisions made

---

. Aaron Wildavsky, Budgetary Process, pp. 88-89.

there (ult
it can get
fend that
When its b
gram objec
over the d
branch, it
pectations
/italics i
asked for.
expectatio
done . . .

f more in

ered by David

avel. He wri

ficial is unl

stage, he may

thers to suppo

bility of inf

partments hav

reverse exec

rocess can no

executive and

nputs than w

s absent.

---

20. Rich
riations in Co
965), pp. 271-

21. Davi
ations of Budg
t the 65th ann
Science Associa

here (ultimately by the President) as the best
t can get, and goes before the Committee to de-
end that dollars and cents figure and no other.
hen its budget estimates badly distort its pro-
ram objectives, and when it feels deeply grieved
ver the decisions made within the executive
ranch, it is accurate to say that its goal ex-
ectations are that Congress should give it more
[italics in original] money than it has formally
sked for. The problem of communicating such
xpectations are difficult, but it can be
one . . .20

more immediate relevance, is the description of-
y David Caputo of this process on the municipal
He writes that: "If a departmental budgetary
l is unhappy with the results of the formulation
he may try, during subsequent stages, to persuade
to support him . . . action has a very high prob-
of influencing subsequent behavior."[21] Where
ents have the opportunity to go to the legislature
rse executive decisions, the municipal budget
can no longer be considered dominated by the
e and the determination of final expenditure
than where such a pattern of formal influence
t.

Richard Fenno, The Power of the Purse: Appro-
in Congress (Boston: Little, Brown and Company,
. 271-272.

David Caputo, "Normative and Empirical Impli-
f Budgetary Processes," prepared for delivery
th annual meeting of the American Political
ssociation, Los Angeles, California, 1970.

The first

f the departme

simply their,

their deliberat

portance of eve

the occurrence

In the case of

see table 5.5

ney did have

while, the leg

department hea

the appropriat

where no depar

them did.

Next, the

The same quest

departments an

the category w

decisions, the

22. The

to describe th

with the legis

was asked sepa

present coding

down one posit

ture" was then

departmental i

responses stil

Analysis

he first question asked to measure the character
departments relationship with the legislature was
their, "appearance before the city council during
deliberations on the budget." Because of the im-
ce of even a formal meeting with the legislature,
currence of this contact was measured separately.
case of the three department heads interviewed
ble 5.5) an average of one half of them in each
d have an official meeting with the city council;
the legislature reports that they met with most
ent heads (see table 5.6) in the course of adopting
ropriations ordinance. This practice extends from
o departments made an appearance, to where all of
d.

xt, the "purpose of this meeting" was examined.
e question was asked of the meeting between the
ents and the executive and with the addition of
egory where departments "appeal" executive budget
s, the same ordering of responses are utilized.[22]

The scale of responses was slightly altered
ibe the purpose of the department heads meeting
legislature. The first code of no meeting
d separately and therefore excluded from the
coding. Therefore all the others were moved
position. The category of "appeal to legisla-
s then added as the highest indication of
ntal influence. Consequently, the range of
s still extends from zero to five.

DEPARTMEN

= Appear

0.66-2.66
0.33-1.33
0.00-0.00
1.00-4.00
0.00-0.00
1.00-4.00
0.33-1.33
0.33-1.33
1.00-4.00
0.00-0.00
0.66-2.66
1.00-4.00
0.00-0.00
0.50-2.00

0.89-1.95

0.41-0.82

TABLE 5.5

PARTMENT-LEGISLATURE FORMAL INFLUENCE
(DEPARTMENT REPLIES)

Appear	Purpose of Meeting	Dept. Requests	Ask If Support	Dept. Declare Independence	Mean
5-2.66	5.00-3.33	0.66-2.66	1.00-4.00	1.00-4.00	3.37
3-1.33	2.00-1.33	0.33-1.33	--	--	0.80
0-0.00	--	1.00-4.00	--	--	0.80
0-4.00	3.00-2.00	0.33-1.33	0.50-2.00	--	1.87
0-0.00	--	0.33-1.33	--	--	0.27
0-4.00	4.60-3.07	1.00-4.00	1.00-4.00	0.66-2.66	3.40
3-1.33	5.00-3.33	0.66-2.66	1.00-4.00	--	2.27
-1.33	3.00-2.00	0.00-0.00	0.33-1.33	--	0.67
-4.00	2.80-1.87	1.00-4.00	--	--	2.24
-0.00	--	1.00-4.00	--	--	0.80
-2.66	3.00-2.00	1.00-4.00	--	--	1.73
-4.00	3.50-2.33	1.00-4.00	--	--	2.07
-0.00	--	0.33-1.33	--	--	0.27
-2.00	3.00-2.00	1.00-4.00	--	--	1.60
-1.95	2.49-1.66	0.69-2.76	0.27-0.67	0.12-0.48	1.59
-0.82	1.85-1.23	0.36-0.36	0.07-0.07	0.03-0.03	1.05

DEPARTMEN

Appear
3.62
1.80
0.57
3.33
1.50
3.71
2.50
2.80
3.60
2.66
2.50
2.75
1.85
3.00
2.58
0.90

TABLE 5.6

'PARTMENT-LEGISLATURE FORMAL INFLUENCE
(LEGISLATIVE REPLIES

# Appear	Purpose of Meeting	Dept. Requests	Ask If Support	Dept. Declare Indepen-dence	Mean
3.62	2.41-1.61	0.50-2.00	1.25	1.00	1.90
1.80	3.00-2.00	0.80-3.20	0.33	2.00	1.87
0.57	3.00-2.00	0.71-2.86	0.66	1.00	1.42
3.33	3.42-2.28	0.33-1.33	1.50	3.75	2.44
1.50	3.20-2.13	0.43-1.71	0.00	0.00	1.07
3.71	3.50-2.33	1.00-4.00	3.00	2.40	3.09
2.50	3.72-2.48	0.88-3.33	1.66	2.50	2.50
2.80	2.83-1.89	0.00-0.00	1.40	1.00	1.42
3.60	3.00-2.00	1.00-4.00	1.40	1.00	2.40
2.66	2.80-1.87	0.50-2.00	2.75	1.00	2.06
2.50	3.00-2.00	0.25-1.00	0.00	0.00	1.10
2.75	2.80-1.87	0.75-3.00	1.00	2.25	2.18
1.85	2.83-1.89	0.57-2.29	2.25	1.00	1.86
3.00	2.87-1.91	1.00-4.00	1.14	1.80	2.37
2.58	3.02-2.02	0.62-2.48	1.13	1.48	1.98
0.90	0.34-0.22	0.31-0.62	0.92	1.03	0.58

his situation
uthority: "I w
ditions that
ase for certai
. . . They were
he manager ha
he legislatur
udget for the
he city counc

The respo
esponds to th
exchange of i
pleading one
ordinate to th
excluded from
t all appear
increases one
pleading one
cisions are m
y the execut
ad the actua
he responses
decentralized
their meetin
opportunity

situation describes a decentralization of executive
rity: "I was able to ask the city council for
ions that the mayor had cut . . . I can plead my
for certain items left out by the city administrator
They were there if they wanted a budget above what
anager had recommended for them . . . They went to
egislature if they were not satisfied with his
t for them . . . Departments seek audiences with
ity council to obtain an increase in their budgets."
The response of the three department heads cor-
nds to the midpoint between the third category of
ange of information" and the fourth category of
ding one's case." This indicates a position sub-
ate to the executive. If the four cities are
led from the analysis, where no department heads
appeared before the city council, the response
ises one whole category and is midway between
ding one's case" and the "place where actual de-
s are made." This indicates the weaker control
executive over this interaction, where departments
e actual opportunity to meet with the city council.
sponses of the legislature supports this latter
ralized pattern, as they report the purpose of
meeting with all departments was to provide the
unity for departments to plead their case. The

executive by a

not being able

weakness ove

A second

control over t

sentation of t

with the execu

ature." In t

are presented;

the executive'

practice is a

executive by

as Arnold Kel-

> In his de
> has insis
> not show
> wants th
> not crea
> the requ
> manager,
> tant as

When both bud

presumably th

endations do

by so doing t

diminished.

---

23. Arn
New Budgetin

tive by allowing this contact to take place, or
ing able to prevent it, is most certainly revealing
ness over the process of municipal budgeting.
second structural feature of the executive's
l over these two other budget actors is the pre-
ion of the, "Departments' initial requests along
he executive's own recommendations to the legis-
." In this case, two sets of spending figures
esented; original requests of the departments and
ecutive's subsequent recommendations. Such a
e is a potential breach in the dominance of the
ve by loosening his monopoly over information.
old Meltsner and Aaron Wildavsky write:

> his desire to gain control, the city manager
> as insisted that the departmental requests do
> ot show in his submission to the council. He
> nts the budget to appear to be his own and
> ot create any cause for controversy by showing
> e requests of the departments. For the city
> nager, the budget's form is almost as impor-
> nt as its substance.23

th budgets are presented to the city council,
bly the evaluation of the executive's recom-
ons does not take place on a clean slate and
oing the unity of the executive budget is
ned. The frame of reference for legislative

. Arnold J. Meltsner and Aaron Wildavsky, "Leave
geting Alone," p. 342.

decision makin

executive reco

the departmen

directly co

benchmark besi

utive could

its own reduct

its own increa

For the

The manager d

leading his bu

flow it. I c

department hea

they are go

. . . The coun

requests with

would open

and the manage

Response

themselves in

her powerful,

partment heads

interviewed re

tried to the

The impo

ships extends

sion making is changed from why should they modify
utive recommendations to why did the executive re-
departmental requests. The legislature is now able
irectly compare the executive's budget to some other
hmark besides previous appropriations and the ex-
ive could be expected to be called upon to justify
own reductions in departmental requests as well as
own increase over previous funding levels.

For the executive this is a situation to be avoided:
manager does not want to be in a position of de-
ng his budget from two sides . . . I wouldn't
it. I can't put myself into the position of having
tment heads debate with me before the city council,
ey are going to respect the fact that I am manager
The council isn't intended to compare department
sts with the executive's recommendations. To do
uld open a door for a schism between the department
ne manager."

Responses to this particular question indicate that
ives in the present set of fourteen cities are not
owerful. An average of three quarters of the de-
nt heads interviewed and members of the legislature
iewed report that initial budget requests are for-
to the city council.

The importance of this feature of influence relation-
extends beyond the pattern of institutional arrangements.

The presentati
the potential
does the absen
budget documen
such inquiries
partments and
In the extent
tunity to "go

In an ex
heads are only
of legislative
executive spen
but are subord
there at the r
questions, but
the council wi
manager and ge
that the manag
ses departmen
program . . .
The purpose wa
on behalf of t
decentralized
receive initia
ference as a s
with the execu

esentation of department budgets provide only
tential for a comparison to be made; nor
he absence of such information within the official
document prevlude the legislature from making
nquiries. Therefore, the actual behavior of de-
nts and legislatures was more directly measured
extent they both use their meeting as an oppor-
to "go around" the executive.

In an executive centered process, the department
re only agents of the executive in the final stage
slative decision making and appear in support of
ve spending totals. They are not autonomous actors
subordinate to the needs of the executive: "I am
t the request of the legislature to answer their
ns, but I am not able to bring items directly to
ncil without first screening them through the
and getting his OK . . . to justify the requests
manager and I had arrived at . . . The manager
artments to sell his reasons for supporting a
. . . the departments are there for the manager.
ose was to have the departments justify requests
f of the manager." On the other hand, in a more
lized system the legislature, whether or not they
initial budget requests, probe for such a dif-
as a strategy in their own influence relationship
executive. Then, departments faced with this

ion, use it as an opportunity to declare their
ndence from the executive. They do not support
ecutive spending recommendations for their de-
nt and appeal-- influence the legislature to add
ir budgets.

o first it was asked if, "The legislature asked
ment heads if they supported executive budget
endations for their departments," and then if,
sponse to this question did the department heads
t or not support the executive budget." However,
coalition does not appear to extensively exist.
five cities does at least one of the department
nterviewed indicate that such a legislative chal-
o the integrity of the executive budget was made,
y to an average of a slight extent does the
report having formulated such a question. So
d appear that the municipal legislature does not
establish a break between themselves and the ex-
. Then, when such a question is posed, departments
readily take up the gauntlet to oppose the ex-
. In only two of the cities where this question
d do department heads report having not supported
utive's recommended budget for their department
to a slight extent does the legislature reply
departments declare their autonomy from the
e.

Altogethe

ɛrent does a

legislature ag

ɔween these tw

ɛking stage.

ɛround the exe

ɛehalf of thei

ɛhe legislatur

ɛunity to infl

ɡoal of effec

ɛong cities

ɛere no formal

ɯhere there is

Interest

ɛities compris

ɛhere are too

ɛetween these

ɛhere is a su

ɛ control th

ɛhe legislatu

ɛanager gover

ɛation in th

D

There is

ɛ influence

ɛis-a-vis the

Altogether these five questions indicate that to some
nt does a coalition between the department and the
slature against the executive mark the contact be-
n these two decision makers in the third decision
ng stage. The departments make some attempt to go
nd the executive to influence the legislature in
f of their own goal of increases. To some extent
egislature themselves see this meeting as an oppor-
y to influence the executive and achieve their own
of effecting changes in the budget. The difference
cities is extensive, ranging from where departments
no formal contact at all with the city council to
there is almost very great contact between them.
Interestingly, by both accounts, the three mayor
s comprise three of the four highest ranks. While
are too few cities to make more rigorous comparison
en these two types of governmental organization,
is a suggestion that city managers are more able
ntrol the interactions between the departments and
egislature than mayors. At least by this measure,
r governments display greater executive central-
n in the budget making process.

Relationship to Department Budget Requests

here is no apparent relationship between the amount
luence departments perceive themselves to possess
vis the legislature and the original formulation

f expansionar

xpected that

egislature wo

he case. As

evealed in th

xpenditure fi

eview does no

repares the b

Ex

Asking th

), reports

ween the depa

s no apparen

he influence

hird stage o

eview of depa

s might be ex

xecutive weak

e initial buc

s expected),

o the legisla

formal influe

o the decisi

xpansionary requests (0.0491). While it might be
cted that the departments ability to influence the
slature would lead them to ask for more, this is not
case. As encountered earlier, the pattern of influence
aled in the exercise of formal authority to change
nditure figures at the time of each actor's budget
ew does not extend backward to that stage that first
ares the budget that is being reviewed.

Relationship to Executive Budget Behavior

Asking the same questions to the executive (see table
reports his perceptions of a slight coalition be-
the departments and the legislature. However, there
apparent connection to his own spending choices.
nfluence relationships evident at the time of the
stage of budget review does not affect the executive's
w of departmental requests and his own recommendations
ght be expected. If such an "end-run" is a sign of
tive weakness, it is not evident in smaller reductions
itial budget requests (0.4200, a negative correlation
pected), nor in larger increases in recommendations
legislature (0.1866). As before, the exercise of
influence within each stage, does not carry over
decisions made in an earlier stage.

DEPARTME

# Appear	
	3.00
	3.00
	3.00
	4.00
	0.00
	3.25
	2.00
	0.75
	4.00
	0.00
	2.25
	3.50
	0.66
	0.50
	1.57
	1.00

TABLE 5.7

DEPARTMENT-LEGISLATURE FORMAL INFLUENCE
(EXECUTIVE REPLIES)

y	# Appear	Purpose of Meeting	Dept. Requests	Ask If Support	Dept. Declare Independence	Mean
	3.00	4.00-2.67	1.00-4.00	1.33	--	2.20
	0.00	0.00-0.00	1.00-4.00	0.00	--	0.80
	0.00	0.00-0.00	1.00-4.00	0.00	--	0.80
	4.00	2.66-1.77	0.00-0.00	1.00	--	1.35
	0.00	0.00-0.00	0.00-0.00	0.00	0.00	0.00
	3.25	4.50-3.00	1.00-4.00	2.75	3.00	3.20
	2.00	4.3302.88	0.33-1.33	1.00	1.00	1.64
	0.75	2.00-1.33	0.00-0.00	0.00	0.00	0.42
	4.00	2.00-1.33	1.00-4.00	1.33	0.00	2.13
	0.00	0.00-0.00	0.00-0.00	0.00	--	0.00
	2.25	2.66-1.77	0.25-1.00	0.25	--	1.05
	3.50	3.00-2.00	1.00-4.00	2.00	1.00	2.50
	0.66	3.33-2.22	0.25-1.00	0.00	--	0.78
	0.50	2.50-1.66	1.00-4.00	0.00	--	1.46
	1.57	2.21-1.47	0.56-2.24	0.69	0.36	1.08
	1.00	1.10-1.10	0.17-0.17	0.14	0.07	1.10

Le
Change

Examinir

epartments a

he legislatu

epartments a

estoration

fluence depa

hey are abl

otals (0.29

rom the dep

o restrict

ith the cit

udget, the

f the legis

f the cuts

unicipal le

However

influence or

the final ap

lative repli

udget does

partments se

o restore

The ex

Relationship to Legislative Budget Behavior-- Change in Executive Recommendations

Examining the direct relationship between the artments and the city council to the changes made by legislature in reviewing the executive's budget, artments are moderately successful in appealing for a toration of previous executive cuts. The more in- ence departments possess toward the council, the more are able to persuade them to add to executive budget ls (0.2910 from legislative replies and 0.4706 + 0.05 the departments). The executive is correct in wanting estrict their contact for when department heads meet the city council during the formal review of the et, the departments effectively change the behavior he legislature. Department heads are able to regain some he cuts that were imposed by the executive from the cipal legislature.

Relationship to Legislative Appropriations

However, there is no connection between departmental ence on the legislature and the yearly increase in inal appropriations ordinance (-0.0099 from legis- e replies and 0.1824 from the departments). The t does not expand any faster as a result of the de- ents seemingly successful pressure on the city council store the executive's earlier reductions.

The explanation for this contradictory finding is

that the influ
effective in r
ordering of ch
from the large
largest increa
really add to
pressure. In
are made in o
increases occ
change for al
(-) 1.36 perc
ent of (-) 0.
legislature t
only a few of
fluence is mo
have, in the
than it is to
peared before
council kept
They were af
with their b
budgets . .
manager has
of legislati

In this
although the

t the influence of the departments is not actually
ctive in restoring executive cuts. Although the
ring of changes in executive recommendations extends
the largest reduction as the lowest rank, to the
est increase as the highest rank, legislatures do not
ly add to the budget, as a result of departmental
sure. In terms of the three departments, additions
made in only five cities, and for all departments
eases occur in only three cities. The average total
ge for all departments is actually a reduction of
1.36 percent, and for the three departments it is a
of (-) 0.41 percent. So departments' appeals to the
slature to restore executive cuts are effective in
a few of the cities. The impact of department in-
nce is more to defend and support what they already
in the prospect of further cuts by the legislature
it is to get back what was lost: "Departments ap-
d before the legislature to assure that the city
il kept in items the manager agreed to keep in . . .
were afraid that the council would "monkey" around
their budget. They were afraid we would cut their
ts . . . I am here to attempt to keep what the
er has already budgeted for my department in the face
gislative cuts."

In this case, departments are still successful, for
gh they have not been able to influence the council

to add to thei

to keep more

they did not

effectively pe

gets any more

executive; eve

ade by the l

easure of th

levels, there

mount of dep

o add to their budgets, they have at least been able
o keep more of the increases they already have than if
ney did not possess this influence. They have been
ffectively persuaded the council not to cut their bud-
ts any more than it has already been reduced by the
ecutive; even though there is a linkage to the changes
de by the legislature, when it comes to the second
asure of the size of yearly increases in spending
vels, there is no statistical relationship to the
ount of department influence (see Chapter Eight).

Chapter Six:

Influenc

making concre

to initiate,

not completel

fluence. It

of Power."

has to inclu

in the inter

part and inf

of other dec

outcomes mus

Morton Barat

"non-decisio

exists when:

> . . . A
> **inforci**
> institu
> of the
> of only
> innocuc
> in doir
> purpose

pter Six: Informal Influence

Introduction

Influence is exerted in other ways than through ing concrete spending choices. The formal authority initiate, modify, or veto spending proposals does completely describe the structure of budgetary in- ence. It represents only one side of the "Two Faces Power." An analysis of the distribution of influence to include its less apparent and less direct presence the interactions among budget participants. The co- and informal exercise of influence over the behavior other decision makers and over municipal spending comes must also be investigated. David Bachrach and on Baratz write of what has become known as the -decision making" process, interpersonal influence ts when:

> . . . A devotes his energies to creating or reinforcing social and political values and institutional practices that limit the scope of the political process to public consideration of only those issues which are comparatively innocuous to A. To the extent that A succeeds in doing this, B is prevented, for all practical purposes, from beinging to the fore any issues

that mig
detrimen

he most illu

f influence

ahl's famous

out:

To measu
of the a
is to ig
or power
Now, tha
to the r
CAC (the
(through
views of
did not
cause he
anticipa
strenuou
of the
lyzing
limited
did not
respect
did not
the may
the CAC
as plau
(in its
powerfu
find wo

In shor

ut more cov

f governmen

---

1. Pet
overty: The
versity Pres

2. Pet
overty, pp.

that might in their resolution be seriously detrimental to A's set of preferences.1

most illustrious example of this aspect of the concept

influence is Bachrach and Baratz's criticism of Robert

l's famous study of Who Governs in New Haven, Connect-

t:

> To measure relative influence solely in terms of the ability to initiate and veto proposals is to ignore the possible exercise of influence or power in limiting the scope of initiation. How, that is to say, can a judgment be made as to the relative influence of Mayor Lee and the CAC (the business group) without knowing (through prior study of the political and social views of all concerned) the proposals that Lee did not /italics in original/ make either because he was warned explicitly or because he anticipated that they would . . . provoke strenuous opposition and sanctions on the part of the CAC. Dahl was not interested in analyzing or appraising to what extent the CAC limited Lee's freedom of action . . . Dahl did not consider that the CAC might in this respect have exercised power. That the CAC did not initiate or veto actual proposals by the mayor was to Dahl evidence enough that the CAC was virtually powerless; it might as plausibility be evidence that the CAC was (in itself or in what it represented) so powerful that Lee ventured nothing it would find worth quarreling with.2

In short, the exercise of influence is not visible,

more covert. It is employed not to change the course

overnmental policy once a proposal is brought forth

---

1. Peter Bachrach and Morton Baratz, Power and ty: Theory and Practice (New York: Oxford Uni- ty Press, 1970), p. 7.

2. Peter Bachrach and Morton Baratz, Power and ty, pp. 15-16.

for decision,

airing of dem

to prevent th

ussion. No

others and pu

alculates th

from articula

In this way,

not submitte

ation of in

As expl

of formal au

of their rev

before. The

quests does

requests, no

executive's

choices, how

power is a

of influenc

informal in

in the sequ

ment heads

3. A

can be iden

the legisla

present ana

r decision, but to create barriers to the public
ring of demands for action. Influence is utilized
prevent the issue from entering the arena for dis-
ssion. No challenge is made to the preferences of
hers and public conflict is muted. The weaker actor
lculates that he could not win and sees no advantage
om articulating specific demands for a change in policy.
this way, behavior is changed as spending items are
t submitted for review if it were not for the appli-
tion of informal influence.

As explained in the previous chapter, the exercise
formal authority to alter spending totals at the time
their review does not affect the decisions that went
ore. The executive's reduction of departmental re-
sts does not inhibit the submission of expansionary
uests, nor does the legislature's reduction in the
cutive's budget affect previous executive spending
ices, however, the exercise of non-decision making
er is a process for such a backward looking exercise
influence. The executive and the legislature exert
ormal influence to shape the decision made earlier
the sequence of budget making stages by the depart-
t heads and the executive respectively.[3] Influence

---

3. A third informal influence relationship that
be identified is between the department heads and
legislature. However, this is not included in the
sent analysis because it violates the logic of the

is directed t

ransmitted f

official revi

only of what

review in the

ot even aske

The occu

of budgetary

executive poi

executive. T

strong and th

re contained

However, its

cutive would

the municipal

influence str

nature is mor

less powerful

legislative i

the adoption

---

3. (cor

budget decisi

too far remov

ally affect t

reviews the b

to department

filtered thro

partment head

executive's r

that emerge f

the executive

is directed to affect the budget before it is officially
ransmitted for review, instead of waiting for their
fficial review. So, the question has to be asked, not
nly of what was changed at the formal points of budget
eview in the second and third stages; but of what was
ot even asked for in the first place.

The occurrence of this dimension of the structure
f budgetary influence between the departments and the
xecutive points to the increased dominance of the
xecutive. The weak defer to the preferences of the
rong and the positive spending thrust of departments
e contained before they find official expression.
wever, its existence by the legislature over the ex-
utive would not be consistent with the portrayal of
e municipal legislature as a rubber stamp. Now, the
fluence structure is more decentralized and the legis-
ture is more important. It is the executive who is
ss powerful as a result of the exercise of informal
gislative influence. The executive no longer dominates
e adoption of the final appropriations ordinance as he

---

3. (continued) model of a three stage sequence of
get decisions. The departments and the legislature are
far removed from one another, to more than incident-
y affect the decisions they each make. The legislature
iews the budget of the executive, not of the departments.
departmental requests are only important as they are
tered through previous executive decisions. The de-
tment heads are more directly concerned with the
cutive's review, for any set of expenditure figures
t emerge from the second stage will, be defended by
executive before the legislature.

is no longer

spending reco

reflecting le

As in t

self, there

the wielder

by which inf

tified. As

> . . . t
> the mec
> must be
> conscio
> the sys
> the gam
> the lik
> some sp
> argue c
> of infl

Returning to

Eachrach and

are identifi

the other is

processes ar

budgeting.

---

4. Fre

in the Ameri

(December,

no longer in control of the preparation of his own
ending recommendations, without incorporating and
flecting legislative spending preferences.

Mechanism of Prevention

As in the concept of interpersonal influence it-
f, there must be some concrete connection between
wielder of influence and its recipiant. The means
which informal influence is exercised must be iden-
ied. As Frederick Frey writes:

> . . . the analyst must proceed to demonstrate the mechanism of prevention. This mechanism must be some form of the exercise of power--conscious or unconscious-- by other actors in the system. One may speak loosely of rules of the game, dominant values, biasing belief and the like; but these must be disseminated through some specifiable influence process if one is to argue convincingly for a nonissue or suppression of influence attempt.4

rning to the original formulation of the concept by
rach and Baratz, two such "preventive mechanisms"
identified. One is "anticipated reactions" and
other is "explicit warnings." Both of these two
esses are evident within past studies of governmental
eting.

---

4. Frederick Frey, "Comment" on Raymond Wolfinger
ne American Political Science Review, vol. LXV, no. 4
ember, 1971), pp. 1092-1093.

Anticipa

o each decis

o others; ar

partments do

future cuts,

requests, co

executive.

proposals in

composite es

they can exp

The ex

is widely re

budgeting.

searching f

is likely t

the appropr

their initi

educated gu

criterion c

do not simp

want and de

light of th

5. As

Process (Bo

Anticipated Reactions

Anticipated reactions are a calculation, internal to each decision maker, of what is likely to be acceptable to others; an "estimate of what will go." Although departments do not pad their requests in anticipation of future cuts, they still include, in formulating their requests, considerations of the probable response of the executive. Department heads do not prepare their budget proposals in a vacuum, but instead, ". . . arrive at composite estimates of what to ask for in light of what they can expect to get."[5]

The existence of this feature of informal influence is widely reported in Aaron Wildavsky's study of national budgeting. Department heads engage in a process of searching for and receiving cues and signals of, "what is likely to go over" with the Bureau of the Budget and the appropriation committees. Departments, in formulating their initial budgets, make "informed judgments" and educated guesses of the disapproval of others as a criterion of what to exclude within their requests. They do not simply add up the costs of all projects they may want and deem necessary, but instead seek increases in light of the possible and probable funds they can expect

---

5. Aaron Wildavsky, The Politics of the Budgetary Process (Boston: Little, Brown and Company, 1964), p. 24.

to obtain.

expenditures

approval is

previously w

to the behav

same process

executive wi

actors prepa

of, ". . . w

ally need,"[6]

spending cho

The sec

explicit war

feature of

servable tha

and accordi

In ord
reacti
must b
munica
areas
policy
the le
will m
of tho
some s

6. Aa

7. Ri

of Communit
Vol. LXII,

o obtain. Calculations of non-support are made, and xpenditures are not requested when objection and dis- pproval is anticipated. While, most of what has been reviously written of this concept relates specifically the behavior of departments and their heads, the me process also describes the relationship of the ecutive with the legislature. Both of these two tors prepare their budget proposals with considerations , ". . . what they can get, rather than what they actu- ly need,"[6] as informal influence is exerted over their ending choices.

Explicit Warnings

The second mechanism of prevention is through plicit warnings given by one actor to another. This ature of informal influence relationship is more ob- rvable than the calculation of anticipated reactions, according to Richard Merelman this feature is crucial:

> In order to meet the problem of anticipated reactions, the pluralist focus on decisions must be expanded to cover patterns of communication /italics in original/ within policy areas . . . the powerful must communicate policy preferences and threatened sanctions to the less powerful . . . political initiators will make certain that the current desires of those who count are ascertained through some sort of overt communication.7

---

6. Aaron Wildavsky, Budgetary Process, p. 26.

7. Richard Merelman, "On the Neo-Elitist Critique ommunity Power," American Political Science Review, LXII, no. 2 (June, 1968), p. 456.

The ove

when the budg

point of inte

more frequen

quence of bu

Those with i

formal meeti

behind the s

clearance is

warded for r

John Cr

ever, does n

as he descri

downward dir

partment req

appropriatio

only feedbac

and the mayo

necessary to

this, ". . .

cation actua

the diagram.

---

8. Jo

A Computer S

Frend McNally

9. Jo

p. 37.

The overt and public contact among decision makers when the budget is formally reviewed is not the only point of interaction among them. Informal and often more frequent communication occurs throughout the sequence of budget stages and throughout the entire year. Those with influence do not necessarily wait until the formal meeting to express their spending preferences. Behind the scenes interaction occurs, as unofficial clearance is sought before an expenditure item is forwarded for review.

John Crecine's model of municipal budgeting, however, does not include such behind the scenes contact as he describes the flow of communication in a uniform downward direction from the executive's call for department requests to the legislature's adoption of the appropriation ordinance. He writes that: ". . . the only feedback provided through past budgetary decisions and the mayor's letter."[8] But he then believes it necessary to qualify this conclusion as he writes that this, ". . . is not literally true. Informal communication actually does exist between areas A, B, and C in the diagram."[9] However, Crecine does not go on to either

---

8. John P. Crecine, Governmental Problem Solving: A Computer Simulation of Municipal Budgeting (Chicago: Rand McNally, 1969), pp. 36-37.

9. John P. Crecine, Governmental Problem Solving, p. 37.

explain the

nor provide

overt relati

makers are i

However

informal pat

his own mode

includes num

The bro
but may
relati
ment o
scient
relati
valuab
the po
exist
cess.1

Arnold

Oakland fur

municipal b

manager, "

committee

budget,"11

recommenda

by statute

10.
cations of
at the 65t
Science As

11.
City Budge
tion and
Solving,

:plain the character of these informal relationships, ›r provide any room for them. Only the formal and 'ert relationships among the authoritative decision ıkers are included within his model.

However, other studies have described these iformal patterns of influence. David Caputo, presents s own model of the sequence of decision making that cludes numerous feedback loops:

> The broken line arrows are often overlooked, but may be the most important. Informal relationships may be crucial to the development of subsequent policy; however, if political scientists refuse to consider the informal relationships, their analysis will be less valuable . . . The broken line arrows indicate the possible informal relationships that may exist during any fiscal year's budgetary process.10

Arnold Meltsner's and Aaron Wildavsky's study of ‹land further identifies their presence within the ıicipal budget system. They write that the city ager, ". . . works quite closely with the budget submittee of the council to develop support for his get."[11] He does not simply submit his spending ›mmendations to the legislature at the time required statute, without having some prior exchange. Instead

---

10. David Caputo, "Normative and Empirical Implions of Budgetary Processes," prepared for delivery ıe 65th annual meeting of the American Political ıce Association, Los Angeles, California, 1970.

11. Arnold J. Meltsner and Aaron Wildavsky, "Leave Budgeting Alone: A Survey Case Study and Recommendaand Reform," in John P. Crecine, Governmental Problem ng, p. 338.

ge, ". . . f

accept . . .

and their in

description

work, that i

"formally th

its presenta

meet frequer

departments

priorities w

council want

them involve

forming the

formal prese

least two m

by the time

already con

help with t

the budget.

have period

assess thei

tainly more

the interac

12. A

City Budget

ne, ". . . feels out what the council possibly might accept . . . takes the time to get to know councilmen and their interests."[12] This most certainly is a description of the non-decision making process at work, that is often echoed in the current study: "Formally the council has no part in the budget until its presentation to them for adoption. Informally I meet frequently with them, even before I meet with the departments in order to get from the council what their priorities will . . . be, I try to find out what the council wants and what they do not want. I try to get them involved beforehand . . . I believe in the council forming the budget along with the city manager . . . The formal presentation of the budget was the result of at least two months of prior "advice and consent" so that by the time the budget was submitted to the council it already contained the ideas of the council . . . They help with the initial formulation and development of the budget. Before the presentation of the budget we have periodic work sessions, once a month, so I can assess their priorities." Who influences whom is certainly more complex than it appears by only examining the interaction between actors when budget decisions are

---

12. Arnold J. Meltsner and Aaron Wildavsky, "Leave ty Budgeting Alone," pp. 342 and 343.

officially m

Two que

preventive m

operates bet

tive. The f

they can ob

This stateme

on this conc

6.1) and the

a slight ex

anticipatio

executive.

the executi

departmenta

The se

departments

executive w

heads make

the absence

In only fiv

and in only

the avoidar

expected op

departments

their orig

officially made.

Department-Executive

Two questions were asked to describe the first preventive mechanism of anticipated reactions as it operates between the department heads and the executive. The first was that: "Departments request what they can obtain, rather than what they actually need." This statement was taken directly from previous writings on this concept. The response of departments (see table 6.1) and the executive (see table 6.2) is that only to a slight extent are initial requests formulated in anticipation of the probable negative response of the executive. Both actors report the relative absence of the executive's exercise of informal influence over departmental decision making.

The second question asks even more directly if departments: "Avoided making budget requests that the executive was likely to oppose, or did the department heads make them anyway." Responses similarly reveal the absence of this dimension of budget making influence. In only five cities does any individual department head, and in only six cities does any single executive report the avoidance of expenditure requests because of the expected opposition of the executive. By either account, departments are not constrained in the preparation of their original expansionary requests by the anticipated

DEPARTMENT-EXE
RELATIONSHIP

City	What Obtain	
[illegible]	1.66	
	0.66	
	2.00	
	0.50	
	2.33	
	0.33	
	0.66	
	3.00	
	2.00	
	0.00	
	2.00	
	1.50	
	2.00	
	0.66	
Mean	1.38	
St. Dev.	0.90	

TABLE 6.1

DEPARTMENT-EXECUTIVE INFORMAL INFLUENCE RELATIONSHIP (DEPARTMENT HEAD REPLIES)

What Obtain	% Avoid	Dept. Contact	Executive Indication	Mean
1.66	0.00-0.00	0.66	1.66	1.00
0.66	0.00-0.00	1.66	1.33	0.92
2.00	0.33-1.33	0.33	1.66	1.33
0.50	0.66-2.66	0.66	2.00	1.46
2.33	0.66-2.66	1.33	1.66	2.00
0.33	0.00-0.00	0.00	0.33	0.16
0.66	0.00-0.00	1.00	1.00	0.66
3.00	0.33-1.33	0.66	2.66	1.93
2.00	0.00-0.00	1.00	1.33	1.08
0.00	0.00-0.00	0.33	0.00	0.08
2.00	0.00-0.00	1.00	1.66	1.16
1.50	0.00-0.00	1.00	0.00	0.62
2.00	0.33-1.33	0.00	0.66	1.00
0.66	0.00-0.00	1.00	0.50	0.54
1.38	0.17-0.67	0.76	1.18	1.00
0.90	0.25-1.00	0.48	0.79	0.57

DEPARTMENT-EXE
RELATIONSH

ity	What Obtain
	0.05
	1.33
	0.50
	1.00
	1.33
	0.66
	1.00
	3.00
	1.00
	2.00
	2.00
	0.50
	1.25
	1.00
ean	1.29
ard	0.69

TABLE 6.2

DEPARTMENT-EXECUTIVE INFORMAL INFLUENCE RELATIONSHIP (EXECUTIVE REPLIES)

What Obtain	% Avoid	Dept. Contact	Executive Indication	Mean
0.05	0.00-0.00	1.33	1.33	0.79
1.33	0.00-0.00	1.66	1.33	1.08
0.50	0.00-0.00	1.50	0.50	0.62
1.00	1.00-4.00	2.00	0.00	1.75
1.33	0.33-1.33	3.00	2.00	1.79
0.66	0.25-1.00	0.75	2.25	1.14
1.00	0.00-0.00	1.00	1.00	0.72
3.00	0.66-2.66	2.33	3.33	2.83
1.00	0.00-0.00	2.00	0.66	0.92
2.00	0.66-2.66	2.66	3.00	2.44
2.00	0.25-1.00	2.00	1.75	1.44
0.50	0.00-0.00	2.00	1.00	0.88
1.25	0.00-0.00	0.50	0.75	0.62
1.00	0.00-0.00	2.00	3.00	1.50
1.29	0.22-0.90	1.70	1.56	1.32
0.69	0.34-1.32	0.65	1.03	0.68

negative reaction o

ahead to first prep

sals for increases,

overtly eliminate i

review of the secor

The next two c

communication outs

that provide expli

in the departments

department initiat

budget requests nc

the executive to f

would not be accep

initiated contact

requests, how ofte

heads indications

acceptable to him

to tap the "cues

national level.

priorities of oth

meeting takes pla

place where spend

while the occurre

leases, speeches

do not generally

indications of w

ative reaction of the executive. Departments go
ad to first prepare and to then submit their propo-
s for increases, leaving it to the executive to
rtly eliminate items at the time of the formal
iew of the second decision making stage.

The next two questions look into the presence of
munication outside of the formal meeting points,
t provide explicit warnings of what not to include
the departments' original requests. First, there is
artment initiated contact: "Before submitting formal
get requests how often did department heads contact
executive to find out if a particular budget item
ld not be acceptable to him." And then of executive
tiated contact: "Before submitting formal budget
uests, how often did the executive give department
ds indications of what budget items would not be
eptable to him." These two questions are intended
tap the "cues and signals" that are described on the
ional level. Decision makers learn of the spending
orities of others, before the formal budget review
ting takes place. This is not the first and only
ce where spending proposals are discussed. And
le the occurrence of press conferences, news re-
ses, speeches and other such institutional practices
not generally exist on the municipal level, informal
cations of what will not be supported does take

place. Much of thi

throughout the enti

meet with the dep

what is not going t

available to his de

degree do departme

either of these tw

executive reports

extent. In either

very pronounced pa

the departments ar

Altogether, c

presence of the e

upon the formulat

The executive, ho

some exercise of

inance over depar

variation among t

the total absence

occurrence, the c

the lower end of

influence is pre

a very marked pa

the first and se

e. Much of this informal interaction takes place
ughout the entire year: "We do this all year long.
et with the department heads so that they know
is not going to be approved and what funds will be
lable to his department." But only to a slight
ee do department heads report the occurrence of
er of these two forms of explicit warning, as the
ative reports both take place at the level of some
nt. In either case, explicit warnings are not a
pronounced part of the influence relationship among
epartments and the executive.

Altogether, departments perceive only the slight
nce of the executive's exercise of informal influence
the formulation of their initial budget requests.
xecutive, however, reports between slight and
exercise of this specific dimension to his dom-
e over department heads. Although there is consider-
tion among the cities, as scores range from almost
otal absence of executive influence to its great
rence, the overall pattern of responses is within
ower end of the scale. So, although such informal
nce is present on an absolute level, it is not
marked part of the structure of influence between
irst and second decision making stages.

Execu

Examining the

the legislature ov

two questions were

mechanism of antic

whether the execut

mendations that th

or did he make the

any executive deci

to the spending pr

lature (see table

of the legislators

avoidance practice

making.

The second qu

anticipated react

review of the budg

cause he was carry

This particular s

conversation with

preted his own bu

the spending pref

his intention to

lative policy, so

would be unnecess

on to say that he

Executive-Legislature

Examining the exercise of informal influence by
legislature over the decisions of the executive,
questions were also asked to measure the preventive
anism of anticipated reactions. The first was
ner the executive: "Avoided making budget recom-
tions that the legislature was likely to oppose,
d he make them anyway." In only five cities did
xecutive decision maker report such a deference
e spending preferences of a more powerful legis-
e (see table 6.3), while an average of one quarter
e legislators (see table 6.4) perceived such an
ance practice to characterize executive decision
g.

The second question measuring the occurrence of
ipated reactions was: "There was little close
of the budget submitted by the executive, be-
he was carrying out the policies of the legislature."
articular statement was suggested in a preliminary
sation with one of the city managers who inter-
his own budget responsibilities as implementing
ending preferences of the city council. It was
tention to recommend a budget that recorded legis-
policy, so that subsequent review and modification
e unnecessary. This particular city manager went
ay that he "kept a score card of legislative

DEPARTMENT-EX
RELATIONS

Dty	Carry Out Legis. Policies
01	0.00
02	0.33
03	0.50
04	0.00
05	2.33
06	0.00
07	0.50
08	1.25
09	0.33
10	3.00
11	0.50
12	0.00
13	1.00
14	0.50
Mean	0.73
St. Dev.	0.91

TABLE 6.3

DEPARTMENT-EXECUTIVE INFORMAL INFLUENCE RELATIONSHIP (EXECUTIVE REPLIES)

y	Carry Out Legis. Policies	% Avoid	Exec. Contact	Legis. Indication	Mean
	0.00	0.00-0.00	1.33	2.00	0.83
	0.33	0.33-1.33	0.50	1.50	0.92
	0.50	0.00-0.00	0.00	0.50	0.25
	0.00	0.33-1.33	0.00	2.00	0.83
	2.33	0.00-0.00	0.50	1.00	0.96
	0.00	0.00-0.00	0.75	0.50	0.31
	0.50	0.50-2.00	0.50	1.00	1.00
	1.25	0.00-0.00	0.00	1.33	0.65
	0.33	0.00-0.00	0.33	0.33	0.25
	3.00	0.66-2.66	0.66	1.00	1.83
	0.50	0.33-1.33	0.66	0.00	0.62
	0.00	0.00-0.00	0.50	1.00	0.38
	1.00	0.00-0.00	0.00	1.00	0.50
	0.50	0.00-0.00	0.50	0.50	0.38
	0.73	0.15-0.62	0.45	0.98	0.69
	0.91	0.23-0.92	0.37	0.59	0.42

EXECUTIVE-LEG
RELATIONSH

ity	Carry Out Legis. Policies
2	1.00
3	0.00
4	0.57
5	0.00
6	0.40
7	0.00
8	0.50
9	1.33
10	--
11	1.33
12	1.00
13	0.25
14	0.00
	0.00
ean	0.46
St. Dev.	0.50

TABLE 6.4

EXECUTIVE-LEGISLATURE INFORMAL INFLUENCE RELATIONSHIP (LEGISLATIVE REPLIES)

y	Carry Out Legis. Policies	% Avoid	Exec. Contact	Legis. Indication	Mean
	1.00	0.12-0.50	1.00	1.75	1.08
	0.00	0.40-1.60	0.20	2.00	0.95
	0.57	0.29-1.14	0.71	0.71	0.78
	0.00	0.00-0.00	0.25	0.75	0.25
	0.40	0.25-1.00	0.50	1.50	0.85
	0.00	0.15-0.60	0.14	0.14	0.22
	0.50	0.33-1.33	1.66	1.16	1.14
	1.33	0.80-3.20	1.80	2.00	2.08
	--	0.00-0.00	0.20	0.25	0.15
	1.33	0.33-1.33	1.33	0.80	1.20
	1.00	0.00-0.00	1.60	0.00	0.65
	0.25	0.25-1.00	0.00	1.00	0.56
	0.00	0.00-0.00	0.85	0.75	0.40
	0.00	0.71-2.85	0.71	1.00	1.14
	0.46	0.26-1.04	0.79	0.99	0.82
	0.50	0.25-1.00	0.62	0.64	0.51

action, and he was
no changes in his
"I read the sentim
account in what I
the council wanted
and each other . .
However, the respo
indicate that it
relationship.

The next two
explicit warnings
the scenes person
all year long on
year that came fr
whole year the di
activities and pr
lature indicates
good job or if t
in making up the
preventive mecha
legislative init
such informal ir
Contact prior t
tive's budget,
extent.

on, and he was batting 1,000 percent, if they made
hanges in his recommendations." As others said:
ead the sentiment of the council and take that into
unt in what I propose . . . The manager knew what
council wanted. They all understood the situation
each other . . . They never said it, I just knew."
ver, the responses of these two decision makers
cate that it only slightly describes their influence
tionship.

The next two questions probe the existence of
icit warnings that are transmitted through behind
scenes personal contact: "The manager keeps notes
year long on things be in or out of the budget next
that came from the city council . . . Through the
e year the discussions of the council on departmental
vities and programs. Through this way the legis-
re indicates if some departments are not doing a
job or if they are. All these inputs are considered
aking up the budget for the next year." Probing this
entive mechanism first of executive and then of
slative initiated contact, the general absence of
informal interaction communication is reported.
act prior to the formal submission of the execu-
's budget, occurs at around the level of a slight
nt.

Altogether th
slight occurrence
influence over the
variation is prese
ranges of the scal
relationship with
ventive mechanisms
the structure of

Relatio
i

It is expect
fluence serves to
that are first re
recommended by th
tion of the exerc
to limit the arti
that are inconsis
the more powerful
Sarata write of
is the:

' . . means
existing al
in the comm
are even vo
fore they g
making aren
naimed or d
menting sta

13. Peter
Poverty, p. 44.

Altogether the four questions indicate only the slight occurrence of the exercise of informal legislative influence over the decisions of the executive. Although variation is present, it occurs only within the lower ranges of the scale. As in the case of the executive's relationship with the department heads, these two preventive mechanisms are not a strong characteristic of the structure of municipal budget influence.

Relationship to Yearly Change in Spending Levels

It is expected that the presence of informal influence serves to contain the size of spending increases that are first requested by the departments and then recommended by the executive. This is the very intension of the exercise of "non-decision making power," to limit the articulation of demands for policy outputs that are inconsistent with the interests and values of the more powerful decision maker. As Bachrach and Baratz write of this process of issue suppression, it the:

> . . . means by which demands for change in the existing allocation of benefits and privileges in the community can be suffocated before they are even voiced; of kept covert; or killed before they gain access to relevant decision making arena; or, failing all these things, maimed or destroyed in the decision implementing stage of the policy process.13

---

13. Peter Bachrach and Morton Baratz, Power and ty, p. 44.

in this specific i

for increases in s

existing allocatio

ering about the ex

the executive and

receive for review

it is officially p

a consistent const

expansion of other

making power" prov

spending outputs.

Rufus Browni

affect this compo

upon spending cho

questors know in

will not make the

specific example

were:

> ". . . cut ir
> a standard
> legislative
> all of them
> after all,"
> can get rat
> these decis
> innovation

14. Rufus
Decision Process
Wansky, Policy A
Markham Press, 1

15. Rufus
Decision Process

In this specific issue area of budgeting, proposals for increases in spending are "demands for change in the existing allocation of benefits and privileges," that bring about the exercise of informal influence. Both the executive and the legislature reduce the budget they receive for review, for them to suppress an issue before it is officially presented for formal choice means that a consistent constraint is placed upon the expenditure expansion of others. The exercise of "non-decision making power" provides a negative thrust to municipal spending outputs.

Rufus Browning writes in support of the specific effect this component of the influence structure has upon spending choices that, ". . . when potential requestors know in advance that requests are futile, they will not make them."[14] He then goes on to describe a specific example of where a department budget requests were:

> . . . cut in half within the department, not by a standard of need but by the calculation of legislative reaction-- we would like to ask for all of them, "but you have to be realistic, after all," . . . requesting what you think you can get rather than what you feel able to justify-- these decision rules may amount to constraints on innovation in public policy.15

---

14. Rufus P. Browning, "Innovative and Non-innovative sion Process in Governmental Budgeting," in Ira Sharky, Policy Analysis in Political Science (Chicago: ham Press, 1970), p. 317.

15. Rufus P. Browning, "Innovative and Non-innovative sion Process," p. 325.

as described by dec

this same effect is

his programs and pr

wishes of the city

something that the

an informal basis

council wants and

tically saleable t

so there was no re

endations that wo

However, as

is no corroborati

has upon the size

that are either r

or recommended by

of informal influ

choices of anothe

upon the expansio

An explanat

connection is tha

by the executive

directed at inhi

sionary budgets.

budget cutting b

of their positio

Not only do they

As described by decision makers in the present study, this same effect is noted: "The manager attempts to fit his programs and proposals to what he velieves are the wishes of the city council, and would not bring in something that they would not find acceptable . . . On an informal basis he has a pretty good idea of what the council wants and will not recommend things not politically saleable to them . . . He knew what we wanted so there was no reason for him to come back with recommendations that would be at odds."

However, as measured in the present study, there is no corroboration of the effect informal influence has upon the size of yearly increases in expenditures that are either requested by the departments (0.0198), or recommended by the executive (-0.0648). The exercise of informal influence by one actor over the spending choices of another does not represent a constraint upon the expansion of expenditure levels.

An explanation for the absence of this statistical connection is that the exercise of informal influence by the executive and the legislature is not necessarily directed at inhibiting the formal submission of expansionary budgets. It will be recalled that the negative budget cutting behavior of these two actors is only part of their position within the municipal budget process. Not only do they reduce the budget they receive for

review, but they a

above the level of

of informal influe

inhibit the formul

budgets, because r

nature actually o

budget.

Relatio

Nevertheless

does have an affe

more powerful act

of reductions tha

of the second and

dence that the op

mechanisms is ass

ons from one sta

executive reducti

tive reductions),

The negative reac

warnings are tra

interactions, th

posed does not "

Two processes of

specific spendin

eliminated are n

The rate of incr

eview, but they also favor an increase in expenditure bove the level of the previous year. So the exercise f informal influence does not necessarily serve to nhibit the formulation and transmission of expansionary udgets, because neither the executive and the legis- ature actually opposes all annual growth in the udget.

Relationship to Budget Change

Nevertheless, the exercise of informal influence es have an affect upon the spending behavior of the re powerful actor as it serves to limit the amount reductions that are made during the formal review the second and third stages. There is strong evi- nce that the operation of these two preventive chanisms is associated with the absence of budget ts from one stage to the next (-0.6431 + 0.001 to ecutive reductions and -0.6879 + 0.001 to legisla- ve reductions). When the weaker actor anticipates e negative reaction of the stronger, and when explicit rnings are transmitted through behind the scenes eractions, then the budget that is formally pro- ed does not "need" to be cut as much as when these processes of informal influence do not operate. cific spending items that would be opposed and then minated are not included within official proposals. rate of increase in spending levels submitted meets

the approval of th

authority. In thi

articulation is ef

process.

Further under

influence within t

relationship to th

modifications of

does the exercise

the executive res

budget they revie

change being made

writes:

> Careful prep
> subcommittee
> action on th
> whole year i
> severe fisca
> Generally hi
> because the
> but accepted

Similar responses

response to the

executive budget

his homework wel

things informall

---

16. Arnold

Revenue (Berkele

1971), pp. 183-1

he approval of those who will exercise formal review
uthority. In this way, the suppression of issue
rticulation is effected within the municipal budget
rocess.

Further understanding of this dimension of
nfluence within the budget system is evident in its
elationship to the absolute size of legislative
odifications of executive recommendations. Not only
es the exercise of informal legislative influence over
ie executive result in less cuts being imposed in the
dget they review, but it also results in less absolute
ange being made (-0.4857 + 0.05). As Arnold Meltsner
ites:

> Careful preparation by the manager with the subcommittee results in a rubber-stamp council action on the budget . . . he had spent the whole year informing the council about the severe fiscal constraints that the city faced. Generally his expectations were borne out, because the council did not change his budget, but accepted it as is.16

nilar responses are evident in the present study in
sponse to the question of why few changes were made in
ecutive budget recommendations: "Because he had done
homework well. He would have asked us about some
ngs informally and we would say OK . . . Because there

---

16. Arnold J. Meltsner, The Politics of City enue (Berkeley: University of California Press, 1), pp. 183-184.

is reasonably good

and the council in

the mayor submitte

communication. Ev

vetoed consistentl

This year the cou

It has often

"non-decision mak

not subject to em

Thus Richard Mere

empirical argumen

proof or disproof

..."[17] Raymond

Bachrach's research

order for any con

"... requires da

largely unobtaina

"... incomplete

The present study

decision making".

---

17. Richar

18. Raymon
Local Politics,"
XXV, no. 4 (Dece

19. Richar

s reasonably good communication between the mayor
nd the council in preparing the budget. In the past
he mayor submitted a budget and there was no open
ommunication. Everything was done by resolution and
etoed consistently. We all benefit from communication.
his year the council accepted 90 percent of it.

Conclusion

It has often been claimed that the concept of
ion-decision making" is a non-event, and therefore,
t subject to empirical investigation and refutation.
us Richard Merelman writes that it is, ". . . not an
pirical argument . . . does not admit of empirical
oof or disproof. Therefore it is of limited utility
. ."[17] Raymond Wolfinger adds that: "Bachrach and
ratz's research prescription is an impossibly tall
der for any conceivable number of well-financed scholars
. . requires data that are difficult to gather or
rgely unobtainable."[18] One cannot simply reject as
. . incomplete and unreliable,"[19] asking those involved.
present study has demonstrated that the idea of "non-
ision making"-- informal influence is not intrinsically

---

17. Richard Merelman, "Neo-elitist Critique," p. 457.

18. Raymond Wolfinger, "Nondecision and the Study of
al Politics," American Political Science Review, vol.
, no. 4 (December, 1971), pp. 1077 and 1079.

19. Richard Merelman, "Neo-elitist Critique," p. 453.

rresearchable.

Although it i

rocess of decisio

vithin the interpe

authoritative deci

echanisms of anti

are successful in

incorporate the s

influence is poss

and in participat

situation, but is

specific demands

unresearchable.

Although it is not a very marked component of the process of decision making, it is nevertheless present within the interpersonal influence relationship among authoritative decision makers. The two preventive mechanisms of anticipated reactions and explicit warnings are successful in changing the behavior of the weak to incorporate the spending preferences of the strong. Influence is possessed not only through formal authority and in participation within an overt decision making situation, but is exercised through the suppression of specific demands before they are publically articulated.

hapter Seven: Ex
De

The third di
udget making inf
tionship between
p to this point,
formal authority,
backward to affec
in preparing the
is crucial, for
departmental dec
of expansionary
a dominant execu

The explana
Oakland and
the degree
the city's
conditions.
has some co
insure that
to changing
resources.
of autonomo
and only in
attempted

1. Arnold
(Berkeley: Univ

hapter Seven: Executive Supervision of Departmental Decision Making

Introduction

The third dimension to the structure of municipal udget making influence highlights the particular rela- ionship between the department heads and the executive. p to this point, the exercise of neither the executive's ormal authority, nor his informal influence extends ackward to affect the initial decisions of the departments n preparing their requests for spending increases. This crucial, for the degree that the executive supervises partmental decision making and limits the formulation expansionary requests is a significant component of dominant executive. As Arnold Meltsner writes:

> The explanation for the differences between Oakland and these other cities might lie in the degree of centralization of the city, the city's political structure, and economic conditions. Conceivably a strong mayor, who has some control over his departments, could insure that departments would be responsive to changing economic conditions and revenue resources. In Oakland, there is a history of autonomous departments and commissions, and only in the late 1960's has the manager attempted to control the fragmented organization.1

---

1. Arnold J. Meltsner, The Politics of City Revenue erkeley: University of California Press, 1971), p. 165.

he exercise of s
merges not only
sibilities to com
into a unified bu
of the budget pro
independent depar
demonstrated in t
chapter, the size
single most impor
budget decisions
as well). Measu
mendations are v
requests. The m
receive.

So, previou
the dominant act
department spend
it can be shown
lation of spendi
by controlling t
their initial re
his budget infl
budgeting.

The presen
executive contr
departments pos

The exercise of strict regulation of the departments emerges not only from the executive's formal responsibilities to compile and assemble department requests into a unified budget and his motivation to be in charge of the budget process; but from the specific impact independent departments have upon spending outputs. As demonstrated in the statistical analysis of the third chapter, the size of increases initially sought is the single most important determinant of the subsequent budget decisions of the executive (and the legislature as well). Measures of executive reductions and recommendations are very strongly correlated to department requests. The more departments ask for, the more they receive.

So, previous interpretations of the executive as the dominant actor, whose expenditure preferences determine department spending totals, is open to question, unless it can be shown that the executive effects the formulation of spending increases in the first place. Only by controlling the process by which departments prepare their initial requests would the executive be exercising his budget influence throughout the entire process of budgeting.

The present chapter examines two mechanisms of executive control. The first is the amount of leeway departments possess in preparing requests. The second

is the amount of

The presence of b

attempt to exert

the sequence of d

over the outputs

De

Although the

process" does not

mission of expans

department heads

might desire. T

are not totally

influence. By l

preparing their

first stage of t

mission of reque

now, formulate t

executive and ar

submitting incre

The mechani

executive policy

budget forms fr

letter serves t

gents have in p

of this guidanc

request of expe

s the amount of inter-departmental competition allowed. ne presence of both features indicates the executive's ttempt to exert his influence from the very start of ne sequence of decisions and assert his dominance ver the outputs of the municipal budget process.

Departmental Leeway

Although the existence of the "non-decision making ocess" does not serve as a constraint upon the sub- ssion of expansionary requests, it does not mean that partment heads are free to ask for whatever funds they ght desire. The formulation of departmental budgets e not totally insulated from the exercise of executive fluence. By limiting the leeway departments have in eparing their budgets, the executive supervises the rst stage of the budget process and inhibits the sub- ssion of requests for additional funds. Departments, w, formulate their budgets with guidelines from the ecutive and are not free from executive sanctions for omitting increases.

The mechanism of this guidance is a letter of cutive policy that accompanies the transmission of get forms from the central accounting office. This ter serves to define the amount of autonomy depart- ts have in preparing their requests. The purpose this guidance is clearly to inhibit the formal uest of expenditure increases. As Allen Schick

rites: "These in

he ambitions and

ssential questio

s a means of exe

s a restraint up

re sought by the

municipal budg

adhere to the po

hold down the amo

Where this letter

expansive reques

structions not t

degrees of the s

over departments

budget process.

In John Cre

executive letter

making. As he w

> The role of
> budget form
> clear one.
> the submiss
> these items
> department

2. Allen
Washington D.

3. John P
A Computer Simu
and McNally, I

rites: "These instructions are intended to inhibit
ne ambitions and demands of agencies . . ."[2] The
ssential question is the effectiveness of this letter
s a means of executive control. Variation in success
s a restraint upon the size of additional funds that
e sought by the departments is evident in past studies
municipal budgeting. One pattern is where departments
here to the policy established by the executive and
ld down the amount of growth sought. The other is
ere this letter is ignored as departments submit their
pansive requests notwithstanding the executive's in-
ructions not to do so. Each respresents different
grees of the severity of the executive's supervision
er departments and his dominance over the municipal
dget process.

In John Crecine's study of the three cities, the
ecutive letter is able to affect department decision
ing. As he writes:

> The role of the mayor's budget letter and the budget forms sent to the department head is a clear one. Together with its two schedules and the submission of the completed budget forms, these items have the effect of structuring the department head's problem for him.3

---

2. Allen Schick, Budget Innovation in the States
shington D. C.: The Brookings Institute, 1971), p. 171.

3. John P. Crecine, Governmental Problem Solving:
mputer Simulation of Municipal Budgeting (Chicago:
l McNally, 1969), p. 52.

he impact of thi

ation of its "to

roviding an arbi

uest . . . an es

or decreases)."[4]

departments, ". .

o only [italics

evaluation of thi

of the computer s

all the others a

and current spen

Adherence t

for the amount o

is Orecine write

the budget reque

sents a nearly (

30, 10 percent i

by the departmer

is followed and

system exists.

The second

is where departm

---

4. John P

pp. 54-55 and 6

5. John P

6. John P

he impact of this letter occurs through the interpre-
ation of its "tone," which, ". . . has the effect of
oviding an arbitrary ceiling on the department's re-
uest . . . an estimate of allowable percent increases
or decreases)."[4] Enhancing its important is that the
epartments, ". . . are perceived as explicitly responding
only /italics mine/ the mayor's pressure."[5] The
aluation of this letter is the only behavioral component
the computer simulation of department decision making;
l the others are quantitative aspects, such as past
d current spending.

Adherence to this guidance has direct consequences
r the amount of additional funds that are requested.
Crecine writes: "In most instances, then, the sum of
e budget requests reaching the mayor's office repre-
nts a nearly (within 10 percent) balanced budget."[6]
10 percent is the norem of budget increases sought
the departments in a situation where executive policy
followed and an executive centered budget making
tem exists.

The second pattern of this influence relationship
where departments are relatively autonomous from the

---

4. John P. Crecine, Governmental Problem Solving, 54-55 and 68.

5. John P. Crecine, Governmental Problem Solving, p. 59.

6. John P. Crecine, Governmental Problem Solving, p. 68.

executive in prep

described in the

the executive als

guide the departm

budgets, but it c

formulation of re

guidance letter s

It does not struc

problem."[7] The

In the average l

departments.[8]

The explana

do not pay atten

found in the iss

because both cit

Instead, what is

tions that accom

Specifically, to

call to hold the

backed up with m

not as a request

imposed upon nor

---

7. Arnold

City Budgeting

and Reform," in

Solving, p. 331

8. Arnold

xecutive in preparing their initial budgets, as escribed in the study of Oakland, California. Here, he executive also issues a letter of budget policy to uide the departments initial preparation of their dgets, but it does not serve as a restraint upon the rmulation of requests for more funds. Instead: "The idance letter simply initiates the budget process: does not structure or delimit the actor's decision oblem."[7] The resulting effect is directly apparent the average 15.67 percent increase proposed by ten partments.[8]

The explanation of why departments in this city, not pay attention to executive guidance, cannot be und in the issuance of this letter or its contents, cause both cities follow the same set of practices. stead, what is most important is the normative expecta- ns that accompany it that brings about compliance. cifically, to serve as an instrument of control, the l to hold the line has to be enforced. It has been ked up with more than words, but by deeds; and viewed as a request, but as an order. Sanctions have to be osed upon non complying departments. Those who ignore

---

7. Arnold J. Meltsner and Aaron Wildavsky, "Leave Budgeting Alone: A Survey Case Study and Recommendation Reform," in John P. Crecine, Governmental Problem ing, p. 331.

8. Arnold J. Meltsner, City Revenue, p. 168.

the instructions
penalties and cos
benefits have to
the executive. I
punishments exist
is absent in Oakl
spread, it is acc
penalties."[9] Dep
have nothing to l
control the firs

Two questio
degree of leeway
their requests.
nothing to lose
ceived in the pr
of the perceived
ying the nature
is the question
viewed in each c
that there is no
there is indeed

9. Arnold
City Budgeting A

10. Arnold
City Budgeting A

the instructions do so at their own risk, and suffer some penalties and costs for doing so; at the same time, some benefits have to be evident to those who went along with the executive. Presumably such a system of rewards and punishments exists in Crecine's three cities while it is absent in Oakland, and: "Since noncomliance is widespread, it is accepted as part of life and it carries no penalties."[9] Department heads soon learn that, ". . . they have nothing to lose by asking."[10] The executive fails to control the first stage of the budget process.

Analysis

Two questions were asked to measure the varying degree of leeway enjoyed by departments in preparing their requests. The first is that: "Departments have nothing to lose by asking for more funds than they received in the previous year." This is a general statement of the perceived existence of sanctions, without specifying the nature of the costs involved for seeking more. As the question is phrased, the department heads interviewed in each city (see table 7.1) agree only slightly that there is nothing to lose. Or in other words, that there is indeed much that can be lost by submitting

---

9. Arnold J. Meltsner and Aaron Wildavsky, "Leave Budgeting Alone," p. 333.

10. Arnold J. Meltsner and Aaron Wildavsky, "Leave Budgeting Alone," p. 330.

D
(DEP

Not
L

Dev.

TABLE 7.1

DEPARTMENTAL LEEWAY
(DEPARTMENT HEAD REPLIES)

ity	Nothing to Lose	Chances for Increases	Mean
1	2.50	1.50-2.50	2.50
2	1.00	0.33-3.66	2.33
3	2.00	0.33-3.66	2.83
4	0.50	0.50-3.50	2.00
5	3.33	1.33-2.66	3.00
6	0.33	0.33-3.66	2.00
7	1.00	0.66-3.33	2.16
8	2.50	0.50-3.50	3.00
9	1.33	0.66-3.33	2.33
0	0.66	0.66-3.33	2.00
1	0.50	0.33-3.66	2.08
2	2.00	1.00-3.00	2.50
3	1.50	0.50-3.50	2.50
4	1.33	1.66-2.33	1.83
ean	1.46	0.74-3.26	2.36
. Dev.	0.90	0.46-0.44	0.37

expansionary req

they are free to

may want without

However, the exe

report as strong

extent is there

inally worded, a

recalcitrant dep

The second

the costs involv

obtaining expend

too large an inc

eiving increase

executive is lar

departments tha

those departmen

policy instruct

from either act

a great extent,

goal of obtaini

Together,

departments bel

ecutive attribu

money than they

sanctions. The

upper end of th

ental independ

expansionary requests. Department heads do not believe they are free to seek whatever additional funds they may want without experiencing some kinds of disadvantage. However, the executive himself (see table 7.2), does not report as strong an incidence of control. Only to some extent is there agreement with the statement as originally worded, as only some sanctions are imposed upon recalcitrant departments.

The second question specifies the exact nature of the costs involved in seeking more, in terms of actually obtaining expenditure increases: "If departments request too large an increase, they harm their chances of receiving increases at all." The sanction imposed by the executive is larger cuts and smaller increases to those departments that do not follow budget guidance than to those departments that adhere to the intent of executive policy instructions. But there is only slight agreement, from either actor that such penalities are imposed. To a great extent, department heads do not threaten their goal of obtaining more by explicitly asking for it.

Together, these two questions reveal that while the departments believe they possess some leeway. The executive attributes broad leeway to them to ask for more money than they received in the past without suffering sanctions. The distribution of responses is in the upper end of the scale, from some to very great departmental independence from executive control. This

ity

Not
I

ear

t. Dev.

TABLE 7.2

DEPARTMENTAL LEEWAY
(EXECUTIVE REPLIES)

City	Nothing to Lose	Chances for Increases	Mean
01	4.00	0.00-4.00	4.00
02	2.00	0.33-3.66	2.83
03	4.00	0.50-3.50	3.75
04	2.00	1.00-3.00	2.50
05	2.00	0.33-3.66	2.83
06	1.66	0.00-4.00	2.83
07	2.00	0.50-3.50	2.75
08	2.50	1.50-2.50	2.50
09	2.00	0.66-3.33	2.66
10	0.50	2.00-2.00	1.25
11	2.00	1.50-2.50	2.25
12	1.50	0.50-3.50	3.50
13	3.25	0.00-4.00	3.62
14	3.00	1.00-3.00	3.00
Mean	2.32	0.70-3.30	2.81
St. Dev.	0.96	0.62-0.60	0.66

situation would

21 percent incre

to Crecine's sta

close executive

making is far fr

cities, departme

own decision ma

spending reques

Rela

Even thoug

siderable leewa

exact relations

confirms the ex

0.3912 + 0.10)

perceive they a

citting expansi

funds they will

---

11. City

half of the err

tic; and if it

case, the corre

+ 0.005 for thi

particular case

(rank 13½), yet

is that there i

been lost. It

ment expenditur

the previous ye

heads, there is

been taken away

executive impos

situation would have have been inferred from the average 21 percent increase submitted by the departments compared to Crecine's standard of 10 percent. It appears that close executive supervision of departmental decision making is far from the norm. In the present fourteen cities, departments are relatively autonomous in their own decision making and the formulation of expansionary spending requests.

Relationship to Department Budget Requests

Even though on the whole departments possess considerable leeway in seeking expenditure growth, its exact relationship to the size of increases asked for confirms the expected positive connection between them (0.3912 + 0.10).[11] The more department heads in each city perceive they are free of executive sanctions for submitting expansionary budgets, the larger an increase in funds they will indeed request. If they believe there is

---

11. City number eight by itself contributes one half of the error term in the computation of the statistic; and if it were removed from the analysis as a deviant case, the correlation would increase in strength (0.7012 + 0.005 for thirteen cities). An explanation for this particular case, where departments perceive high leeway (rank 13½), yet submit low requests for increases (rank 1) is that there is nothing to lose, because all has already been lost. It will be recalled that in this city, department expenditure requests were below the absolute level of the previous year. So, in the view of the department heads, there is nothing left, as everything has previously been taken away, and they are no longer apprehensive of executive imposed sanctions.

nothing to lose

have, they will

growth. If, on

advantage will r

asking for incre

Rufus Brown

agencies percept

upon the formula

f the process:

> . . . for e
> may get the
> refers to p
> requests.
> simple reje
> enough to p
> first place
> are involve
> ridicule .
> quests, and
> damage to f

as described by

amount of politi

rt the requests

uestion and dec

submit it to hir

Given the

their own advoca

---

12. Rufus

Decision Process

Wansky, Policy

Markham Press,

nothing to lose by asking for more than they already have, they will go ahead and submit requests for spending growth. If, on the other hand, they believe that a disadvantage will result, they will be constrained in asking for increases.

Rufus Browning provides an illustration of how the agencies perception of costs, operates as a constraint upon the formulation of expansionary budget. He writes of the process:

> . . . for eliminating or modifying requests which may get the agency into trouble . . . (which) refers to political penalties for making certain requests. For some agencies and agency heads, simple rejection of requests may be painful enough to prevent its making the request in the first place, but usually some other penalties are involved-- public criticism, insult, and ridicule . . . loss of support for other requests, and loss of confidence from others with damage to future requests and to career chances.12

As described by one department head: "I have a certain amount of political capital to use up. I carefully weigh out the requests I present to the manager that would question and decide whether or not it is worthwhile to submit it to him."

Given the opportunity, department heads will act out their own advocacy-spending role into actual dollar and

---

12. Rufus P. Browning, "Innovative and Non-innovative Decision Process in Governmental Budgeting," in Ira Sharkansky, Policy Analysis in Political Science (Chicago: Markham Press, 1970), p. 309.

cents requests
who seek to expa
to do so. They
program and spen
the ability of
the department
the outputs of
process.

Exe
Change

The execut
departmental de
initial budget
own influence o
tive imposes hi
sequence of bud
indeed his own.
of the budget h
nents through h
extended the sc
of the formal a
he is now, not
the departments
recognizes the
influence of th
exercise greate
increases, the

cents requests (0.4532 + 0.10). Departments in cities who seek to expand their appropriations have the chance to do so. They can freely translate their expansionary program and spending inclinations into concrete behavior. The ability of the executive to limit the independence the department has direct and immediate consequences upon the outputs of the first stage of the municipal budget process.

Executive Budget Behavior
Change in Departmental Requests

The executive's ability to limit the leeway of departmental decision making and constrain the size of initial budget requests is an important component of his own influence over final spending outputs. If the executive imposes himself from the very beginning of the sequence of budget stages, final expenditure totals are indeed his own. He is able to affect the composition of the budget he receives as well as influencing departments through his review of their requests. He has extended the scope of his influence, beyond the confines of the formal authority of his own decision making stage. He is now, not merely responding to the initiatives of the departments, but shaping them as well. Allen Schick recognizes the implications of this feature for the influence of the executive when he writes that: "To exercise greater control over the pace of expenditure increases, the governor would have to step in earlier,

before the initi

Otherwise,

the rate of year

department reque

This is indeed w

leeway departmen

quests are reduc

expansion in the

partments' inter

is compelled to

this end by cut

point in the se

to utilize his

the expansionary

again writes of

the executive b

> . . . did
> taining ag
> have been
> and conseq
> alternativ
>
> Execut

However, t

reassertion of

---

13. Allen

14. Aller

before the initial agency decisions were made."[13]

Otherwise, the only way for the executive to limit the rate of yearly growth in spending is to reduce department requests at the time of the formal review. This is indeed what happens (0.6835 + 0.005). The more leeway departments possess, the more their budget requests are reduced. Failing to limit the pace of expansion in the first place, by controlling the departments' internal budget making process, the executive is compelled to adopt an alternative route to achieve this end by cutting departmental requests at this latter point in the sequence of the budget process. He has to utilize his formal authority to cut in order to contain the expansionary thrust of departments. As Schick once again writes of this situation and its implications for the executive budget cutting position, the executive:

> . . . did not consider the possibility of containing agency budget pressures before they have been allowed expression in the estimates, and consequently he could not conceive of an alternative to the budget-cutting role.[14]

Executive Budget Recommendations

However, this budget cutting does not represent the reassertion of executive control, but actually the lack

---

13. Allen Schick, Budget Innovation, p. 179.

14. Allen Schick, Budget Innovation, p. 175.

of it; for it is
the rate of year
cuts imposed in
leeway, it is in
mendations to t
departments pos
they wind up wi

By not act
submit expansio
actual expressi
little effect u
until the secon
fails to regain
ture growth. E
severely cut, a
certainly lower
more than they
tive has not di
connection betw
growth.

Examining
assessment of
other componen
failure of the
making is furt

of it; for it is unsuccessful in its goal of containing the rate of yearly spending growth. For in spite of the cuts imposed in cities where department heads had more leeway, it is in these same cities that his own recommendations to the legislature increase (0.3587). When departments possess leeway in first requesting increases, they wind up with larger increases in the end.

By not acting earlier to penalize departments that submit expansionary requests and thereby inhibit their actual expression, subsequent executive decisions have little effect upon final expenditure outputs. By waiting until the second stage of budget review, the executive fails to regain control over the pace of annual expenditure growth. Even though departments have been more severely cut, and the absolute size of their budgets is certainly lower, departments in these cities still obtain more than they would have otherwise obtained. The executive has not disturbed the most fundamental statistical connection between initial requests and subsequent yearly growth.

Conclusion

Examining the relationship between the executive's assessment of the amount of departmental leeway and two other components of his own decision making process, the failure of the executive to control department decision making is further revealed. First of all, these sanctions

are not present

mitting padded

increases are e

tivation to lim

requests (0,612

expected as the

executive does

ism to solve th

the amount of i

the amount of c

equilibrium bet

decreased. As

> In a sense
> of a solut
> through th
> his letter
> it has the
> ancing pro
> /0,1571 as
> pected/.

Limiting the le

sionary reques

purposes of ac

has failed to

expansionary t

---

15. John
pp. 67-68.

are not present when departments are perceived as submitting padded requests. The belief that requested increases are extravagant and unnecessary is not a motivation to limit the independence to submit such requests (0.6122 when a negative relationship is expected as the data are arranged). Furthermore, the executive does not limit departmental leeway, as a mechanism to solve the budget balancing problem. By limiting the amount of increases first sought by the departments, the amount of cuts that have to be made to achieve the equilibrium between revenues and expenditures is not decreased. As John Crecine writes:

> In a sense, the mayor has guaranteed the existence of a solution [to the balanced budget problem] through the use of budget guidelines set up in his letter of instructions to department heads . . . it has the effect of restricting the budget balancing problem to relatively small amounts . . .15 [0.1571] as again a negative relationship is expected].

Limiting the leeway departments possess to formulate expansionary requests, is not employed by the executive for the purposes of achieving a balanced budget. The executive has failed to design a set of constraints to control the expansionary thrust of department heads.

---

15. John P. Crecine, Governmental Problem Solving, pp. 67-68.

Inte

A second a

departmental de

mission of expa

of interdepartm

of additional f

departments der

ditures exceed

department requ

growth in estim

Unless new taxe

nues are increa

situation of sc

it, I hope the

is not enough m

"Last year ther

so than before.

you are going t

Spending c

cannot be met a

I amount of dol

amount of money

to another depa

total additiona

decision was ma

is not only mea

Interdepartmental Competition

A second aspect of the executive's supervision of departmental decision making and control over the submission of expansionary budgets is through the regulation of interdepartmental competition over the distribution of additional funds. The existence of competition among departments derives from the fact that demands for expenditures exceed the available supply of resources. Initial department requests for increases, are beyond the yearly growth in estimated revenues produced by existing taxes. Unless new taxes are instituted or the rates of existing ones are increased, budget decisions are made in a situation of scarcity. "I don't compete if I can help it. I hope there's enough for everyone." There simply is not enough money to go around to satisfy all requests: "Last year there was quite a bit of competition. More so than before. When the general fund is limited then you are going to get competition."

Spending choices are also costly. Since all requests cannot be met at the same time, to allocate an increase of X amount of dollars to one department means that this amount of money has been used up and cannot be allocated to another department. All that remains is 1-X of the total additional funds that existed before the first decision was made. Therefore, the value of each dollar is not only measured in terms of the purchases made and

the benefits ac

This is the eco

has been relate

> . . . The
> worth its
> tives. Bu
> a comparis
> uses of fu

At the sam

competition exi

deriving from t

requests for in

of the organiza

Consequent

quests so that

whatever additi

librium of the

preserved, the

Richard Cyert a

avoidance rules

essary . . . (t

allocative rule

of members of t

nants do not wi

---

16. Verne
Fremont Lyden a
Budgeting: A Sy
Harkman Press,

17. Richa
Theory of the F
Hall, 1963), p.

the benefits achieved; but, of the alternatives given up. This is the economic concept of "opportunity cost" which has been related to budgeting by Verne Lewis:

> . . . The return from every expenditure must be worth its cost in terms of sacrificed alternatives. Budget analysis, therefore, is basically a comparison of the relative merits of alternative uses of funds.16

At the same time this pressure for departmental competition exists, there is also a counter-pressure deriving from the position of the executive. To him, requests for increases, is disruptive of the stability of the organization and is a situation to be avoided.

Consequently, the executive evaluates initial requests so that the inherent competition among the departments whatever additional funds are available so that the equilibrium of the previous appropriations ordinance is preserved, the potential for conflict is minimized. As Richard Cyert and David March write of these conflict avoidance rules: ". . . where resource rationing is necessary . . . (there is) a tendency to use arbitrary allocative rules that maintain the relative positions of members of the organization."[17] In this way, departments do not wind up with more in the end by responding

---

16. Verne Lewis, "Toward a Theory of Budgeting," in Fremont Lyden and Ernest Miller, Planning, Programing, Budgeting: A System Approach to Management (Chicago: Markham Press, 1967), p. 117.

17. Richard Cyert and James March, A Behavioral Theory of the Firm (Englewood Cliffs, New Jersey: Prentice Hall, 1963), p. 260.

to competitive

evaluates their

ot result in a

over another,

over department

The two mo

to minimize int

of the "base" a

> . . . expe
> will be ca
> expenditur
> pectation
> it is acce
> therefore,
> to intensi

Each department

core programs,

departments' re

activities; but

of funds, sough

the scope of bu

of the total do

executive inten

to the departme

portion of the

of the budget p

---

18. Aaron

to competitive pressures for the executive specifically evaluates their requests so that such competition does not result in a financial advantage for one department over another. In this way the executive's supervision over department heads is asserted.

The two most widely reported executive decision rules to minimize interdepartmental competition are the notions of the "base" and the fair share. The base is the:

> . . . expectation among participants that programs will be carried on at close to the going level of expenditures . . . It means establishing the expectation that the expenditure will continue, that it is accepted as part of what will be done, and, therefore, that it will not normally be subjected to intensive scrutiny.18

Each department is guaranteed to maintain its ongoing, core programs. Whatever reductions are made in the departments' requests will not cut into established activities; but instead concentrate upon the increment of funds, sought above current levels. By restricting the scope of budget review and excluding the major part of the total dollar amount of department requests, the executive intends to limit the competitive pressure felt by the departments. Departments now compete over just a portion of the budget and not the whole amount. The stakes of the budget process have been restricted and with it

---

18. Aaron Wildavsky, Budgetary Process, p. 17.

the perceived t

The notion

that it will re

which are to be

base of the var

tions on roughl

comparison to o

made, each depa

Departments com

to how much mor

is available in

Each one is jea

expenditures.

other fellow is

they still thin

ever, by the ex

the competition

budget is pared

his fair share

of an increase

The preser

evaluations poi

pressure among

reduce it. The

19. Aaron

the perceived threat to the departments is also lessened.

The notion of a fair share is the ". . . expectation that it will receive some proportion of funds, if any, which are to be increased over or decreased below the base of the various governmental agencies . . . expectations on roughly how much the agency is to receive in comparison to others."[19] Whatever expenditure change is made, each department will receive its fair share of them. Departments compare how much more they obtain, in relation to how much more other departments receive and how much more is available in total: "Each department is out for himself. Each one is jealous of each other and their level of expenditures. Each year, if they're cut they think the other fellow is getting cut less, if they're increased they still think the other fellow is getting more." However, by the executive's use of this particular standard, the competition among departments is reduced, because the budget is pared down so that each department receives his fair share of the total increase no matter how much of an increase they first asked for.

The presence of these two executive budget making evaluations point to the convergence of the competitive pressure among departments and the executives desire to reduce it. The very existence of these decision making

---

19. Aaron Wildavsky, Budgetary Process, p. 17.

rules is an imp

does exist. If

themselves to b

there would be

to minimize the

outputs and his

even while the

limit competiti

funds, it is a

The first

perceive themse

over the budget

(see table 7.3)

the municipal b

departments ove

---

20. There

just exactly wh

in competition

competition is

is not /italic

competition /I

heads for fund

independently

selves as comp

among departme

describe the /

to write later

funds: ". . .

fight over inc

year to year,

a department."

impress the pr

increases that

rules is an implicit recognition that such competition does exist. If departments themselves do not perceive themselves to be in competition with each other, then there would be little need for the executive to attempt to minimize the effect competition has upon expenditure outputs and his control over the budget process. So even while the existence of executive action serves to limit competition over the distribution of available funds, it is a part of the process of municipal budgeting.[20]

Analysis

The first question was the extent: "Departments perceive themselves to be in competition with each other over the budget." To some extent, both the departments (see table 7.3) and the executive (see table 7.4) perceive the municipal budget process to involve conflict among departments over the distribution of available funds.

---

20. There is considerable semantic confusion over just exactly what kind of expenditures, departments are in competition over. John Crecine first writes that such competition is not found: "Another kind of phenomena that is not /italics in original/ found is the existence of competition /in a behavioral sense/ between department heads for funds. Not only are departmental requests treated independently . . . the departments do not perceive themselves as competing with one another for funds. 'Conflict among departments for funds is not a very useful way to describe the /budgetary/ process.'" But then he goes on to write later that competition is found over increases in funds: ". . . competition for funds, if any, clearly is a fight over increases /italics mine/ in appropriations from year to year, rather than over the total budget amount for a department." The importance of this distinction fails to impress the present author. It is exactly these expenditure increases that is the current measure of budget decisions. So,

INTER
(DE

ity	Perceive Competi-tion
01	4.00
02	1.66
03	2.33
04	2.00
05	3.33
06	2.33
07	3.66
08	2.33
09	2.33
10	1.33
11	2.33
12	0.50
13	3.00
14	1.00
Mean	2.30
St. Dev.	0.99

TABLE 7.3

INTERDEPARTMENTAL COMPETITION
(DEPARTMENT HEAD REPLIES)

City	Perceive Competition	Consider Together	Change Conflict	Maintain Same %	Balance Out Over Time	Mean
01	4.00	4.00	3.50	1.00-3.00	0.50-3.50	3.60
02	1.66	3.33	0.33	0.66-3.33	0.66-3.33	2.40
03	2.33	2.66	0.33	0.33-3.66	0.33-3.66	2.53
04	2.00	3.00	0.50	1.00-3.00	0.00-4.00	2.50
05	3.33	1.00	2.33	1.00-3.00	0.50-3.50	2.63
06	2.33	2.33	0.00	0.33-3.66	0.33-3.66	2.40
07	3.66	2.33	0.00	0.66-3.33	0.00-4.00	2.67
08	2.33	3.33	2.33	1.33-2.66	0.66-3.33	2.80
09	2.33	3.66	1.33	0.33-3.66	0.33-3.66	2.93
10	1.33	3.50	0.66	1.00-3.00	0.00-4.00	2.50
11	2.33	2.66	1.00	1.33-2.66	0.66-3.33	2.40
12	0.50	3.50	1.50	0.50-3.50	0.50-3.50	2.50
13	3.00	1.00	0.50	0.00-4.00	0.00-4.00	2.50
14	1.00	4.00	1.33	0.66-3.33	0.00-4.00	2.73
Mean	2.30	2.38	1.12	0.73-3.27	0.32-3.68	2.65
St. Dev.	0.99	0.96	0.98	0.30-0.39	0.27-0.26	0.31

INTER

Perceive Competi-tion
2.66
3.00
2.60
1.33
2.00
1.75
3.00
2.75
3.33
2.00
2.50
1.50
2.25
1.25
2.29
0.63

TABLE 7.4

INTERDEPARTMENTAL COMPETITION
(EXECUTIVE REPLIES)

City	Perceive Competition	Consider Together	Change Conflict	Maintain Same %	Balance Out Over Time	Mean
01	2.66	3.00	2.50	0.00	0.00	1.63
02	3.00	4.00	2.00	0.00	1.00	2.00
03	2.60	4.00	2.50	0.50	0.00	1.90
04	1.33	3.00	3.00	0.00	0.00	1.27
05	2.00	3.33	1.33	0.33	0.00	1.20
06	1.75	2.66	0.66	0.66	0.00	1.13
07	3.00	3.50	0.50	0.50	1.00	1.70
08	2.75	4.00	2.00	0.75	0.00	1.90
09	3.33	4.00	1.33	0.33	0.33	1.80
10	2.00	1.50	1.00	0.00	1.00	1.10
11	2.50	4.00	0.50	0.00	1.00	1.60
12	1.50	3.50	1.00	0.50	0.00	1.30
13	2.25	4.00	1.25	0.25	0.25	1.60
14	1.25	4.00	0.00	0.00	0.00	1.10
Mean	2.29	3.25	1.40	0.27	0.33	1.49
St. Dev.	0.63	1.18	0.85	0.28	0.45	0.41

The next q

ary one particu

requests were a

choices involve

to others, as t

by other uses o

rent heads and

that a comprehe

budget does occ

is characterist

on this level c

The next c

of actors to ma

tions, because

would bring abo

in the distribu

duce conflict.

compare their s

a large part o

priations deriv

others. Chang

position is a

avoided. Surp

executive adhe

20. (con

support that i

John P. Crecin

The next question was if: "Budget decisions for any one particular department were not made until all requests were assembled and considered together." Budget choices involve a comparison of one department in relation to others, as the value of each dollar spent is assessed by other uses of those funds. To some extent the department heads and to a great extent the executive indicates that a comprehensive and simultaneous evaluation of the budget does occur. The fragmented and serial review that is characteristic of federal decision making is not evident on this level of government.

The next question intends to measure the motivation of actors to maintain the equilibrium of budget allocations, because to upset that balance among departments would bring about strains in the organization if, "Change in the distribution of funds among departments would produce conflict." Departments, in a competitive situation compare their spending allocations to other departments. A large part of their satisfaction with their own appropriations derives from what they receive in relation to others. Change that would decrease their financial position is a potential for disagreements and is to be avoided. Surprisingly neither departments nor the executive adhere to this position, and only to a slight

---

20. (continued) once again, there is considerable support that interdepartmental competition does exist. John P. Crecine, Governmental Problem Solving, p. 195.

extent do they
increase the am

The next t
executive decis
the competitive
their relative
is that: "Budge
ment retains th
that it had in
are imposed by
spending level
librium of bud
departments at
not succeed.
request agains
allocations an
existing patte
ments perceive
rule, while pr
tive report ha
device. Or in
great extent t
lation of init
amount of comp

A second
increases are

extent do they believe that changing budget shares would increase the amount of conflict in the system.

The next two questions examine the existence of executive decision rules that are designed to reduce the competitive pressure felt by departments by maintaining their relative budget position vis-a-vis each other. One is that: "Budget requests are reduced so that each department retains the same percentage of total expenditures that it had in the previous year." Whatever reductions are imposed by the executive, preserve the comparative spending level of each department. The existing equilibrium of budget shares is not upset. Consequently, the departments attempt to obtain more of the total pie will not succeed. The executive specifically weighs each request against all others to assess how it affects budget allocations and reduces those requests that upset the existing pattern. But only to a slight extent do departments perceive the existence of such an executive evaluation rule, while practically to no extent at all does the executive report having actually followed such a conflict reducing device. Or in other words, from between a great to a very great extent the executive does not supervise the formulation of initial department requests by minimizing the amount of competition among the departments.

A second executive decision rule is that: "Budget increases are balanced out over time. If in one year one

department obta

year another de

distributing ex

each department

Each department

increases excep

gained by reque

cisions are mad

equilibrium of

practically to

spending increa

Neither the dep

existence of su

competitive pr

The first

competition in

the perspectiv

executive. An

of executive s

ceived by depa

and by the exe

All together t

situation, whe

it; indicating

spending outpu

department obtains an increase, then in the following year another department receives an increase." By distributing expenditure increases sequentially to each department, the competition for funds is decreased. Each department head knows that he cannot obtain budget increases except by waiting for his turn. Nothing is gained by requesting large increases, as executive decisions are made with the aim of maintaining the equilibrium of funds among competing departments. But practically to no extent at all is such balancing out of spending increases a part of municipal budget practices. Neither the departments nor the executive report the existence of such a mechanism to dampen interdepartmental competitive pressures.

The first three questions measuring the extent of competition indicate the presence of some competition from the perspective of both the department heads and the executive. And the last two questions of the existence of executive supervision over the departments is perceived by departments below the level of slight extent and by the executive at practically no extent at all. All together the five questions reveal a competitive situation, where the executive does little to regulate it; indicating the lack of executive supervision over the spending outputs.

De

Unless th

competition ov

department hea

diture increas

the absence of

departments mu

they don't, so

department wil

available. As

ment heads fee

do not ask, th

ment and not g

This is c

ment heads, an

confirms the c

sionary reques

---

21. Arno

22. City

one half of th

the correlatio

strength (0.67

high competiti

requests (rank

is that depart

another, but n

over the alloc

over which dep

shall decline

Department Budget Requests

Unless the executive takes steps to restrain competition over the distribution of additional funds, department heads propelled to submit requests for expenditure increases. The more competition is felt, in the absence of executive decision rules to minimize it, departments must put forth their claim for increases. If they don't, some other department will, and that other department will then obtain whatever additional funds are available. As Arnold Meltsner writes, ". . . some department heads feel they are competing for funds. If they do not ask, they might lose the money to another department and not get their fair share."[21]

This is certainly an accurate perception by department heads, and the moderate correlation (0.4308 + 0.10) confirms the connection between the submission of expansionary requests and departmental competition.[22] It is

---

21. Arnold J. Meltsner, City Revenue, p. 169.

22. City number eight, again, by itself, contributes one half of the error term removing it from the analysis, the correlation for the remaining thirteen cities in strength (0.6703 + 0.01). Here, department heads report high competition (rank 12), yet low yearly increases in requests (rank 1). The explanation of this relationship is that departments are indeed in competition with one another, but not over the distribution of increases, but over the allocation of reductions. There is competition over which departments and by how much spending levels shall decline from the previous year.

only by initial
creases, and th
and the absence
explanation of
It might
tion would be
heads own advo
the pressures
want to obtain
in the present
and a motivati
notwithstandin
clinations. I
departments ar
not only to re
they already h
departments do
end than what
that the base
and the 20 per
an absolute dr
examples of wh
game by its ow
control over
departments t
would not have
failure to su

only by initially asking, that departments obtain increases, and the presence of competition among departments and the absence of executive regulatory rules provides an explanation of this statistical relationship.

It might be expected that interdepartmental competition would be positively connected with the department heads own advocacy-spending role. Departments perceive the pressures of competition only when they originally want to obtain increases. But this is not corroborated in the present analysis (0.1693). Competition is felt and a motivation to submit expansionary requests exist, notwithstanding the department heads' own spending inclinations. In an unregulated, competitive budget system, departments are compelled to submit claims for increases not only to receive such an increase, but to maintain what they already have. If they don't ask for more, and other departments do, they may find themselves with less in the end than what they currently have. There is no guarantee that the base of existing appropriations will be maintained and the 20 percent of the departments that did experience an absolute drop in spending levels provides sufficient examples of what can happen if they don't play the budget game by its own rules. Therefore, the lack of executive control over departmental decision making compels the departments to submit expansionary requests even if they would not have otherwise done so. The executive by his failure to supervise the departments, influences department

behavior, but r

Exe
Change

The more

in competition

arbitrary evalu

larger initial

these requests

shares and the

cation, the ex

relative spend

ations. By sc

budget request

the pace of sp

Ex

Such cuts

of expenditure

these decisior

less his own b

increase over

limiting the

the extent of

in regaining

23. In
With the depa
competition a
the present c
competition a

behavior, but not in the manner he intends.

Executive Budget Behavior
Change in Departmental Requests

The more the executive perceives department to be in competition with each other, and the more he applies arbitrary evaluation rules to department requests, the larger initial budgets are reduced (0.2688).[23] Since these requests represent an attempt to reallocate budget shares and the distribution of benefits within the organization, the executive opposes them and acts to restore the relative spending of each department's previous appropriations. By so doing, the executive not only reduces budget requests, he attempts to reassert his control over the pace of spending growth.

Executive Recommendations

Such cuts are successful in keeping down the rate of expenditure expansion. The more the executive applies these decision making rules in a competitive situation, the less his own budget recommendations to the legislature increase over the previous year (-0.2604). Compared to limiting the leeway enjoyed by the departments, regulating the extent of interdepartmental competition is effective in regaining executive control over the pace of annual

---

23. In this case, the data are slightly rearranged. With the departments a high score corresponds to high competition and the absence of executive rules; but, in the present case a high score represents high department competition as well as the presence of such rules.

expenditure gr

over the munic

The abili

over departmen

expansionary r

the applicatio

his own budget

relationship i

by the departm

supervision ov

the present ca

executive's at

petition is ef

over the munic

perceives depa

and the more h

(0.2910) the m

decision rules

of the departm

Even thou

attempt to sup

of their initi

differently wi

of budget revi

other (0.3700

expenditure growth and in reasserting his own dominance over the municipal budget system.

The ability of the executive to assert his control over departmental decision making and the submission of expansionary requests is evident in the connection between the application of such rules and the two components of his own budget role. It will be recalled that similar relationship in the case of the amount of leeway possessed by the departments indicated the absence of executive supervision over the first stage of budgeting. But in the present case, there is moderate evidence that the executive's attempt to minimize interdepartmental competition is effective in reasserting his own control over the municipal budgetary process. The more he perceives departments to be padding their requests (0.1972) and the more he perceives the need to balance the budget (0.2910) the more he is motivated to adopt arbitrary decision rules to maintain the relative spending position of the departments.

Conclusion

Even though these two features of the executive's attempt to supervise the department heads formulation of their initial expansionary requests are associated differently with the spending outputs of the second stage of budget review, they are moderately connected with each other (0.3700 + 0.10 from the point of view of the

department hea
executive). T
the budgetary
amount of leew
he also limits
both are compo
the first stag
the expenditur

If these
these two sepa
provide a fur
of the departm
indeed very mu
of such a set
making enable

The exec
over the pace
departments r
formal review
+ 0.001 from
0.3978 + 0.10
cuts do not r
asserting his
for it is too
for more, es
is not contr
second stage

department heads and 0.3849 + 0.10 from that of the executive). The more the executive attempts to centralize the budgetary process in his own hands by limiting the amount of leeway possessed by the departments, the more he also limits the amount of competition among them. Both are components of the executive's influence over the first stage of departmental decision making and over the expenditure outputs of the municipal budget system.

If these are the facts, then an index that combines these two separate features of executive influence would provide a further explanation of the expenditure choices of the department head and the executive. And this is indeed very much the case. First of all, the absence of such a set of constraints upon departmental decision making enables them to formulate proposals for more spending.

The executive is then compelled to regain control over the pace of annual spending growth by reducing the departments requests for increases at the time of the formal review of the budget during the second stage (0.6561 + 0.001 from the point of view of executive replies and 0.3978 + 0.10 from those of the departments). But these cuts do not represent the success of the executive in re-asserting his dominance over the municipal budgetary process, for it is too late. Allowing the expression of requests for more, establishes the pattern of annual growth that is not controlled by the budget cutting decisions of the second stage. The more leeway and the more competition is

resent, the m

increase to th

uts imposed u

0.1198 from t

0.4159 + 0.10

The execu

with the depar

of budgetary

powerful execu

There are vary

department pre

ibit or enco

budget reques

present, the more the executives own recommendations still increase to the legislature, notwithstanding the larger cuts imposed upon initial requests in those same cities (0.1198 from the point of view of the departments and 0.4159 + 0.10 from the executive).

The executive's particular supervisory relationship with the departments is indeed a feature of the structure of budgetary influence, but one that indicates a far less powerful executive than has been previously indicated. There are varying patterns of executive supervision of the department preparation of their requests that either inhibit or encourage the departments to prepare and submit budget requests for spending increases.

Chapter Eight:

The previ
different comp
authority, inf
supervision o
one aspect of
provides an e
of expenditur
called, prese
elements, the
heads and the
executive.

However,
separately it
decentralized
is more barga
ments and the
over the firs
that the muni
ential.

Besides,

Chapter Eight: The Structure of Budget Influence

Introduction

The previous chapters have examined the three different components of budgetary influence: formal authority, informal influence, and the executive's supervision of the department heads. Each describes one aspect of the process of municipal budgeting and provides an explanation for variation in the measures of expenditure outputs. Past research, it will be recalled, presented a system where, in each of these elements, the executive dominates. Both the department heads and the legislature are subordinate to a powerful executive.

However, in the analysis of these dimensions, separately it has been shown that the process is more decentralized than has been previously indicated. There is more bargaining and negotiation between the departments and the executive and less executive supervision over the first stage of decision making, at the same time that the municipal legislature is more active and influential.

Besides, this indication of differences in the

distribution o

mental budgeti

centered proce

on the nationa

> In the Am
> that barg
> persed ce
> is no one
> impose th
> the Ameri
> tions are
> policies,
> fragmente
> Congress
> leadersh
> interdepa
> eaus, pr
> single a
> going to

More relevant

Caputo report

a similar dec

partments, ex

in the determ

> It is po
> (or grou
> formally
> four cit
> body has
> decisior
> ultimate
> which a
> . . . Ir
> tionship

---

1. Aaro
Process (Bost

distribution of influence and other studies of governmental budgeting provide evidence that an executive centered process does not always exist. Aaron Wildavsky, on the national level, describes a dispersed system:

> In the American context, a typical result is that bargaining takes place among many dispersed centers of influence . . . Since there is no one group of men who can necessarily impose their preferences upon others within the American political system, special coalitions are formed to support or oppose specific policies. Support is sought in this system of fragmented power at numerous centers of influence--Congressional committees, the Congressional leadership, the President, the Budget Bureau, interdepartmental committees, departments, bureaus, private groups, and so on. Nowhere does a single authority have power to determine what is going to be in the budget /italics mine/.1

More relevant to the study of municipal budgeting, David Caputo reports that in the four cities he investigated, a similar decentralization of influence was present. Departments, executive, and the legislature share equally in the determination of expenditure outputs. As he writes:

> It is possible to conclude that no one participant (or group of participants) can formally or informally dominate the budgetary process. In the four cities studies, no one individual or municipal body has absolute formal authority over budgetary decisions. This was insured by (a) diffusing ultimate authority; (b) creating a process during which a variety of individuals would be participating; . . . In addition to these factors, informal relationships developed among the participants which

---

1. Aaron Wildavsky, The Politics of the Budgetary Process (Boston: Little, Brown and Company, 1964), p. 131.

prevented
from gain
process.2

Still and

Thomas Anton i

In two of the

decisions. Th

among the citi

Where the legi

. . . doe
tifiable
informat
in a ser
entire c
. . . the
to testi
politica

But in an exe

. . . ar
procedur
the mana
his desi
operatio
all comb
in his h
rarely a
the alte
of the t
usually
plan con

---

2. Davi
of Budgetary
the 65th annu
tion, Los Ang

3. Thom
Commission Pa
Affairs (Urba
1964), p. 18.

4. Thom

> prevented one individual or municipal group from gaining absolute control over the budgetary process.2

Still another pattern of influence is described by Thomas Anton in his study of Three Cities in Illinois. In two of the cities, the legislature makes most budget decisions. They balance the budget. By a comparison among the cities, the author describes such differences. Where the legislature is most influential, the executive:

> . . . does not suggest policies to deal with identifiable problems, nor does he provide detailed information. [The council] considers the budget in a series of lengthy public meetings, with the entire council sitting as a committee-of-the-whole . . . the council invites individual department heads to testify, and the stage is set for the kind of political bargaining.3

But in an executive centered process, appropriations:

> . . . are made in a fashion quite dissimilar to the procedures followed in the above two cities. Here, the manager's detailed knowledge of agency operations, his desire to exercise strong control over those operations, and his ability to influence the council all combine to place power over final appropriations in his hands. The council, according to this manager, rarely alters the proposed budget and, when it does, the alterations affect relatively minor segments of the total budget. As a result, the budget ordinance usually is an almost exact duplicate of the spending plan contained in the manager's budget message.4

---

2. David Caputo, "Normative and Empirical Implications of Budgetary Processes," a paper prepared for delibery at the 65th annual meeting of the American Political Association, Los Angeles, California, 1970, p. 11.

3. Thomas J. Anton, Budgeting in Three Illinois Cities, Commission Papers of the Institute of Government and Public Affairs (Urbana, Illinois: University of Illinois Press, 1964), p. 18.

4. Thomas J. Anton, Three Illinois Cities, p. 19.

So, in sp

executive cent

of governmenta

in particular,

executive to

ance among the

The prese

different patt

of how the thr

define the str

tical interre

municipal budg

be tested.

The first

budgetary infl

possesses to

This is evide

actions: betwe

the legislatur

department hea

is presumed to

(see figure 1(

influence of

lature on the

communication

So, in spite of statements to the contrary, an executive centered process is not a universal description of governmental budgeting, and municipal decision making in particular. The distribution of influence varies from executive to legislative domination. In between, a balance among the three actors is present.

The present chapter explores the existence of these different patterns in the fourteen cities, by an analysis of how the three separate components fit together to define the structure of influence. By the exact statistical interrelationships among them, the hypothesis that municipal budgeting is an executive centered system will be tested.

Formal Authority

The first element of ths structure of municipal budgetary influence is the formal authority each actor possesses to participate in making expenditure decisions. This is evident in three pairs of interpersonal interactions: between the departments heads and the executive, the legislature and the executive, and then between the department heads and the legislature. A pyramid of power is presumed to exist, where the executive is at the top (see figure 10.1). A strong executive is closed to the influence of the departments on one side, and the legislature on the other, as well as preventing contact and communication between these two other actors-- the base

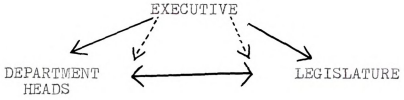

FIGURE 8.1

THE STRUCTURE OF BUDGETARY INFLUENCE

of the pyramid

to the decisi

lature is a ru

spending pref

the final appr

Although

formal influe

the two arms

executive is

between the e

ments and his

executive cen

correlation b

over the firs

cision making

However,

such a consis

Department he

to the execut

not assert hi

tive subordin

own spending

5. This
of the depar
of their rel
from the exe
with the dep

of the pyramid. Department heads are passive onlookers to the decisions made on their requests and the legislature is a rubber stamp to the executive. Executive spending preferences dominate and are incorporated into the final appropriation ordinance.

Although chapter five individually examined these formal influence relationships, the connection between the two arms of this triangle that centers around the executive is now analyzed; the statistical association between the executive's interactions with the departments and his interactions with the legislature. An executive centered process would be revealed in a positive correlation between them. The executive is dominant over the first stage of the sequence of budgetary decision making as he is dominant over the last stage.

However, the actual empirical data does not corroborate such a consistent structure of executive authority (0.0098).[5] Department heads and the legislature are not subordinate to the executive within the same city. The executive does not assert his hierarchical authority over his administrative subordinates while the legislature defers to his own spending judgments. Such an omnipotent central stage

---

5. This correlation is derived from the perspective of the department heads and the legislatures description of their relationship with the executive. It is -0.0822 from the executive's own description of his relationship with the department heads and the legislature.

does not seem
a completely
correlation)
checked by th
ceptible to d
symmetrical a

Instead
of formal inf
dent of each
the executive
executive's r
submit to the
sacrificing h
be open to th
jeopardizing
is an insulat
one decision
pattern was p
it was reveal
to make spend
review does n
choices of th
budget influe

A second
looks at the
legislature's

does not seemingly exist. But it should be noted that a completely decentralized system (evident by a negative correlation) also does not exist. The executive is not checked by the municipal legislature while being susceptible to departmental pressure. Influence is not as symmetrical as others have pictured.

Instead it seems that the two sides of the structure of formal influence do not go together, but are independent of each other. The distribution of influence between the executive and the department does not affect the executive's relationship with the legislature. He can submit to the budget authority of the legislature without sacrificing his control over the departments; or he can be open to the persuasion of the departments without jeopardizing his superiority over the legislature. There is an insulation of the exercise of formal authority from one decision making stage to the next. Such a segmented pattern was previously indicated in Chapter Five, where it was revealed that the possession of formal authority to make spending decisions at the time of the official review does not extend backward to affect the spending choices of the preceding stage. The scope of formal budget influence is more restricted.

A second component of the structure of formal authority looks at the connection between the departments and the legislature's relationship with the executive to their

own direct co

this dimensio

of the triang

only one who

the legislatu

prevent them

his own budge

Such an

evident in a

elements. An

ments vis-a-v

can go to the

sionary budge

to withstand

their initial

them from app

assertive leg

of the direct

change is als

relationship

adopting the

---

6. The

of the execut

departments a

actions with

7. From

of the connec

and their con

own direct contact and communication. In other words, this dimension examines the association between the arms of the triangle and its base. A strong executive is not only one who is dominant over the department heads and the legislature individually, but is one who is able to prevent them from forming a coalition that would diminish his own budgetary authority.

Such an executive centered structure would be evident in a positive correlation between these two elements. And this is indeed the case. Strong departments vis-a-vis the executive are also departments who can go to the legislature on behalf of their own expansionary budgets (0.4396 - 0.10).[6] The executive's ability to withstand the pressure of departments as he reviews their initial budgets accompanies his ability to prevent them from appealing to the legislature. Similarly an assertive legislature, who makes an independent evaluation of the direction and magnitude of annual expenditure change is also a legislature that has an independent relationship with the department heads in the course of adopting the appropriation ordinance (0.4099 + 0.10).[7]

---

6. The association is 0.6638 ± 0.001 from the report of the executive as he describes his influence over the departments and his perceptions of the department interactions with the legislature.

7. From the replies of the executive it is 0.3498, of the connection between his influence with the legislature and their contact and communication with the departments.

Accepting the

along with a

restoration o

The last

authority com

influence int

over the muni

than his indi

as it include

actions betwe

directly. Th

related to it

ents formal

influence wit

formal influe

with the depa

This int

The less the

the executive

to the legisl

legislature a

and the less t

department hea

8. This

heads and the

from the execu

ship with each

between them.

Accepting the executive's spending recommendations goes along with a rejection of the department's appeal for a restoration of previous cuts.

The last dimension of the structure of budgetary authority combines the two separate elements of formal influence into a single index. The executive's dominance over the municipal budgetary process derives from more than his individual authority over these two other actors, as it includes considerations of his control over the interactions between the departments and the legislature directly. The two arms of the influence triangle are now related to its base; the connection between the departments formal influence with the executive plus their influence with the legislatures and the legislatures formal influence with the executive plus their contact with the departments.

This interpretation is also supported by the data. The less the departments possess the ability to persuade the executive, the less they have the opportunity to go to the legislature at the same time that the less the legislature asserts their authority over the executive and the less they establish autonomous contact with the department heads (0.5393 + 0.05).[8]

---

8. This is from the viewpoint of the department heads and the legislature; but it is also exactly 0.5393 from the executives' description of his influence relationship with each of them, plus his perception of the interactions between them.

Compared

and direct for

department hea

it would seem

pattern of bud

structure of v

tralization.

and modified a

composite inde

within the mu

variable of e

the previous

influence is

is not as con

appears.

Departm

larger increa

with the exec

of their own

department he

result of the

the executive

are not sati

ture figures

not perceive

decisions.

Compared to the previous analysis of the separate and direct formal influence relationship between the department heads and the legislature with the executive, it would seem that these two subsequent measures of the pattern of budgetary authority point to a more consistent structure of variation in the degree of executive centralization. However, this conclusion has to be withheld and modified as a result of the association between his composite index of the distribution of formal influence within the municipal budgetary system and the dependent variable of expenditure outputs. By such an analysis, the previous discription of a compartmentalization of influence is supported. The distribution of influence is not as concentrated in the hands of the executive as it appears.

Department heads do not submit requests for any larger increases, on the basis of their combined influence with the executive (0.1938), than they do as a consequence of their own direct influence with him (0.1615). The department heads are not motivated to ask for more as a result of their ability to both bargain and negotiate with the executive and then go to the legislature when they are not satisfied with that compromise set of expenditure figures as compared to the situation where they do not perceive the possibility of appealing executive decisions. Nor does the executive reduce departmental

requests any

expected), th

actions alone

executive rec

such an appea

strained in c

possibility c

decision maki

departments a

to obtain for

interactions

While th

interactions

influence wit

of formal bud

ability to ch

expected. Th

bifurcated th

to appeal to

ability to pe

---

9. From
correlation i
the pattern c
cuts in their

10. From
correlation i
structure of
creases the e

requests any less (0.4154, when a negative correlation is expected), than he does on the basis of their interactions alone (0.2275).[9] In fact, it seems that the executive reduces departments more, when he estimates that such an appeal will be made. He is certainly not constrained in cutting their expansionary budgets by the possibility of such departmental activity in the third decision making stage. Finally, it even appears that departments actually lose the increases they were able to obtain for themselves (0.3703) when including their interactions with the legislature (0.1978).[10]

While the extent and character of the departments interactions with the legislature is a component of their influence with the executive, which describes the structure of formal budget authority, it does not enhance their ability to change actual executive spending behavior as expected. The structure of budgetary influence is more bifurcated than first indicated. The departments ability to appeal to the legislature is an extension of their ability to persuade the executive, it does not seem to

---

9. From the replies of the department heads, the correlation is 0.1938 between this combined measure of the pattern of formal influence and the size of executive cuts in their spending.

10. From the replies of the department head, the correlation is 0.3325 between this combined index of the structure of budgetary authority and the amount of increases the executive recommends for them to the legislature.

be able to u

strategy to a

The exp

structure to

departments

lature is no

departments

goals of the

municipal le

against the

conflicting

want an incr

wants to hol

alliance, th

further the

not to do.

their abilit

the executiv

will appeal

Such a threa

would more l

imposed by t

This bi

revealed in

pyramid and

That is, the

be able to utilize their influence as a resource and strategy to affect executive spending choices.

The explanation for the failure of such an influence structure to enhance the spending objectives of the departments is readily apparent. The municipal legislature is not any more amenable to the entreaties of departments in behalf of their expansionary expenditure goals of the departments than is the executive. The municipal legislature is not allied with the departments against the executive because they have different and conflicting spending preferences. While the departments want an increase in expenditure levels the legislature wants to hold the line on annual growth. To form an alliance, the legislature would have to endorse and further the objectives of expansion, and this they prefer not to do. So department heads cannot really employ their ability to contact the legislature as a threat to the executive not to cut their requests, or else they will appeal to the legislature to get back what was lost. Such a threat is empty, and to actually carry it out would more likely result in a further reduction being imposed by the legislature, than other outcomes.

This bifurcated pattern of influence is further revealed in the analysis of the other side of this pyramid and its impact on legislative spending choices. That is, the bifurcated influence pattern is revealed in

the connecti

strength (the

their intera

decisions the

As in the pre

exist as a de

it comes to

it does not

the legislat

Now, wi

to their for

tical associ

decisions ar

even complet

influence an

(from 0.5701

amount of re

growth of th

is eliminate

The exp

decision mak

---

11. Th
supplied by

12. Th
of executive

13. Th
of the execu

the connection of the measure of the legislature's strength (their own influence with the executive plus their interactions with the department heads) to the decisions they make in reviewing executive recommendations. As in the previous case, while such a connection does exist as a description of the process of budgeting, when it comes to its impact upon concrete expenditure outputs, it does not appear to enhance the influence position of the legislature.

Now, with the addition of the departmental component to their formal authority over the executive, the statistical association to the three measures of legislative decisions are either greatly weakened in strength or are even completely obliterated. The connection between such influence and the absolute amount of change is lessened (from 0.5701 to 0.3599),[11] as both the association to the amount of reductions imposed (0.3891 to 0.0978)[12] and the growth of the final appropriations (-0.2301 to -0.0219)[13] is eliminated.

The explanation for this pattern of legislative decision making is also readily apparent and similar to

---

11. The correlation is +0.6187 from the description supplied by the executive.

12. The correlation is -0.0120 from the viewpoint of executive replies.

13. The correlation is 0.1395 from the perspective of the executive.

the one offer
with the exec
in appealing
a powerful de
powerful legi
influence act
legislature.
municipal bu
spending obj

The dep
legislative
cribed earli
the departme
against the
executive ag
budget cuts
departments
of the secon
the final ou
cities where
growth, the
appropriatio
expenditure
of executive
activated to
hope to obta

the one offered of the department heads interactions with the executive. The department heads are successful in appealing executive decisions, as it requires both a powerful department head to make such an appeal and a powerful legislature to accept it. But the department influence actually works to the disadvantage of the legislature. It weakens their actual position within the municipal budget process, because they have opposing spending objectives.

The departments are able to offset and neutralize legislative opposition to expenditure growth, as described earlier in Chapter Five. Again it is evident that the departments are not allied with the legislature against the executive, but instead allied with the executive against the legislature. In spite of the budget cuts the executive makes, in all cities where departments asked for more, they received it at the end of the second stage. The same does not hold true for the final outputs of the legislature's review. In three cities where the executive recommended annual spending growth, the legislature completely eliminated it in the appropriations ordinance. Consequently, once a set of expenditure figures emerges from the bargaining process of executive decision making, the department heads are motivated to defend these amounts as the best they can hope to obtain in the face of further reductions by the

city council

legislature

but to reinf

recommendati

it as submit

tion of form

The sec

budgetary in

through anti

warnings, th

are incorpor

powerful one

very pronoun

theless does

outputs as i

department h

In an execut

exercised ov

is free of a

on the part

inant as he

himself is a

However

process is r

informal leg

city council. They utilize their influence with the legislature not to undercut the position of the executive but to reinforce it. They support the executive's recommendations and appeal to the legislature to accept it as submitted. The segmented and bifurcated distribution of formal budget authority is fully apparent.

Informal Influence

The second element of the structure of municipal budgetary influence is exercised through informal means. Through anticipated reactions and behind the scenes warnings, the preferences of the more powerful actor are incorporated into the spending proposals of the less powerful one. This feature of budgeting, while not a very pronounced part of the pattern of influence, nevertheless does exist and does have an impact upon expenditure outputs as it is exercised by the executive over the department heads and by the legislature over the executive. In an executive centered process informal influence is exercised over the departments at the same time that he is free of a similar application of informal influence on the part of the legislature. The executive is dominant as he asserts control over the departments while he himself is autonomous of the city council.

However, this symmetry of an executive centered process is not corroborated by the data. The presence of informal legislative influence over the executive is not

translated i

executive's

(0.3989, whe

The executiv

ficing his c

is not total

totally weak

as it was ju

authority is

trated in th

certainly in

actions, he

The bif

influence is

association

the connecti

informal inf

the executiv

lature and t

In term

ments, influ

is evident i

---

14. Th
of his relat
from their r

translated into an absence of a similar exercise of the executive's informal influence over the department heads (0.3989, when a negative correlation is expected).[14] The executive defers to the legislature without sacrificing his control over the departments. The executive is not totally dominant, but at the same time he is neither totally weak. The structure of informal budget influence, as it was just revealed in the analysis of formal authority is more compartmentalized than it is concentrated in the hands of the executive. While, he is most certainly in the middle of a triangular set of interactions, he is not at the top of a pyramid.

The bifurcation of the structure of municipal budget influence is further revealed in the analysis of the association between the "Two Faces of Power." That is, the connection between the possession of formal and informal influence over the budget process; first between the executive and the departments and between the legislature and the executive.

In terms of the executive's control over the departments, influence is concentrated in the executive. This is evident in each of the three aspects of the structure

---

14. This is derived from the executive's description of his relationship to the departments and the legislature. From their respective vantage point it is 0.0875.

of formal in
exercises hi
their budget
his informal
proposals th
in terms of
those of the
able to pers
ficial meeti
two preventi

This pa
informal inf
authority.
control over
are able to
mental respo
Then there
index of the
influence (.
from those
his influenc
of the munic
informal mea
the first s
the second
as well as

of formal influence. First of all the more the executive exercises his authority over the departments to review their budgets during the second stage, the more he exercises his informal influence over them to shape the budget proposals that are initially submitted to him (-0.2000 in terms of departmental replies and -0.1934 in terms of those of the executive). The less the department heads are able to persuade the executive at the time of their official meeting, the more they are also subject to the two preventive mechanisms of informal influence.

This pattern is emphasized by the connection between informal influence and the second measure of formal authority. Thus the more the executive displays informal control over the departments, the less the departments are able to go to the legislature (-0.4088 from departmental responses and -0.3736 from those of the executive). Then there is a last negative relationship to the combined index of the two elements of formal authority to informal influence (-0.3509 from departmental responses and -0.4041 from those of the executive). A strong executive displays his influence over the departments throughout the sequence of the municipal budget process. Through both formal and informal means the executive dominates the departments in the first stage of the preparation of their initial requests, the second stage when he officially reviews their requests as well as in the third stage when the legislature adopts

the final ap

However

legislature'

executive, t

each other.

mechanisms f

influence wi

they are alt

The more the

to modify ex

their reviev

fluence over

is submitte

These

assert thei

achieves th

preferences

where the c

submits his

expenditure

figures. T

set of cons

mendations.

15. T

tween the

influence

the final appropriation ordinance.

However, in the case of the application of the legislature's formal and informal influence over the executive, the "Two Faces of Power" do not accompany each other. They do not operate together as reinforcing mechanisms for a strong legislature to assert their influence within the municipal budget process. Instead they are alternative means for influencing the executive. The more the city council exerts their formal authority to modify expected budget recommendations at the time of their review, the less they exercise their informal influence over executive decisions to chape the budget that is submitted to them (-0.5600 + 0.05).[15]

These are two different means for the legislature to assert their budget making influence. Each by itself, achieves the same purpose of incorporating their spending preferences within the final budget ordinance. One is where the city council waits until the executive formally submits his spending recommendations to express their expenditure priorities by explicitly altering spending figures. The alternative is to act earlier by devising a set of constraints on the preparation of those recommendations. The application of one form of influence makes

---

15. The executive description of the connection between the legislature's informal and formal exercise of influence is 0.0950.

unnecessary

of the execu

recommendati

only be elim

has already

have already

is less need

Nowhere

where the le

exactly as s

legislative

highest scor

lature itsel

14, and 13).

does not mea

ation of mur

to a dominar

informal ini

formal autho

been incorpo

This pa

by the negat

their contac

16. Th

between the

contact with

of the execu

unnecessary the other. Changing the budget behavior of the executive not to officially forward budget recommendations that they do not approve and that would only be eliminated later, means that the legislature has already exercised their power of budget veto. They have already effected final expenditure outputs, so there is less need to act during the public review.

Nowhere is this more evident than in the three cities where the legislature accepted the executive's budget exactly as submitted. According to both executive and legislative replies legislature exercise two of the highest scores (numbers 12, 8, and 14) and by the legislature itself, also two of the highest ranks (numbers 5, 14, and 13). The absence of change in expenditure levels does not mean that they are unimportant in the determination of municipal spending outputs. They are not subordinate to a dominant executive, because by the exercise of their informal influence they do not have to activate their formal authority. Their spending preferences have already been incorporated into the executive's recommendations.

This pattern of legislative influence is corroborated by the negative association between informal influence and their contact with the department heads (-0.2592).[16]

---

16. The correlation is 0.4265 of the association between the legislature's informal influence and their contact with the department heads from the perspective of the executive.

The more imp

over the exe

making syste

with the dep

is authorita

for the depa

decisions ha

mutable to

already bee

in the dete

that remain

symbolicall

is further

legislature

of their fo

tive (-0.40

It is

formal budg

structure

does not pe

exercise bo

certainly

either one

17.

descriptio

The more important the legislature's informal influence over the executive to their position within the budget making system, the less significant in their interactions with the departments at the time the appropriation ordinance is authoritatively adopted. By this time, it is too late for the departments to influence the city council, because decisions have already been made and are essentially immutable to change. Legislative spending choices have already been established and their influence already felt in the determination of the final budget ordinance. All that remains at this point is to officially, and somewhat symbolically approve the appropriation ordinance. This is further evident in the negative connection between the legislature's informal influence and the combined measure of their formal authority. The correlation is also negative (-0.4090 + 0.10).[17]

It is unmistakably evident that the exercise of formal budget authority is not a complete picture of the structure of municipal budget influence. The legislature does not perceive the need, as does the executive, to exercise both formal and informal influence. While they certainly describe a different process of budgeting, either one by itself is sufficient to achieve legislative

---

17. The correlation is -0.1308 from the executive's description of this index.

spending goa

concrete dec

review in th

and inaccura

possesses w

absence of

legislature

recommendat

but that th

and in othe

within the

decisions d

and are onl

of municipa

between the

and varied

The l

influence

18.
upon actua
directions
changes be
less chang
influence
They would
empirical
spending

spending goals. Consequently, relying solely upon concrete decisions made at the time of the formal budget review in the published budget document is both insufficient and inaccurate of the amount of influence the city council possesses within the municipal budgetary process. The absence of activity does not mean that the municipal legislature is powerless. Accepting the executive recommendations, does not mean they are a rubber stamp, but that their influence has been utilized in other ways and in other times to incorporate their spending priorities within the budget they first receive for review. Official decisions describe only part of the spending choices made and are only a part of the influence exerted in the process of municipal budgeting.[18] As the influence relationship between the legislature and the executive is more complex and varied than first thought.

Executive Supervision of Departmental Decision Making

The last element of the structure of municipal budget influence pinpoints the executive's supervision of the

---

18. Since the impact of formal and informal influence upon actual spending outputs operates in contradictory directions; that is, formal authority results in greater changes being made and informal influence brings forth less changes combining them into a single index of budget influence would display little effect upon spending choices. They would counteract each other and produce no apparent empirical relationship to the direction and amount of spending changes in each of the dependent variables.

first stage
limiting th
heads in fo
the amount
intends to
requests, a
sequence of
executive v
tween his
heads and
of initial

Howev
two featur
not appear
structure
In the con
various me
is evident
supervisio
requests d
authority
replies ar
lack of ex
mean that
reviews in
supervisi

first stage of departmental decision making. Through limiting the amount of leeway enjoyed by the department heads in formulating their requests and through limiting the amount of interdepartmental competition, the executive intends to inhibit the formulation of expansionary spending requests, and assert his own influence throughout the sequence of budget stages. Consequently, a dominant executive would be revealed by a positive connection between his formal and informal influence over the department heads and his particular supervision over the preparation of initial budget requests.

However, utilizing the combined measure of these two features of this supervisory relationship, this does not appear to be the case. As described earlier, the structure of municipal budgetary influence is segmented. In the connection between executive supervision and the various measures of the exercise of formal authority it is evident that they do not go together. Executive supervision of the departments' preparation of their requests does not accompany the exercise of his hierarchical authority over them. (We have -0.0154 from departmental replies and -0.0740 from those of the executive). The lack of executive control over the first stage does not mean that he is weak in their direct interaction as he reviews initial budget requests. Nor does the lack of supervision imply a weakness on the part of the executive

that is tra

heads to ap

sponses of

the executi

between thi

influence a

over depart

departments

The pa

that a stro

over the de

and third d

control ove

of spending

free of exe

to influenc

are submit-

imposed co

mental budg

exercise o

Inste

direction

department

suggests t

control.

of the pro

that is translated into the ability of the department heads to appeal to the legislature (-0.2460 from the responses of the department heads and 0.0000 from those of the executive). And finally, there is no connection between this particular aspect of executive budget influence and the combined index of his formal authority over departmental decision making (-0.3140 according to departments and 0.0398 from those of the executive).

The pattern of these correlations clearly indicates that a strong executive, who exercises his formal authority over the departments in the budget review of the second and third decision making stages, does not also exercise control over the departments in the initial preparation of spending requests. Departments formulate their budget free of executive interference, regardless of their ability to influence other decision makers once their requests are submitted for review. As we can see, a set of executive imposed constraints, intending to direct the size of departmental budget requests does not necessarily accompany the exercise of formal authority over the departments.

Instead, the general consistency of the negative direction of the correlations (especially in terms of departmental responses), although weak in strength, suggests that they are alternative mechanisms of executive control. That is, the absence of initial supervision of the process by which the departments prepare their

initial req

once their

Having the

departments

fluence sub

the opportu

the legisla

want, but r

are formall

departments

more overt

of departm

and distinc

influence.

The c

department

over them

a signific

point of v

Up to this

of the str

perspectiv

But in the

department

associatio

influence

initial requests is accompanied by passive departments once their budgets have been forwarded to the executive. Having the autonomy to formulate their requests, the departments do not further possess the ability to influence subsequent budget decisions. They do not have the opportunity to persuade the executive or appeal to the legislature. They are able to ask for what they want, but not the ability to "fight" for them once they are formally proposed. The executive can allow the departments the independence without jeopardizing his more overt influence upon the budget. The supervision of departmental decision making is apparently a separate and distinct feature of the structure of budget making influence.

The connection between the executive's supervision of departmental decision making and his informal influence over them is more difficult to interpret, as there is a significant discrepancy in this correlation from the point of view of the department heads and the executive. Up to this point, the same interpretation could be made of the structure of municipal budget influence from the perspective of either participant to the interaction. But in the present case, this is not true. In terms of departmental perspective, there is a strong positive association between the executive exercise of informal influence and his supervision over the preparation of

their initi

vantage poi

tive relati

a striking

logical int

budget infl

different p

free of dir

themselves

possess lee

imize compe

of anticipa

and prefere

complete is

executive

perceive th

of departme

formal infl

The s

is more co

previously

dominant o

lature. B

influence

segmented

their initial requests (0.5934 + 0.05). But from the vantage point of the executive an equally strong, negative relationship is evident (-0.5090 + 0.05). Why such a striking difference exists is unknown, except that logical interpretations of the structure of municipal budget influence could be made of either of these two different patterns. Department heads, when they are free of direct executive supervision, do not perceive themselves free of informal influence. Even when they possess leeway and the absence of evaluations to minimize competition they do not perceive themselves free of anticipated reactions and behind the scenes contact and preferences, and do not prepare their budgets in complete isolation from the exercise of some form of executive influence. However, the executive does not perceive this to be the case. He sees, the supervision of department as a component of his more explicit informal influence over them.

Conclusion

The structure of municipal budgetary influence is more complex, more varied, more subtle than has previously been portrayed. The executive is not simply dominant over both the department heads and the legislature. Breaking down the concept of interpersonal influence into three separate elements reveals a more segmented pattern. The budgetary system is neither

completely

nor totally

participant

heads, and

It wou

compartment

making stag

process of

of budget a

interaction

as initial

the execut

presentati

legislatur

tive come

figures.

ordinance

making as

to them.

department

The p

insulated

council, a

isolated a

The depart

vis-a-vis

completely centralized in the hands of the executive, nor totally dispersed among all three authoritative participants. It is evident that both the department heads, and the legislature possess considerable influence.

It would appear that the structure of influence is compartmentalized, into two, and not the three decision making stages as originally described. The first is the process of budget preparation and the second is that of budget adoption. Budget preparation involves the interactions between the department heads and the executive as initial department spending requests are reviewed by the executive. The result of these decisions is the presentation of the "administrative" budget to the legislature as both the department heads and the executive come to agree upon a single set of expenditure figures. The adoption of the final appropriations ordinance by the legislature is the process of decision making as the legislature reviews the budget submitted to them. It involves the interactions with both the department heads and the executive.

The process of budget preparation is divorced and insulated from the subsequent decisions of the city council, as is the adoption of budget ordinance isolated and separated from decisions that went before. The departments heads and the executive are in an alliance vis-a-vis the spending preferences of the legislature.

The executi

spending le

cipal legis

support the

in support

act indepen

The executi

can achieve

The executive is more inclines to support the expansion of spending levels, albeit a modest one, than is the municipal legislature. So, the department heads assist and support the executive in his dealings with the legislature in support of whatever increases is recommended. They act independently, but not to undercut the position of the executive, but in unison with him, as the only way they can achieve their goals of spending growth.

Chapter Nir

The ne
process is
choice emp
among vari
ferent app
examined u
answers th

Two m
identified
former app

1) A
t

2) C

3) A

4) I

5) A

6) I
C

7) A

Chapter Nine: Cognitive and Evaluative Mechanisms of Choice

Introduction

The next component of the municipal budgetary process is the cognitive and evaluative mechanism of choice employed in selecting one course of action from among various alternatives. This is an entirely different approach to the decision making process, than examined up to this point as it looks at why each actor answers the particular budget problem he is faced with.

Two models of this decision making process are identified: the "synoptic" and the "incremental." The former approach is composed of the following elements:

1) A comprehensive overview of factors relevant to a decision;

2) Clarity of definition of social objectives;

3) A means-end approach to policy;

4) Deliberate and explicit choice among policies;

5) A calculation and minimization of costs;

6) Reason and cooperation rather than arbitrariness, coercion and conflict; and

7) A unified decision making process for decisions

t

In this syn

a problem f

then ranks

Next, a com

sible alter

a similar e

native, the

objective f

the rationa

identifies

Arthu

decision ma

The formula

step is the

process tha

is followed

plans that

and "progra

. . ."[3] T

1.

and Expend

Utilizatio

Research (

p. 298.

2.

States (Ne

3.

that are highly interdependent.[1]

In this synoptic model, the decision maker when faced with a problem first establishes the goals to be achieved and then ranks them according to their relative importance. Next, a comprehensive and exhaustive search for all possible alternatives to obtain them is undertaken. After a similar evaluation of the consequences of each alternative, the single course of action that maximizes the objective is selected. Such a series of steps emphasizes the rationality of problem solving. Systematic analysis identifies specific means to agreed upon ends.

Arthur Smithies shows how this rational-comprehensive decision making model is specifically translated into the formulation and adoption of the budget. The first step is the "determination of policy objectives" by a process that is essentially outside of the arena. This is followed by "planning-- the preparation of alternative plans that will further particular policy objectives . . ."[2] and "programming-- the selection among alternative plans . . ."[3] This last component is most crucial, for it is

---

1. Charles Lindbloom, "Decision Making and Taxation and Expenditures," in Public Finances: Needs, Sources, and Utilization: A Conference, National Bureau of Economic Research (Princeton: Princeton University Press, 1961), p. 298.

2. Arthur Smithies, The Budget Process in the United States (New York: McGraw Hill and Company, 1968), p. 23.

3. Arthur Smithies, The Budget Process, p. 23.

here that

and cents

The
the
ture
of a
comp
cisi
of t

The budget

execution

Smit

that are i

expenditur

ness and c

of the syn

1.

2.

3.

4.

5.

6.

here that plans and programs are represented in dollars and cents figures:

> The formulation of the budget is an extension of the programming stage. Programs become expenditures programs and, thus, are expressed in terms of a common denominator, money. They can be compared with each other . . . with greater precision than is feasible in the earlier stages of the process.4

The budgetary process is then logically completed with the execution and the audit stages.

Smithies then goes on to present the principles that are intended to guide the process of making specific expenditure choices. These clearly emphasize the explicitness and comprehensiveness of the means-end calculation of the synoptic decision making approach. They are:

1. Governmental objectives should be as clearly and explicitly defined as possible;

2. Alternative policies should be explicitly regarded as alternative means toward the achievement of objectives;

3. Specifically, expenditure decisions should be made explicitly and deliberately in the light of all the objectives they are intended to achieve;

4. In the interests of a rational comparison of alternatives, final expenditures decisions should not be made until all claims on the budget can be considered;

5. Revenue and expenditure decisions should be deliberately coordinated;

6. For each expenditure, some systematic and deliberate appraisal of benefits and costs should be made; and

---

4. Arthur Smithies, The Budget Process, p. 24.

Howe
decision m
government
of how spe
ficials ac
follow the
process.
which is m
of the pro
human capa
all concei
at the sam
the conseq
not only e
beyond the
capacities
problem of
values is
values in
an abstrac
to attain.
artificial

7. Policy making, including budgetary policy making, should achieve a unified policy.5

However, this rational-comprehensive model of decision making is less an empirical description of governmental budgeting than it is a normative prescription of how spending decisions should be made. Public officials according to past empirical research do not follow the tenets of such a cognitive and evaluative process. Instead they adhere to an "incremental" approach, which is more suited to the complexity and uncertainty of the problem solving situation. The limitations of human capabilities precludes a comprehensive search for all conceivable alternative means to achieve a given goal. At the same time it precludes an exhaustive analysis of the consequences of alternative policies. Such an effort not only entails a cost in time and energy, but are beyond the limits of available information and intellectual capacities of both man and machine. Furthermore, the problem of first establishing and then comparing social values is often insurmountable. There is always multiple values in any policy and conflict among goals that make an abstract "social welfare function" almost impossible to attain. The separation of means and ends is an artificial distinction as one is established through

---

5. Charles Lindbloom, "Decision Making," pp. 297-298.

the other.

by availab

Cons

the increm

have been

procedures

identifica

consequenc

one specif

These mini

small numb

situation.

is charact

1.

2.

3.

4.

5.

6.

6.

the other. The objective to be achieved is often shaped by available means.

Consequently, the synoptic model is replaced by the incremental one. A set of "aids to calculation" have been established that serve as standard operational procedures, that provide a set of strategic steps in the identification of alternatives, the analysis of their consequences, and the criteria for the selection of one specific policy from among a set of alternatives. These minimize debate over values, and identify only a small number of variables to be considered in every choice situation. As summarized by Charles Lindbloom, this model is characterized by the following components:

1. Only that limited set of policy alternatives that are politically relevant, these typically being policies only incrementally different from existing policies;

2. Analysis of only those aspects of policies with respect to which the alternatives differ;

3. A view of the policy choice one as in a succession of choices;

4. The marginal /italics in original/ values of various social objectives and constraints;

5. An intermixture of evaluation and empirical analysis rather than an empirical analysis of the consequences of policies for objectives independently determined; and

6. Only a small number out of all the important relevant values.6

---

6. Charles Lindbloom, "Decision Making," p. 306.

The decisi

and exhaus

course of a

formationa

limited nu

number of

degree fro

the margin

serial, an

Thes

their dire

perceptive

who has ca

control, m

marked by

standard o

and synopt

examined a

then affec

The

of governm

model of d

"... the

conditions

The decision maker does not undertake a comprehensive and exhaustive search and evaluation of every alternative course of action, but instead simply supplies the informational and analytical requirements to only those limited number of alternatives and to only those limited number of consequences that differ in relatively small degree from the present policy. Decisions are made on the margins of existing state of affairs and are partial, serial, and remedial adjustments to current activities.

These two different approaches to decision making and their direct relevance to the budgetary system has been perceptively analyzed in the writings of Allen Schick, who has categorized them into three budget orientations: control, management, and planning. Each of these are marked by a distinctive cognitive framework and a distinct standard of evaluation that represents the incremental and synoptic decision making models. These are not examined as they are present in municipal government and then affect expenditure outputs.

Control

The control orientation is the traditional mode of governmental budgeting and represents the incremental model of decision making. As defined by Schick, it is, ". . . the process of enforcing the limitations and conditions set in the budget and in appropriations, and

of securing

imposed by

following

How
ceil
the
cedu
in e
on a

While it i

execution

components

the approp

incorporat

model of d

the line-i

a comparis

spending.

Line

government

different

different

specificit

from a few

7.
(Washingto

8.
Budget Re
no. 4 (Dec

of securing compliance with the spending restrictions imposed by central authorities."[7] It focuses upon the following issues:

> How can agencies be held to the expenditure ceilings established by the legislature and the chief executive? What reporting procedures should be used to enforce propriety in expenditures? What limits should be placed on agency spending for personnel and equipment?[8]

While it is explicitly described as pertaining to the execution and audit stages of budgeting, its essential components are just as applicable to the adoption of the appropriations ordinance. A control orientation incorporates the relevant features of an incremental model of decision making by its cognitive attention upon the line-items of expenditures and its decision rule of a comparison and minimization of the yearly increase in spending.

Line-items of expenditures are the inputs of governmental activities-- the costs of purchases. The different kinds of items bought have been classified into different account categories. Depending upon their specificity, the number of lines of expense extends from a few broad groupings such as wages and employee

---

7. Allen Schick, Budget Innovation in the States, (Washington D. C.: The Brookings Institute, 1971), p. 4.

8. Allen Schick, "The Road to PPB: The Stages of Budget Reform," Public Administration Review, vol. XXVI, no. 4 (December, 1966), p. 246.

benefits,
etc., to l
purchases,
one of the
formation
making.
the costs
of sums o

The
current s
budget pr
accepted
from this
year's bu
budget is
extensior
rule foll
costs.
is its ha

The
by concer
and upon
one year
increase
choices,
Often, t

benefits, supplies, equipment, maintenance and repair, etc., to literally hundreds, if not thousands, of specific purchases. The amount of money spent for each and every one of these individual line-items is the kind of information available in an incremental approach to decision making. The budget is a dollars and cents statement of the costs of governmental purchases. It is only a series of sums of how much money is to be expended.

The program and policy commitments reflected in current spending are not reconsidered in the annual budget process. Instead, existing appropriations are accepted as the legitimate base of funding levels and from this starting point budget decisions are made. Next year's budget is based upon the present, as this year's budget is based upon the past. The future is merely an extension of the past. Correspondingly, the evaluative rule followed is to minimize the yearly increase in costs. Continuity and consistency in expenditure levels is its hallmark.

The decision making process has been simplified by concentrating upon the cost of government's purchases and upon the narrow range of spending differences from one year to the next. So, it is the size of annual increases that is the primary consideration in spending choices, and not the absolute amount of appropriations. Often, this all-pervasive fact is lost sight of. It is

mly the p

point in t

not the ab

Dempster,

It i
in t
cent
by a
is c
cies
Comm
Appr
whe

Incr

descriptio

past study

appropria

examples

cision ma

of governm

Ric

Appropria

The
red
ati
inq
nor
of
sid
cor

9.
Wildavsky
Political
1966), p.

only the percentage change in spending levels from one point in time to another that is under discussion and not the absolute amount of the difference. As Davis, Dempster, and Wildavsky write:

> It is evident, for example, that decision makers in the budgetary process think in terms of percentages. Agencies talk of expanding their base by a certain percentage. The Bureau of the Budget is concerned about growth rates for certain agencies and programs. The House Appropriations Committee deals with percentage cuts and the Senate Appropriations Committee with the question of whether or not to restore percentage cuts.9

Incrementalism, is by far the dominant empirical description of the budgetary process. In almost every past study, it is presented as the way in which the appropriation ordinance is prepared and adopted. Three examples of department, executive, and legislative decision making on the national, state, and local levels of government are provided below.

Richard Fenno describes the decisions of the House Appropriations Committee in these terms:

> The Committee perceives its oversight and budget reducing tasks as essentially incremental operations. When the Committee makes its annual inquiry into agency appropriations, it does not normally range throughout the length and breadth of agency activities. Just as the agency considers much of its appropriation to be beyond controversy, so, too, does the Committee act on

---

9. Otto A. Davis, M. A. H. Dempster, and Aaron Wildavsky, "A Theory of the Budgetary Process," American Political Science Review, vol. LXVI, no. 4 (December, 1966), p. 530.

this
to t
prev
year
crea
"We

Thom

Department

. .
that
excl
new
ful-
some
revi
two
curr
pend
glar
colu
pria
sum
next
appr
do
are
Whe
dit
exp
It
abo
the
the

And

with rega

John Crec

Ins

10.
priations
1966), p.

11.
diture in

> this assumption by restricting its purview to those budgetary increments granted in the previous year and requested for the coming year. "We only have the time to study increases and new functions," said one member. "We don't go into existing functions."10

Thomas Anton describes a similar process in the Departments at the level of State Government:

> . . . it is less than surprising to discover that questions and discussion focus almost exclusively on institutional requests for the new biennium. But such requests become meaningful-- and questionable-- only in comparison with some other standard. In the context of the budget review situation, this standard is provided by two other columns on the various budget forms: current appropriation and estimated total expenditures for the current biennium. A Quick glance by Deputy Director Merten at these three columns enables him to compare the present appropriation against the sum now being spent and the sum which the agency would like to spend in the next biennium. Where the latter two sums are approximately the same, or where the new requests do not exceed the present appropriation, they are passed over quickly-- frequently in seconds. Whenever the new requests exceed current expenditure by a considerable amount, however, some explanation is requested by the deputy director. It is precisely this process of raising questions about the increased sums of money requested for the new biennium that constitutes the heart of the budget review in Mental Health.11

And finally, the same incremental process is described with regard to the executive on the municipal level by John Crecine:

> Instead, the mayor perceives the budgetary problem

---

10. Richard Fenno, The Power of the Purse: Appropriations in Congress (Boston: Little, Brown and Company, 1966), p. 318.

11. Thomas J. Anton, The Politics of State Expenditure in Illinois (Urbana: University of Illinois Press,

as a
peri
year
year
able
a co
and
work
numb
In t
solv
last
and
in c
/Ita
thei
solu
is a
of n
smal
fron
is
reas

A se

leads, the

the adhere

first of a

that: "The

recommend

last year,

of how the

making spe

12.
A Computer
and Koha

> as a continuing one that must be dealt with periodically (yearly). He perceives this year's budget to be basically similar to last year's with a slight change in resources available (new revenue estimates) for dealing with a continuing set of municipal problems (police and fire protection, urban renewal, public works, transportation) augmented by a small number of partial solutions to old problems. In this context, a logical way to proceed in solving the complex budgeting problem is to take last year's solution (current appropriations) and to modify it in light of the change /italics in original/ in available resources and change /italics in original/ in municipal problems and their available solutions, to obtain this year's solution. This, of course, means that the budget is a slowly changing thing, consisting of a series of marginal changes from previous budgets. Very small portions of the budget are reconsidered from year to year and consequently, once an item is in the budget, its mere existence becomes its reason for being in succeeding budgets.12

Analysis

A series of questions were asked to department heads, the executive, and the legislature to measure the adherence to an incremental budget orientation. First of all, a normative assessment of their belief that: "The best guide in deciding what to request, recommend, or appropriate this year is what was spent last year." This is not meant to provide a description of how these three decision makers actually go about making spending choices, but their adherence to the

---

12. John P. Crecine, Governmental Problem Solving: A Computer Simulation of Municipal Budgeting (Chicago: Rand McNally, 1969), p. 41.

prescripti

preferred

extent do

is what wa

:,3).

The

nation is

the purcha

unicipal

this ques

preparati

meeting w

generally

lature.

ifferenc

tion to t

throughou

cognitive

case is t

input, wh

category

The

increment

importanc

or approp

The secor

prescriptive tenets of an incremental approach as the preferred way of budgeting. However, only to a slight extent do they agree that the best guide for the future is what was done in the past (see tables 9.1, 9.2, and 9.3).

The next aspect of the incremental budget orientation is its informational base: "The attention paid to the purchases-- the line-items of expenditures," of the municipal budget makers. In terms of the department, this question was asked twice: once for their own preparation of requests, and the other time for their meeting with the executive. Then it was posed, more generally, a single time to the executive and the legislature. In all four questions, with only some minor differences, decision makers report paying great attention to the cost of the items bought by government, throughout the three decision making stages. This cognitive framework is persuasive, for in no single case is there less than some focus upon this cognitive input, while in many instances the highest rank-- category of very great attention is indicated.

The next two questions measure the application of incremental evaluation rules. The first was the importance, "In deciding what to request, recommend, or appropriate this year, how much was spent last year." The second was the extent to which: "If a request,

ity	Best Guid
01	0.0
02	2.0
03	0.6
04	1.5
05	1.6
06	0.3
07	0.3
08	1.6
09	2.3
10	1.0
11	1.6
12	1.0
13	0.5
14	1.6
Mean	1.1
St. Dev.	0.7

TABLE 9.1

INCREMENTAL BUDGET ORIENTATION
(DEPARTMENT HEAD)

City	Best Guide	Attention Internal	Attention Meeting	Importance	Cut If More	Mean
01	0.00	3.66	3.00	3.44	1.66	2.33
02	2.00	3.33	3.66	3.00	1.33	2.65
03	0.66	4.00	3.66	2.66	1.33	2.47
04	1.50	4.00	2.66	2.33	1.50	2.40
05	1.66	2.66	1.00	3.33	0.66	1.87
06	0.33	4.00	3.00	4.00	1.00	2.47
07	0.33	4.00	2.00	2.66	0.33	1.87
08	1.66	2.00	2.16	4.00	1.00	2.17
09	2.33	3.66	3.33	2.66	1.50	2.70
10	1.00	3.33	3.66	2.33	1.66	2.40
11	1.66	2.33	3.33	2.33	1.66	2.27
12	1.00	3.50	2.00	3.00	2.00	2.30
13	0.50	3.00	2.66	3.66	0.00	1.97
14	1.66	3.90	2.00	2.66	2.66	2.40
Mean	1.16	3.32	2.70	3.00	1.31	2.31
St. Dev.	0.72	0.65	0.82	0.59	0.68	0.37

City

01
02
03
04
05
06
07
08
09
10
11
12
13
14

Jean

St.
Dev.

TABLE 9.2

INCREMENTAL BUDGET ORIENTATION
(EXECUTIVE)

City	Best Guide	Attention Meeting	Importance	Cut If More	Mean
01	1.50	3.00	4.00	0.50	2.25
02	0.66	3.33	3.33	0.33	1.92
03	2.00	4.00	3.00	1.50	2.62
04	0.00	3.50	3.50	0.00	1.75
05	0.66	3.66	2.33	1.00	1.92
06	0.66	4.00	3.25	1.00	2.23
07	1.50	3.50	3.00	2.50	2.62
08	0.75	3.00	3.25	1.25	2.06
09	0.33	3.33	2.66	1.00	1.83
10	0.50	2.50	3.00	1.50	1.87
11	2.00	3.50	3.25	2.00	2.69
12	1.50	2.50	3.00	1.00	2.00
13	0.50	3.75	2.00	0.50	1.69
14	1.50	3.50	3.00	0.50	2.12
Mean	1.00	3.36	3.04	1.04	2.11
St. Dev.	0.64	0.47	0.49	0.68	0.43

City

01
02
03
04
05
06
07
08
09
10
11
12
13
14

Mean

St.
Dev.

TABLE 9.3

INCREMENTAL BUDGET ORIENTATION
(LEGISLATURE)

City	Best Guide	Attention Meeting	Importance	Cut If More	Mean
01	1.50	2.37	2.75	1.00	1.91
02	0.25	2.40	2.60	0.50	1.43
03	0.57	3.14	2.85	0.71	1.82
04	0.33	3.00	3.33	1.33	2.00
05	1.40	1.75	3.14	0.25	1.64
06	1.25	3.57	3.85	1.75	2.61
07	1.00	2.83	3.66	1.50	2.25
08	1.66	2.20	1.60	0.66	1.53
09	3.10	3.00	3.20	3.10	3.10
10	2.00	2.66	3.66	0.00	2.08
11	1.25	2.75	3.00	1.00	2.00
12	1.25	3.25	3.25	1.25	2.25
13	1.25	2.85	3.85	1.33	2.32
14	1.25	2.00	3.57	0.50	1.83
Mean	1.15	2.70	3.17	0.91	2.05
St. Dev.	0.05	0.51	0.60	0.52	0.27

or recomm

priations

for some

divergenc

the first

a backwar

expenditu

to the st

terion.

makers re

for incre

from thos

are consi

This is c

is examin

But, as p

the third

adhere to

all propo

opposed b

The

increment

has to be

given its

budgetary

themselve

or recommendation was near the level of current appropriations it was approved; otherwise, it was reduced." For some unexplained reason, there is a significant divergence in the responses to these two questions. In the first case, all three participants reply that such a backward looking glance was of great importance making expenditure decisions for the next year. This attests to the strong presence of an incremental spending criterion. However, at the same time, all three decision makers report that only to a slight extent do proposals for increases automatically trigger a negative response from those reviewing the budget; while proposals that are consistent with existing levels are accepted readily. This is crucial, for it is not so much that yearly change is examined, but that deviations from the base are opposed. But, as partially evident in the statistical analysis of the third chapter, municipal decision makers do not adhere to such an incremental process of evaluation. Not all proposals for spending increases are automatically opposed by the executive and the legislature.

The index of the separate questions indicate that an incremental budgeting is present to some extent. This has to be considered a low absolute level of response, given its pervasiveness in past descriptions of the budgetary process. Letting public officials speak for themselves, indicates a far weaker application of incremental

decision

observers

Ver

an increm

an increa

is what i

evaluativ

smaller y

On

is, indee

such a pr

requested

chases, a

direct ar

of expans

a similar

the end-p

making de

yearly in

less of a

legislatu

priations

budget (

Fu

assumed

decision making than reported by their academic observers.

Relationship to Budget Behavior

Very simply, the more decision makers adhere to an incremental orientation to budgeting, the less of an increase in spending levels should be apparent. This, is what incrementalism is all about. As a cognitive and evaluative process of choice is presumably results in smaller yearly increases in expenditures.

On the level of departmental decision making, this is, indeed, the case. The more department heads follow such a process, the less of an increase in funds is requested (-0.3274). A concern with the costs of purchases, and a comparison of yearly change does have the direct and immediate effect of inhibiting the submission of expansionary requests. However, and most significantly, a similar connection between incremental budgeting and the end-products of executive and legislative decision making does not have the effect of holding the line on yearly increases. The executive does not recommend any less of an expansion in spending (0.0747); nor does the legislature approve a smaller growth in final appropriations as a result of an incremental review of the budget (-0.0220).

Furthermore, incrementalism does not display its assumed effect upon the change in spending levels from

one stage
on the bu
adherence
the execu
departmen
impose la
after mak
costs tha

The
correlati
that far
concept o
of the bu
diture ou
adhering
produce i
connectio
expenditu
relations
identifie
expenditu
line-iter
parison
evaluativ
change w
written,

one stage to the next. Larger cuts are not imposed on the budget proposals of others as a consequence of adherence to this budgetary orientation. Neither does the executive make greater reductions in initial department requests (0.0286); nor does the legislature impose larger cuts in executive recommendations (0.1972) after making a comparison of the yearly increase in costs than if they do not apply this evaluation rule.

The overall consistency of the five statistical correlations is marked, and quite conclusively indicates that far too much attention has been placed upon the concept of incrementalism as both an empirical description of the budgetary process and as an explanation of expenditure outputs. It is evident that the effect of adhering to such a decision making process does not produce its intended effects. Neither in the direct connection between the decision making process and its expenditure end-products, nor in the statistical interrelationships among the different spending outputs identifies the presence of incrementalism. Similar expenditure decisions are made without examining the line-items of expenditure and without a yearly comparison of costs, while utilizing such a cognitive and evaluative process is no guarantee than smaller yearly change will be produced. In spite of all that has been written, an incremental budget process does not provide

a fruitfu

importanc

been vast

The

stands am

decision

is define

approved

the desig

programs,

urement

budget pr

of goverr

nent,

The

expense a

groupings

shift in

bought to

quality o

dollar an

Performan

a fruitful explanation of municipal budgeting. The importance and consequences of incrementalism have been vastly over-emphasized.

Management

The second orientation to budgeting, that stands ambiguously between incremental and synoptic decision making processes is called management, and is defined by Schick as, ". . . the programming of approved goals into specific projects and activities, the design of organizational units to carry out approved programs, and the staffing of these units and the procurement of necessary resources."[13] In short, the budget process is now used, not to control the costs of government, but to manage the operations of government.

The unit of analysis is activity categories, as expense accounts are rearranged into functionally related groupings of work to be done. This is a fundamental shift in information, from the input costs of the items bought to the outputs of government-- the level and quality of services and programs provided by these dollar and cents purchases. Thus it is often called Performance Budgeting. As Allen Schick goes on to write,

---

13. Allen Schick, "The Road to PPB," p. 244.

it is con

Wha
per
is
a u
duc

The

the effic

activitie

"How effe

their avo

conduct o

spend is

the servi

that is

developed

productiv

the rela

and serv

quantity

similari

is that

levels a

annual b

it is concerned with the questions of:

> What is the best way to organize for the performance of authorized activity? What is and what should be the cost of performing a unit of work? What is the maximum productivity derived from a unit of input?[14]

The evaluative criteria of expenditure choice is now the efficiency and economy of agency operations-- how activities are carried out. As Arthur Smithies writes: "How effective are budgetary procedures in achieving their avowed objective of economy and efficiency in the conduct of government operations."[15] The decision to spend is based on the work to be accomplished. It is the service rendered and not the things to be acquired that is the standard of evaluation. Consequently there developed measures of accomplishment, especially the productivity of the delivery of services. These examine the relationship between the cost and the amount of goods and services produced, that identified and assessed the quantity and quality of governmental activities. The similarity between incremental and performance budgeting is that they both accept the base of existing spending levels and policy goals as beyond the scope of the annual budget review. Even though the management orientation

---

14. Allen Schick, Budget Innovation, p. 5.

15. Arthur Smithies, The Budget Process, pp. 8-9.

examines

and outpu

the purpo

essential

It accept

while att

ment. It

to expend

How

costs to

a differe

upon sper

represent

budgetary

is itself

these two

does star

geting ar

road to

Rep

limited.

criterion

tensively

whatever

making ta

the budge

decision

examines the more complex relationship between inputs and outputs, than the simple rate of spending increase, the purposes of the efficience and economy concern is essentially the same as the traditional control orientation. It accepts the current state of affairs as a given, while attempting to maximize the performance of government. It may serve just as much as a negative orientation to expenditure choices, as does incrementalism.

However, at the same time, the reorientation from costs to services should not be minimized and does represent a different cognitive map, which may have a direct effect upon spending choices. In addition, the performance focus represents the application of systematic analysis to budgetary decisions that were previously absent and which is itself the hallmark of a synoptic process. Thus for these two reasons, the management orientation to budgeting does stand for a first step away from incremental budgeting and as Schick so aptly phrased it, it is on the road to PPBS.

Reports of a management approach to budgeting are limited. The existence of an efficience and economy criterion in governmental budgeting has not been extensively identified. Part of this reason is that whatever performance orientation to governmental policy making takes place outside of the formal boundaries of the budgetary process. It is more associated with other decision making areas, that occur in other times and other

places th

one excep

Thomas Ar

the budge

statement

> The
> don
> her
> of
> vol
> cos
> par
> pre
> ope
> pos

However,

wants th

that this

are made

> Th

executive

by three

cognitive

governmen

> It

is a serv

16

Cities, (
and Publ
1964), p.

places than the explicit three stage sequence. The one exception to this pattern worth quoting is from Thomas Anton's study of Three Cities. He writes that the budget manual in one city contained the following statement that exemplifies the performance orientation:

> The basis of a sound budget is the work to be done and the service rendered. This comprehensive work programming includes consideration of such factors as: 1) service standards 2) volume of work 3) work methods 4) units of cost and 5) results to be achieved. Each department head is specifically charged in budget preparation with analyzing his entire department's operations with a view of effecting every economy possible . . .16

However, this is only a prescription of what the executive wants the department heads to do, as there is no evidence that this is, in fact, the process by which budget decisions are made.

Analysis

The budget orientation of department heads, the executive, and the legislature were similarly measured by three sets of questions that measure its noramtive, cognitive, and evaluative presence within municipal government.

It is a common ethos, that municipal government is a service delivery organization, where business

---

16. Thomas J. Anton, Budgeting in Three Illinois Cities, Commission Papers of the Institute of Government and Public Affairs (Urbana: University of Illinois Press, 1964), p. 11.

practices
question
business
managemer
value ex
heads and
part of
the norer
executiv
manager
ethos.
response
attestin
out all
Th
budgetin
were ask
was suff
measure
(service
output s
This is
as there
attentio
range of
upper en

practices and procedures are applicable. Thus the first question posed, was the belief that: "A city like a business should be run on the basis of professional management techniques." Agreement with this normative value extends from a great extent for both the department heads and the legislature, to very great extent on the part of the executive. The very strong agreement with the norems of performance budgeting on the part of the executive is expected considering the prevalence of the manager form of government and its embodiment of that ethos. However, there is no apparent difference in responses from mayor cities or other decision makers attesting to the prevalence of these values and throughout all municipal government.

The next element of the performance orientation to budgeting is its cognitive inputs. Again two questions were asked to the department heads, where one question was sufficient for the executive and the legislature to measure the extent they: "Paid attention to the activities (services) of government." In all four cases, the output side of spending was the focus of great attention. This is a strong cognitive orientation of budget makers as there is not a single city where less than some attention is paid upon this kind of information, and the range of variation is narrow, only extending along the upper ends of the scale.

The
managemen
making sp
of: "Perf
request,
importanc
operation
case, the
performan
the legis
all three
and econo
five rank

Thi
index of
that thre
the featu
absolute
absence o
It should
budgetary
decision
independe
performan
depends e
and what

The final two questions probe the presence of a management orientation as an evaluative criterion in making spending choices. The first is the importance of: "Performance-productivity data in deciding what to request, recommend, or appropriate." The second is the importance of: "Efficiency and economy of government operations in making budget decisions." In the former case, the department heads and the executive report performance measures as being of great importance, as the legislature indicates it is of very great importance. All three decision makers then report that the efficiency and economy criterion is of some importance-- the third of five ranked alternatives.

This series of questions together as an composite index of the presence of a performance budgeting, reveals that three decision makers, adhere to a great extent to the features of a management orientation. This is a high absolute score, that is in marked contrast to the general absence of past descriptions of this approach to budgeting. It should be made clear that the description of this budgetary approach derives from the response of the decision makers themselves. There was no effort to independently corroborate the actual utilization of performance measures. The description of what occurred depends entirely upon the perceptions of those participating and what they perceive to be the process of making budget

choices.

responses

this to b

makers pe

managemer

Th

has upon

ambiguou

synoptic

it has u

magnitud

provide

analysis

penditur

effect:

Ag
to
ul
sy
me
li
co
ar
to
ho
mi
ar

On the

choices. Assuming the validity and reliability of the responses (and the consistency of the responses suggest this to be the case), it is clear that municipal decisions makers perceive themselves far more concerned with management questions than others have seen them to be.

Relationship to Budget Behavior

The specific impact a performance orientation has upon the two measures of expenditure outputs is ambiguous. As it represents elements of both the synoptic and incremental approach to decision making, it has uncertain consequences upon the direction and magnitude of change in spending levels. It could provide a positive impetus because of its use of systematic analysis and quantitative data to support increased expenditures. As Allen Schick writes, in support of this effect:

> Agencies are forever playing the "numbers game" to their advantage. They invent staffing formulas, minimum standards of performance, grading systems, and similar seemingly scientific measurements in order to obtain more money for recreation, libraries, education, or some other "neglected" concern. They revel in demonstrating that they are understaffed or underfinanced by comparison to their peers. They develop measures to show how much more money is needed in order to meet minimum standards. And, of course, the standards are raised once the coveted level is reached.17

On the other hand, it could represent a negative orientation

---

17. Allen Schick, Budget Innovation, p. 172.

to spending as a result of its efficiency and economy criteria. As Donald Borut writes of such consequences:

> Better program data is a two-edged sword. It can be used to justify the necessity of additional funding and /italics in original/ and it can be used by a sophisticated advocate to verify the validity of budget reductions /italics mine/. In a word, greater information means greater control for the stronger of the two adversaries. Department heads may prefer not to have program data, and at the critical moment, when a reduction is to be made, stand on their "reputation as professionals" . . .18

The overall pattern of the five correlations indicate that the management-performance orientation to budgeting is a technique to hold the line on annual expenditure growth. For the department heads (-0.2132) and the legislature (-0.0772) it functions as a constraint upon the annual expansion of spending levels. The more these two actors follow such an approach the less the budget either first requested or finally appropriated expands. On the other hand there is a substantial positive association between the executive management orientation and the growth of his own recommendations (0.4627). However, the executive cuts departmental requests for increases more as a result of the application of such a cognitive and evaluative framework (0.5528 + 0.05), as the legislature similarly reduces executive recommendations for

---

18. Donald J. Borut, Implementing PPBS "A Practitioners Viewpoint," in John P. Crecine, ed., Financing the Metropolis: Public Policy in Urban Economics (Beverly Hills: Sage Publishers, 1970), p. 300.

expansion
orientat
Th
is furth
and the
as a rei
budgetin
jectives
cognitiv
requests
(0.4549)
balancer
him with
spending
is a sim
role (0.
economic
ment the
recommer
It
expendit
of effici
of costs
change th
more comp
of servic

expansion as a consequence of adherence to a management orientation (0.2950).

The impact of the management-performance orientation is further evident in its connection to the executive's and the legislature's negative budget role. It serves as a reinforcement for their particular orientation to budgeting, and as the mechanisms to implement such objectives. Thus the more the executive employs such cognitive and evaluative rules in evaluating departmental requests, the more he evaluates their requests as padded (0.4549) and the more he perceives his own role as the balancer (0.3176). The performance orientation supplies him with the data to eliminate excessive and wasteful spending requests in order to balance the budget. There is a similar orientation to the legislature's oversight role (0.4198). The more they are oriented to affecting economics and efficiency is in the operation of government the more extensively they review the executive's recommendations with this aim in mind.

It is clear that the negative orientation to expenditure increases is represented in the twin values of efficiency and economy. It is not the simple comparison of costs of items to be purchased and their incremental change that is the orientation of budget makers, but the more complex relationship between expenses and the amount of services they buy. That is the tool to inhibit the

annual gr

Th

that repr

is calle

for a Pl

the util

to set t

the, ".

the eval

upon the

Wh
th
pa
sh
th
at
cu

Th

in terms

the acti

Budgetir

expendit

Smithies

related

19

20

21

annual growth of municipal spending.

Planning

The final orientation to budgeting and the one that represents the synoptic model of decision making is called Planning and is identified with the movement for a Planning Programming Budgeting System. This is the utilization of the budgetary process as the vehicle to set the agenda and goals of government itself. It is the, ". . . process of determining public objectives and the evaluation of alternative programs."[19] It focuses upon the widest range of issues:

> What are the long-range goals and policies of the government and how are they related to particular expenditure choices? What criteria should be used in appraising the requests of the agencies? What programs should be initiated or terminated, and which expanded or curtailed.20

The unit of analysis is also upon outputs, but in terms of the programs' objectives of government, than the activity itself, and thus it is often called Program Budgeting. The criteria of choice are how effectively expenditures achieve the objectives sought. As Arthur Smithies writes: "How effectively are expenditure decisions related to policy objectives they are intended to secure?"[21]

---

19. Allen Schick, Budget Innovation, p. 5.

20. Allen Schick, "The Road to PPB," p. 246.

21. Arthur Smithies, The Budget Process,

The deci

achieved

methods

to the p

benefit

ends cal

is evide

Th

by compa

in relat

consider

as beyon

cost of

as a mea

As Allen

In
th
li
ye
a
th
an
me
bi
mo
ob
is

It

The decision to spend is based on the goals to be avhieved and the systematic analysis of alternative methods to reach them. Funds are allocated according to the purpose to be accomplished. An explicit cost/benefit analysis is undertaken as the deliberate means-ends calculation of the synoptic decision making process is evident.

This orientation to decision making becomes clear by comparing it to the two other approaches. First, in relation to incremental budgeting, planning does not consider spending levels and the objectives it represents as beyond the scope of the annual review. It is not the cost of what has been done that is examined, but programs as a means of deciding upon future goals that is evaluated. As Allen Schick writes:

> In process politics the contestants tend to view the options from the perspective of their established positions (existing legislation, last year's budget, the "base," etc.). Theirs is a retrospective bias. Budgeting is treated as the process of financing existing commitments and of creating some new commitment (the increments). System politics tends to have a prospective bias; budgeting is regarded as the allocation of money to obtain some future value (the outcome or objective). This year's budget, in system terms, is an installment in buying that future.22

It is in this same way that planning differs from

---

22. Allen Schick, "System Politics and System Budgeting," Public Administration Review, vol. XXIX, no. 2 (March/April, 1969), p. 138.

management. One can be concerned with the efficiency and economy of governmental services and utilize the measurement and analytical techniques without evaluating the objectives of the activity being analyzed. One has to consider the purpose of the program, as well as its performance. The effectiveness of the activity in relation to its objective and not its efficiency and evonomy is examined:

> As a policy device, program budgeting departs from simple engineering models of efficiency in which the objective is fixed and the quantity of inputs and outputs is adjusted to an optimal relationship. In PPB, the objective itself is variable; analysis may lead to a new statement of objectives . . . but from the planning perspective, the all-important thing surely is not the work or service to be accomplished but the objectives or purposes to be fulfilled by the investment of public funds.23

Past research has generally found that the budgetary process is not used as a means for program and policy planning. The budget is not utilized as the means of making independent policy choices aside from the marginal review of spending levels. Instead it is largely the fiscal translation of decisions arrived at prior to and outside of the budget making process. Examples are evident at all levels of government. Thus Aaron Wildavsky writes of the national government that:

---

23. Allen Schick, "The Road to PPB," p. 250.

Bu

.
th
ex
ul
on

On the s

example

budgetin

De
in
el
pr
po
or
pr
ju
de
ar
th
re
sy
an
of

.
ad
th
fo
no
ac

Finally,

comes to

.
ma
ie
or

24
Process

25
pp. 74,

> Budgeting is treated as if it were non-programmatic . . . What it does mean is that they view most of their work as marginal, monetary adjustments to existing programs so that the question of the ultimate desirability of most programs arises only once in a while.24

On the state level, Thomas Anton provides a further example of the absence of a program content in departmental budgeting:

> Departments and institutional policies /italics in original/, in other words, are determined elsewhere, through procedures distinct from the process of budget preparation . . . program and policy innovation normally do not /italics in original/ originate in the process of budget preparation . . . Significantly, such major adjustments-- whether increases or occasional decreases-- are not generated by the roles analyzed here. Normally they are initiated through different systems of roles and merely reflected in this system . . . Action by this system came after these plans had been formulated and approved, and took the form of a ratification of proposals conceived and implemented by others . . . In each of these cases, involving major adjustments in existing expenditure patterns, the budgeting and appropriating systems was only formally involved: it did not initiate, it did not plan, it did not negotiate; it merely ratified actions taken by other roles.25

Finally, on the local level, the research of Robert Eyestone comes to a similar conclusion:

> . . . the budget is not in itself a useful instrument for policy leadership. When policy change is required, these city councils adopt extraordinary procedures that enable them to make

---

24. Aaron Wildavsky, The Politics of the Budgetary Process (Boston: Little, Brown, and Company, 1964), p. 60.

25. Thomas J. Anton, State Expenditure in Illinois, pp. 74, 199, 200, and 201.

bu
th
di
si
bu

A

heads, t

to measu

ning wit

made on

accompli

agreemer

approach

Ne

attentic

ment," w

focus up

questior

to evalu

the: "Ef

deciding

The seco

"Flannin

course o

> budgetary decisions markedly different from those they would normally make . . . The difficult decisions requiring policy leadership are made outside the framework of "normal" budgeting.26

Analysis

A similar set of questions asked to department heads, the executive, and the legislature were designed to measure the presence of synoptic budgeting. Beginning with beliefs that: "Budget decisions should be made on the basis of the policy objectives sought to be accomplished. All three decision makers report great agreement with the normative prescriptions of a planning approach to municipal decision making.

Next, the cognitive component of budgeting: "The attention paid to programs-- the policy goals of government," was probed. In all five questions there is great focus upon this kind of information. The next two questions assess the existence of a planning approach to evaluative rules. First, it was the importance of the: "Effectiveness programs in attaining goals in deciding what to request, recommend, or appropriate." The second question was the relative importance of: "Planning the future objective of government in the course of budgeting." Again all three decision makers

---

26. Robert Eyestone, The Threads of Public Policy: A Study of Policy Leadership (Indianapolis, Indiana: Bobbs Merrill Publishers, 1971), pp. 156-157.

generall
was of g

Th
decision
to budge
tool to
high abs
in the p
budget a
must be
budgetar
authorit
the exis
city fol
categori
benefit
perspect
budgetin

Th
the conc
making i
penditur
empirica
effect o
would be

generally indicate that such an evaluative standard was of great importance in making expenditure choices.

This series of questions reveals that municipal decision makers greatly adhere to a planning orientation to budgeting. To a great extent the budget is used as a tool to establish the future. This too, is a surprisingly high absolute score, considering all that has been written in the past of the failure of governments to utilize the budget as independent policy making arena. Again, it must be emphasized that this description of the municipal budgetary process relies solely upon the replies of authoritative decision makers. This does not indicate the existence of a Planning Budgeting System, for only one city follows the organizational features of program categories and memoranda, multiyear forecasts, cost/benefit analysis, etc. It is purely the subjective perspective of these actors of the extent they employ the budgeting process for the purposes of planning.

Relationship to Budget Behavior

The synoptic planning orientation to budgeting, as the conceptual opposite to the incremental model of decision making is expected to produce the opposite pattern of expenditure outputs. Thus, as it was assumed, but not empirically corroborated, that incrementalism has the effect of stable spending levels, the program orientation would be associated with larger change in expenditures.

But beyond this logically deduced relationship to outputs of budget decisions, the essential meaning of the concept itself suggests this end result. Its future orientation, would tend to produce larger annual shifts than derive from incrementalism with its focus on the past and performance budgeting with its concern for the present. As Allen Schick writes:

> A budgeting process which accepts the base and examines only the increments will produce decisions to transfer the present into the future with a few small variations. The curve of government activities will be continuous, with few zigzags or breaks. A budget making process which begins with objectives will require the base to compete on an equal footing with new proposals. The decisions will be more radical than those made under incremental conditions.27

Then as Robert Eyestone specifically writes of municipal budgeting:

> A negative budgetary style implies strict limits on city spending of any kind: hence, councilmen using this style should be found in low spending cities. Programmatic budgeting implies that policy decisions may be directly implemented in the budget without regard to previous or expected levels of spending; hence, programmatic councilmen should be found in cities where expenditures are changing more frequently than in cities where spending levels are remaining stationary.28

But as Eyestone finds little empirical connection between a programmatic orientation and his particular measure of expenditure outputs, the present study similarly

---

27. Allen Schick, "The Road to PPB," p. 49.

28. Robert Eyestone, Threads of Public Policy, p. 91.

uncovers little support for the assumed effect a planning orientation has upon municipal expenditure outputs. Neither the department requests (-0.0088), the executive recommendations (0.1549), nor the legislature's final appropriations (-0.2472). The budget does not increase any faster as a result of the application of this budgetary approach.

There is also no connection to the amount of cuts that are imposed from one budgetary stage to the next. The executive does not reduce departmental requests any more or less as a result of his adherence to such an approach (0.1154), nor does the legislature's application of a program planning approach result in any effect upon their review of executive recommendations (0.0033). It is quite clear that the programming and planning approach does not represent a positive impetus to municipal expenditure outputs.[29]

Perhaps this empirical finding, that a planning orientation to budgeting has no apparent consequences for the content of spending choices partially explains the failure of PPBS to be implemented. Not only must discontent and dissatisfaction with existing structures and

---

29. Even if legislative budget behavior were arranged along a scale of the absolute amount of change there is no consistent connection to a planning orientation. It is 0.2975 to the absolute amount of change in executive recommendations, but -0.1246 to the absolute amount of yearly change in spending levels.

procedures of budgeting be present, but what is to be gained from such an innovation must also be made evident. But, reformers could not identify how spending outputs would be effected, for as it is now evident, such an approach has no direct and concrete impact upon spending decisions.

Conclusion

All too often the discussion of incremental and synoptic budgeting has been marked by polemics, as either supporters of the status quo or proponents of the PPBS reform have presented these two modes of budgeting as dichotomous and alternative decision making processes. Either one follows all the steps of a synoptic model of decision making or all of the practices of the incremental approach. There is no middle ground, all or nothing, either/or choice are forced upon the budgeter. However, as James Barber writes: "The alternatives are not incrementalism versus synopticism, but more-or-less incrementalism versus more-or-less synopticism."[30] They are less jointly exhaustive and mutually exclusive categories as they are "ideal" types along a continuous distribution. As Allen Schick writes of the greater similarity between them

---

30. James Barber, Power in Committees: Experiments in the Governmental Process (Chicago: Rand McNally, 1966), p. 35.

than usually assumed:

> On all other counts, however, the difference between the incremental and the analytical methods is considerably narrower than is usually realized. PPB does not force an all-or-nothing choice. The alternatives are always at the margins, and the increments can be either large or small. PPB does not require that every program be compared with all others, nor does it mean that everything must be decided all at once. PPB does not require zero base decisions. Only a portion of the budget can be analyzed during a single cycle, with most of the programs continuing according to standard incremental procedures.31

And to this view the present research most strongly agrees. In a temporal sense almost all decisions are incremental changes from an existing situation. Spending choices are almost never determined de novo either from one year to the next, or from one stage to the next; but are made in reference to what took place earlier.

But even more importantly, the application of one set of values, one source of information and one set of evaluation rules does not preclude the adherence to another. Just because, decision makers pay attention to the line-items of expenditure does not necessarily imply that they ignore service and program categories. Just because they desire the minimum deviations from the base of existing spending does not mean that they are also not concerned with the efficiency and economy of governmental spending

---

31. Allen Schick, Budget Innovation, p. 202.

operations, or the effectiveness of spending. The absolute responses to the questions measuring these orientations among the three budget participants reveals that they are not alternative decision making practices, but complementary ones. Furthermore, the statistical interrelationships among them clearly indicate that one approach does not replace another:

	Incremental/ Performance	Incremental/ Program	Performance/ Program
Department Head	0.1352	0.4242	0.3077
Executive	-0.0506	-0.0165	-0.2220
Legislature	0.0066	0.0956	-0.1692

There is essentially no connection among the three budget making orientations. Except for the two cases of departmental decision making, adherence to one specific budget making approach is not related to following another. It neither precludes nor accompanies the utilization others. A different set of reference points are provided and another standard of evaluation exists. Most significantly, a program orientation is not a substitution of incrementalism, or vice versa. The new does not push out the old.

Chapter Ten: External Pressure

Introduction

The analysis of the part played by individuals and groups from the community in the municipal budget process is important for two reasons. First of all, it serves as a linkage for demands arising from the environment to be transmitted to public officials. The impact of the environment in the determination of expenditure outputs cannot be explained by aggregate measures of social and economic conditions. Instead, their direct and immediate connection to the budgetary process must be shown. The involvement of this fourth set of actors provides the concrete behavioral mechanisms for such a relationship to be made.

Secondly, the study of interest groups, has long been a favorite approach to the explanation of the political process and public policy. While claims for the efficiency of these extra-governmental participants are often exaggerated, the study of the municipal budget process would not be complete without including them within the analysis.

Past research has reported different situations of

their invo

study of r

of an acti

sued by ag

on their r

. .
the
suppo
firm
unif
cula

David Capr

of four c

Duri
a mi
tive
succ
. .

He conclu

although

roles."[4]

1.
Process (

2.

3.
cations c
delivery
Political
1970, pp.

4.
cations,"

their involvement. Thus Aaron Wildavsky writes in his study of national budgeting that the, ". . . cultivation of an active clientele"[1] is a ubiquitous strategy pursued by agencies to affect the decisions made by others on their requests. Such considerations, he writes:

> . . . are found everywhere and at all times in the budgetary system. The need for obtaining support is so firmly fixed a star in the budgetary firmament that it is perceived by everyone and uniformly taken into account in making the calculations upon which strategies depend.2

David Caputo reaches a similar conclusion in his study of four cities. Thus he writes:

> During each stage of the budgetary process, a minority of the municipal group representatives attempted, usually with some degree of success, to influence the budgetary process . . . to change budgetary allocation decisions.3

He concludes that, ". . . municipal group representatives (although a minority) who participated played significant roles."[4] However, John Crecine's study of municipal

---

1. Aaron Wildavsky, The Politics of the Budgetary Process (Boston: Little, Brown and Company, 1964), p. 64.

2. Aaron Wildavsky, Budgetary Process, p. 65.

3. David Caputo, "Normative and Empirical Implications of Budgetary Processes," paper prepared for delivery at the 65th annual meeting of the American Political Science Association, Los Angeles, California, 1970, pp. 11-12.

4. David Caputo, "Normative and Empirical Implications," p. 16.

budgetir

groups a

ments t

of exte

has to

of the

their i

though

these a

go toge

budgeting describes a different situation, where interest groups are relatively unimportant. He writes, in statements throughout his work that:

> The presence of external influence or pressure in the political sense was not detected in the budget formation process . . . influentials play a very minor role in the formulation of municipal operating budgets . . . and play a very minor role in the gross allocation of governmental resources . . . budgets in municipal governments are reasonably abstracted documents bearing little direct relationship to specific community pressures . . . theories that assume the city budget is the result of some kind of external event do not prove to be consistent with the process uncovered in this study. Concepts like "influence" . . . "interest group," politicians, and elite do not prove to be very useful in understanding the process by which budget level decisions are made."5

In examining the part played by this fourth set of external actors in municipal budgeting, a demarcation has to be made between their actual participation in each of the three formal budget stages and an assessment of their influence by authoritative decision makers. Even though this distinction has not been made in past research, these are two separate dimensions that do not necessarily go together. Thus Crecine writes that:

> Effective cues from the environment are not /italics in original/ received from community interest groups either because they are not articulated or because the cues, taken in toto /italics in original/ add up to an infeasible

---

5. John P. Crecine, Governmental Problem Solving: A Computer Simulation of Municipal Budgeting (Chicago: Rand McNally, 1969), pp. 189, 191, 192, 216.

s

These ar

ness of

equivale

points t

express

particip

other ha

of demar

on the b

ikative

too weak

their ow

A

between

their im

can or c

activity

Finally

and spen

examined

De

legislat

set of demands on the system . . .6

These are two different explanations for the ineffectiveness of group demands on spending outputs. They are not equivalent. The first phrase, "they are not articulated" points to their failure to contact public officials to express their budget preferences. They are simply non-participants in the municipal budget process. On the other hand, the second phrase "add up to an infeasible set of demands," describes a situation where group demands on the budget are made, but are unable to affect authoritative expenditure deicsions. They are present, but too weak to influence budget outputs in the direction of their own objectives.

A fourfold contingency table can be established between the participation of these external actors and their impact. Groups can or cannot be present and they can or cannot be important. First the extent of their activity and then their perceived influence will be assessed. Finally the actual relationship between external pressure and spending outputs in each of the budget stages is examined.

Group Participation

Department heads, executives, and members of the legislature were presented with a list of fifteen kinds

---

6. John P. Crecine, Governmental Problem Solving, p. 192.

of inte

Persona

This qu

partici

of the

an inpu

amount

cumbers

for a p

involve

how mar

come to

heads

certai

of the

four c

made s

there

an ave

three

within

specif

in a c

and Pol
Wilson,
Wiley a

of interest groups, and asked whether each of them: Personally contacted you about items in the budget." This question more exactly measures the breadth of group participation than its quantity.[7] It is an indication of the scope of potential community interests that make an input into the budget process, more than the actual amount of group activity. It would have been too cumbersome to ascertain the frequency of such contact, for a precise measure of the extent of each group's involvement. But the present question does reveal how many different types of groups in the community come to the attention of governmental decision makers.

The mean number of groups that contact department heads is less than three (see table 10.1). This is certainly a small number and represents only 17 percent of the possible number of groups in existence. In only four cities are more than four groups mentioned as having made some spending demand upon the departments. Although there are extensive differences among the cities, from an average of less than one to eight, there are only three cities where more than three groups are active within the first stage of departmental budgeting. The specific groups contacting at least one department head in a city are (see table 10.2): neighborhood, homeowner,

---

7. Robert Eyestone and Heinz Eulau, "City Councils and Policy Outcomes: Developmental Profiles," in J. Q. Wilson, City Politics and Public Policy (New York: John Wiley and Sons, 1968), pp. 37-66.

City	
01	
02	
03	
04	
05	
06	
07	
08	
09	
10	
11	
12	
13	
14	
Mean	
St. Dev.	

TABLE 10.1

EXTERNAL PRESSURE
DEPARTMENT HEADS

City	# of Contacts	# of Group Influence	Eval. Group Infl.	Eval. Ind. Infl.	Mean
01	5.33-2.66	0.66-1.33	2.00	1.33	1.83
02	4.00-2.00	0.33-0.66	1.33	0.33	1.08
03	3.00-1.50	0.33-0.66	1.66	1.33	1.29
04	8.00-4.00	0.33-0.66	2.50	1.50	2.16
05	2.00-1.00	2.00-4.00	2.00	0.66	1.92
06	1.33-0.66	0.33-0.66	1.00	0.33	0.66
07	1.00-0.50	0.00-0.00	0.66	0.00	0.29
08	2.00-1.00	0.66-1.33	1.66	1.00	1.25
09	2.00-1.00	0.00-0.00	1.00	0.00	0.50
10	0.66-0.33	0.00-0.00	0.66	0.40	0.33
11	1.33-0.66	0.33-0.66	1.00	1.00	0.83
12	2.00-1.00	0.00-0.00	0.00	0.00	0.25
13	1.66-0.83	0.66-1.33	1.00	0.50	0.92
14	1.66-0.83	0.00-0.00	1.33	0.60	0.69
Mean	2.57-1.28	0.40-0.80	1.27	0.64	1.00
St. Dev.	1.99-0.99	0.53-1.06	0.65	0.52	0.62

TABLE 10.2

KINDS OF GROUP CONTACT

	Department Head	Executive	Legislature Appear-	Contact
Neighborhood, Homeowners and Taxpayers	13	9	9	13
Business	11	12	9	13
Civic and Service	10	11	7	11
Municipal Employee Unions	10	12	9	11
Blacks	7	8	7	10

and taxpayer-- thirteen cities, business-- eleven, civic and service-- ten, unions of municipal employees-- ten, and blacks-- seven. The presence of the first three types of groups are usual interests associated with the study of urban politics. But the extensive presence of municipal employee unions and black organizations are less expected and attest to the changes of the past several years that have not escaped these cities and the budgetary process.

A similar pattern of interest group participation is described by the executive. On the average, just less than three groups (see table 10.3) make some budget demand. This too indicates a low level of involvement and represents less than 21 percent of the potential number of organized groups present in the community. Differences among the cities are large, extending from an average of none to eight, but in eight cities, executive's report contact with less than three groups. The pattern of the type of group's involvement is similar. Business organizations and municipal unions (see table 10.2)-- twelve cities, civic service associations-- eleven, neighborhood groups-- nine, and then black organizations-- eight.

Interest group participation in legislative decision making was measured by two separate questions, as a demarcation between formal and informal contact with the city council. Group representatives can appear

TABLE 10.3

EXTERNAL PRESSURE
EXECUTIVE

City	# of Contacts	Group Infl.	# of Group Influence	Ind. Infl.	Mean
01	2.33-1.16	1.50	0.00-0.00	0.50	0.79
02	0.00-0.00	0.66	0.00-0.00	0.00	0.17
03	8.00-4.00	1.50	2.00-4.00	1.00	2.63
04	1.00-0.50	1.00	0.00-0.00	0.00	0.37
05	3.66-1.83	1.33	0.33-0.66	1.00	1.21
06	5.75-2.87	0.66	1.00-2.00	0.33	1.47
07	1.50-0.75	1.50	0.50-1.00	1.50	1.18
08	5.00-2.50	0.75	0.25-0.50	0.25	1.00
09	3.66-1.83	1.66	0.33-0.66	1.66	1.47
10	3.00-1.50	1.00	1.33-2.66	1.00	1.54
11	2.25-1.12	1.00	0.50-1.00	1.00	1.03
12	2.50-1.25	1.50	1.00-2.00	1.00	1.44
13	1.50-0.75	1.25	0.25-0.50	1.00	0.88
14	1.50-0.75	1.00	0.00-0.00	0.50	0.56
Mean	2.87-1.49	1.17	0.54-1.07	0.77	1.12
St. Dev.	2.17-1.08	0.34	0.60-1.20	0.51	0.61

before the whole legislature at the time of the official budget hearing; or they can contact individual councilmen outside of the public legislative chamber. A similar distinction is made by Richard Fenno, who not only notes these two different methods of interaction, but explicitly indicates the superiority of informal relationships as a point of access:

> . . . demands, however, are communicated through more effective channels than an appropriations hearing. And the same is true for demands of clientele groups. For one thing, informal communication outside the hearing is infinitely more effective . . . The political intelligence concerning support and opposition which members take in from outside witnesses at public hearings amounts to very little over and above that which they take in privately.8

The breadth of group involvement in the third stage of legislative budgeting reveals significant differences between them. The mean number of groups that appear before the council is just two, while on the average almost twice as many personally contact councilmen (see table 10.4). One half of the legislature's report less than three informal meetings with interest groups; extending from the single city where all councilmen agree that they did not have any group contacts, to another city where the average number is eight. On the other hand, the number of representatives of groups appearing

---

8. Richard Fenno, Jr., The Power of the Purse: Appropriations in Congress (Boston: Little, Brown and Company, 1966), p. 341.

TABLE 10.4

EXTERNAL PRESSURE
(LEGISLATURE)

City	# of Contacts	# of Appear	Group Infl.	# of Group Influence	Ind. Infl.	Mean
01	2.83-1.72	1.50-1.43	1.25	1.12-3.86	0.75	1.80
02	6.00-3.64	1.66-1.58	0.60	0.80-2.76	0.60	1.84
03	1.60-0.97	4.20-4.00	1.42	0.71-2.45	0.85	1.92
04	2.80-1.70	1.40-1.33	1.00	0.66-2.28	0.66	1.39
05	2.00-1.21	1.66-1.58	1.20	1.12-3.86	0.60	1.69
06	4.60-2.79	1.83-1.74	0.75	0.43-1.48	0.50	1.45
07	3.40-2.12	1.20-1.20	1.25	0.83-2.86	0.50	1.59
08	6.60-4.00	2.75-2.62	1.66	0.00-0.00	1.00	2.06
09	4.20-2.55	3.20-3.05	2.10	0.20-0.69	2.10	2.10
10	5.20-3.15	1.33-1.27	2.00	1.16-4.00	1.33	2.35
11	3.75-3.27	1.00-0.95	0.75	1.00-3.45	1.75	2.03
12	0.00-0.00	0.00-0.00	0.75	0.50-1.72	0.50	0.59
13	2.66-1.61	2.66-2.53	0.50	0.59-2.03	0.50	1.43
14	1.40-0.85	2.33-2.22	0.00	0.28-0.97	0.50	0.93
Mean	3.37-2.11	1.91-1.82	1.13	0.67-2.32	0.13	1.65
St. Dev.	1.85-1.17	1.05-1.00	0.53	0.36-1.25	0.38	0.48

bef

rea

tha

nor

hea

gro

for

num

gro

est

sta

thr

leg

poi

nod

to

gro

the

of

eac

ari

ter

before the legislature during the public budget hearing, reaches a high of only four, and in nine cities less than two groups were present at this time. In ten cities, more groups made budget demands outside of the public hearings than in it, while in only two cities do more groups communicate their desires to the legislature through formal means than by informal means. In two cities the number is the same.

Relying upon the public appearance of interest groups before the whole legislature considerably underestimates the extent of their activity within the third stage of the municipal budget process. Interaction occurs through more informal social contact outside of the legislator's public role than in the structured, official points of decision making. As Betty Zisk writes of this mode of access: "The local 'group struggle' . . . appears to be relatively intimate."[9] It appears that interest group leaders themselves understand this difference between these two points of entry as these two mechanisms of group participation are not statistically related to each other (0.0538). There is a disjuncture in the articulation of group demands to the city council. Extensive informal relations are not associated with high

---

9. Betty Zisk, Local Interest Politics: A One Way Street (Indianapolis Indiana: Bobbs Merrill Publishers, 1973), p. 28.

contact inside the hearing room.

Interest groups making personal contact with individual members of the city council, do not make a further appearance before the legislature as a whole. Apparently this is unnecessary. Having one avenue of approach, subsequent activity is superfluous. Political parties in eight cities have informal relationships with individual councilmen, but in no city do they make a formal appearance before the legislature as a whole. Civic and service organizations display both forms of participation in five cities, but in six cities they make only informal contact (see table 10.5). But not all groups are so situated. Some community interests do not have the advantage of private entree to council members. Black groups have informal and formal contact in seven cities, but in only three cities are they involved only informally. Unions of municipal employees have informal interactions in only two cities, although in nine others they display both forms of contact. These last two groups need an additional mechanism to be heard, that apparently other segments of the community find unnecessary.

Group Influence

Having examined the participation of interest groups in the budgetary process, now the extent they are perceived by authoritative decision makers as being influential is investigated. This is not the statistical analysis

TABLE 10.5

DISJUNCTURE OF GROUP CONTACT

	Both	Informal Contact Only	Only Formal Appearance
Political Parties	--	8	--
Business	9	5	--
Neighborhood, Homeowners and Taxpayers	9	4	1
Civic and Service	5	6	2
Blacks	7	3	--
Municipal Employees' Union	9	2	--

between these measures of the part played by groups and actual expenditure outputs, but the subjective evaluation of the impact interest groups have upon the budget behavior of the three authoritative decision makers.

The first question posed was a general assessment of the extent each actor's own, "budget decisions reflected the influence of community interest groups." Uniformly, only slight influence was attributed to this form of external pressure. This is certainly a low level of perceived group strength. While there is variation in their group importance, in few cities are groups considered to possess more than some influence in the budget process.

A second question follows this general evaluation by asking for a precise specification of the names--kinds of groups: "Who were particularly important in affecting your budget decisions." The responses to this question corroborate the lack of group influence. The mean number of groups listed, was less than one. Departments reported an average of less than one half, the executive of just one half, and the legislature an average of two thirds. In other words, most of those interviewed, did not point out a single specific interest group as having especially affected budget decisions.[10]

---

10. The total number of specific kinds of interest groups that were mentioned by each set of actors, as particularly important in making their budget decisions

As mentioned earlier, a demarcation between the activity of groups and their impact upon budget choices is made. The relationship between these two features shows that perceived influence partially follows from actual involvement. For the departments (0.6220 + 0.001) and the executive (0.6484 + 0.001) influence, strongly follows from participation. The more contact is made, the more groups are assessed to be important. The low level of attributed influence derives from the low level of group demands. But in the case of the legislature this relationship does not occur at all (-0.1824). Even separating the two different measures of group contact, there is no apparent relationship to the measure of influence it is-- 0.0968 to informal contact and 0.6679 to formal appearance. So in the case of department and executive perceptions, the barrier to group influence is their absence from the decision making process. They are considered umimportant, because they are simply not heard from. When they do make a demand, they appear to be listened to and are evaluated as influential. However,

---

10. (continued) are:

	Dept.	Exec.	Legis.
Neighborhood, Homeowners and Taxpayers	6	4	8
Blacks	4	3	13
Unions of Municipal Workers	2	5	14
Business	1	1	11
Civic and Service	-	2	6
Other	2	1	7

in the case of the legislature, the barrier is not the failure to make their voices heard, but the legislature's insulation from the clamor of their activity. Having either informal and formal access to the city council is no guarantee of success, as the municipal legislature appears to be immune from external pressure.

The last question asked to all three decision makers to round out the concept of external pressure was the, "influence of individuals from the community upon budget decisions." While this is not intended to represent the presence of a social and economic "power elite," budget demands can be articulated by individuals who are outside of organized interest groups. However, this does not appear to be the case. All three actors, uniformly assess them to have less than slight importance in affecting their own budget choices.

Combining the value of the separate questions into an index of the part played by external participants in budgeting, indicates that for the departments and the executive slight group and individual contact and influence is reported. In terms of the legislature, some involvement and pressure is present. The municipal budget making process is not extensively connected with its environment. Through the articulation of budgetary demands by individuals and groups from the community.

Yearly Change in Expenditure Levels

Regardless of what authoritative decision makers say, the impact of external pressure upon the actual spending outputs of the three budget stages as determined by the statistical association between them, is examined now.

The activity and perceived influence of groups and individuals from the community is assumed to be an impetus for increased spending. These fourth actors serve as an input demand for more and better service, and consequently higher expenditures for the particular departments that represent their policy preferences: "People want more services, not less." John Crecine provides support for this interpretation of the specific direction group influence has upon budget outputs:

> All interest groups . . . feel that some department's budget should be increased. The pressures transmitted to the council concerning the operating budget are of one kind-- those advocating increases in the mayor's recommendations.11

These demands for program and expenditure expansion are conveyed not only to the city council, but to the department heads and executives as well: "All groups which made requests desired specific improvements in my department . . . Each group requested additional services

---

11. John P. Crecine, Governmental Problem Solving, p. 101.

from this department for their particular group . . . Generally they ask for the inclusion of some project in my budget before I send it to the council."

However, the data collected in the present research setting this does not demonstrate a systematic connection between group demands and expenditure outputs. In two of the three measurements of increase in spending, there is no apparent statistical relationship between them. The expansionary budget requests of departments does not derive from the external source (-0.0462); nor does the final appropriation ordinance grow any faster, as a result of this form of environmental pressure (-0.1253). Only in the case of executive recommendations is a moderate correlation reported. That is, the size of increases submitted to the legislature for review, and involving the fourth budget actor is 0.2055. Why the executive is any more susceptible to the entreaties of groups is unknown. If anything, it is expected that the popularly elected legislature would be more open to group pressure, but this is not the case. So on the whole this fourth set of actors is not able to affect the budget choices of authoritative decision makers. They are unsuccessful in obtaining expenditure increases for the departments they support. As Betty Zisk writes, although of a different measure of expenditure outputs:

> Per capita expenditure levels, in short, do not depend primarily on political demands . . . The

> political translation process-- at least in terms of group activity-- is probably not relevant to the final level of expenditures for a given community . . .12

Such a conclusion can be extended to the present research. The growth that does occur in appropriations cannot be attributed to the influence of individual and groups from the community. The presence of external pressure is not directly translated into higher spending levels.

Change in Expenditure Levels from One Stage to the Next

Assuming that interest groups act as a positive impetus for spending, their presence within the budgetary process serves as a constraint upon the budget cutting behavior of executive and the legislature. Richard Fenno writes that:

> To the degree that outside witnesses appear, Committee members feel they will be put under that much more pressure to increase appropriations. The more they can keep outside witnesses at arms length, the easier will be their pursuit of budget-cutting.13

However, there also does not appear to be any consistent relationship between external pressure and spending decisions. In the case of the executive's review of initial department requests, the correlation (-0.2050) is barely high

---

12. Betty Zisk, Local Interest Politics: A One Way Street (Indianapolis, Indiana: Bobbs Merrill Publishers, 1973), p. 137.

13. Richard Fenno, Power of the Purse, p. 341.

enough to reach the standard of a moderate association; but in the legislature's cuts, executive recommendations are not inhibited by the amount of pressure exerted on them by community-wide actions and actors (0.0420). Again there is little reason to expect the executive to be more affected by pressure from the environment than the legislature; but, in any case, the inconsistency of the relationship does little to corroborate the assumed connection between the influence of individuals and groups from the community upon municipal spending outputs.

The explanation for the overall absence of an association between the involvement and influence of external participants and municipal expenditure outputs, revolve around the two dimensions of participation and influence previously identified. Groups and individuals can be present, but ineffective in changing the behavior of authoritative decision makers. It is this situation, that seems to be described by Crecine, as he writes that public hearings are held by the city council, ". . . where interested parties plead their case and usually for increased expenditures for some purpose . . ."[14] So groups do have the opportunity to at least make formal demands upon the budget. But he then later concludes that, ". . . the

---

14. John P. Crecine, Governmental Problem Solving, p. 35.

council ignores specific or direct pressure."[15] Budget demands are articulated, but ignored. Examining each of these dimensions in turn, several explanations can be offered for both the absence of participation and the lack of influence of groups and individuals in the budgetary process.

Beginning with their involvement, external actors are simply not involved in the municipal budget process. They do not articulate demands, so their voice in support of spending increases is not heard. The particular questions that measured this aspect, showed that, indeed, few groups participate in any of the three budget stages. The level of external contact is low. Three specific explanations for the lack of activity can be offered.

First, as the community is apathetic about government and politics in general, it should come as no surprise that there is little interest in the particular area of budgeting. Consequently, few contacts are made with public officials to communicate particular spending preferences. Then, individual and group representatives are discouraged from participating in the budgetary process because they lack the capabilities to effectively and successfully affect budget decisions. The budget, full of figures, may be too complex, confusing, and difficult

---

15. John P. Crecine, Governmental Problem Solving, p. 219.

to understand. Community actors do not have the time, information, or expertise to decipher the mass of dollar and cents figures, the different account categories, and the different funds to know what is going on to be able to make a specific budget demand. Finally, lack of involvement is evident, because groups and individuals do not appreciate the significance of the budget for obtaining what they want from government. The connection between the determination of how much is going to be spent on each department and the amount and quality of services is not perceived: "I don't think the general public realizes the significance of the budget. That it is a statement of what programs will be carried out and that it is the central point to participate in city government . . . The budget document per se doesn't mean too much to individuals in the community. They see it as a formality. They don't make their complaints in terms of budgets."

So, the municipal budget process is isolated from external pressure. There is a low absolute level of organized activity specifically aimed at influencing budget decisions. There is a lack of contact between the public and municipal government: "The problem is that there is no direct link and contact with citizens. I'm not in a position to know and I'm not sure the council is either to know what the public thinks is important."

The lack of a connection between external pressure and budget outputs is the result of the absence of channels of communication. If the volume of demands were increased, these actors apparently would have more impact upon actual spending choices. If they were more vocal, they would be more effective.

A second interpretation for this same set of statistical associations comes from a far different perspective. Demands are articulated, but are ineffective in changing the spending choices of public officials. The municipal budget making system is insulated from external pressure. Again three specific explanations for this situation are identified. There is first of all a general antipathy to the activities of interest groups. This has been previously reported by Betty Zisk as an underlying orientation of public officials, acting as a, ". . . filter through which group efforts to influence public policy must pass. How accessible officials are to groups will depend in part on these predispositions."[16] As department heads said: "Our department is run by the charter, it's non-political . . . Our budget is prepared on the basis of the needs of the department rather than by outside influence and pressure . . . I won't put up with them. They are aware of that. I make it clear that they can't change things one

---

16. Betty Zisk, Local Interest Politics, p. 3.

iota." As two councilmen further commented: "We try to operate without being indebted to any pressure group or individual. There is no reason for them to be there. The budget is not their responsibility. We do not budget for outside groups and individuals." External actors are present and do articulate demands, but their voice is rejected.

A second response, from the departments and the executive, is that external influence is transmitted through other channels, notably, the city council. Thus members of the executive branch of government, hide behind the policy/administration dichotomy and their "non-political" appearance to ward off interest group pressure. Departments heads passing it off to the executive and the legislature, state: "Not on my level. The place to put political pressure is on the manager and the council." Then the manager, in turn, forwards it to the city council. These are policy questions that belong to the legislature and this is the accepted and known road of accessibility . . . People tend to contact the city council if they have concerns about the budget."

Finally, it may be that individuals and groups from the community and indeed, powerless to affect budget outputs. They make a demand, but are ignored as they are too weak to influence decision makers. As Betty Zisk writes: ". . . for most councilmen, the group struggle takes place

on a one way street [italics in original] . . . relatively insulated and apolitical councilmen, where the search for 'right answers' prevails, regardless of the occasional clamor outside."[17] As described by decision makers, "The budget process is autonomous and enclosed. It is an internal affair not exposed to external group pressure . . . The budget is too far removed from the political process." This may come about because pressure at the time of the legislature's public budget hearing is too late: "By this time decisions are pretty well made. What is said at this point will not make much difference, it's too late to do anything . . . Historically budget decisions made by the council are final-- not open to change at this time." Or this powerlessness may derive from alienation from government: "People can't fight city hall . . . There is a lack of confidence in city government. People believe that 'none would pay any attention to them,' that they can't change a thing, that it is useless to do anything about it . . . There is a general attitude that the city will do what it wants to do anyway . . . They know it is going to pass whether they attend the hearing or not."

Several explanations have been discussed for the

---

17. Betty Zisk, Local Interest Politics, p. 143.

lack of group activity within the budget process and/or the inability to influence spending outputs, but another explanation can be identified. It is not that groups and individuals are uninvolved or powerless, but that the direction of their influence is different from what has been assumed. They do not serve as a pressure for spending increases, but instead express demands to limit the size of annual growth. They act more as a revenue economizer, than as an expenditure maximizer. As a result of the concern for property tax rates, this situation exists. Consequently, demands are articulated, not to expand program and expenditure levels, but to hold the line on expenditures and thus hold the line on taxes.

John Crecine provides some evidence that this may indeed, be the direction of interest group pressure. He writes that: ". . . /this/ model suggests a convergence of voter and business interests helps to 'hold the line' on tax increases and hence tends to limit the total amount of resources available for government allocation."[18] He goes on to write that:

> The only case where external influence could be considered as imposing a decisional constraint is in the revenue estimate. Most systematic pressure from the business community concentrates on keeping tax rates constant and not on particular expenditure items.19

---

18. John P. Crecine, Governmental Problem Solving, p. 192.

19. John P. Crecine, Governmental Problem Solving, p. 92.

By keeping the tax rate constant, the rate of expenditure growth is constricted. It will be recalled that business, homeowner, taxpayer, and neighborhood associations are the most common types of community interests represented within the municipal budget process. Both can be expected to articulate demands to contain the size of the budget: "They wanted the budget cut so that increases in taxes would not be necessary . . . they asked me to take a long hard look at demands for more money. To cut out government waste . . . don't spend any more money . . . just to say don't raise taxes." Only the influence of black organizations and unions of municipal employees can be unequivocably assumed to be favorable to spending increases.

Since there is no way the present research can more rigorously test this hypothesized impact of external pressure, the absence of any uniform statistical connection with spending decisions suggests a multi-dimensional influence on government. There is both a positive and a negative thrust to group pressure.

Thus far, the impact of individuals and groups from the community upon spending outputs has been examined as they directly participate within the three stages of the budget process. However, external pressure can be exercised through other mechanisms that do not directly involve decision making on the budget. First of all, community influence is exercised through elections. Both

the council and the mayor, plus specific bonds and referenda are affected by the voting public. Unfortunately this aspect of the budget making process was not examined in the present study.

A second mechanism for external influence to be felt upon expenditure decisions is through the entire year and through the entire political policy making process, not just in the few months when the official budget document is prepared and adopted. The present conception of the budgetary process may be too abstracted and too divorced from other decision making processes that impinge upon it. Budgeting is more than a seasonal activity and may be less autonomous from other areas than the highly compartmentalized three stage model suggests: "As a general rule groups do not concern themselves with the budget preparation and adoption. They are more prone to protest or express an opinion during the year . . . When specific items are presented at different times during the year . . . When specific items come up, then people make known their desire for services . . . Agitation for programs goes on throughout the year. Interest doesn't just focus on the budget . . . Throughout the year they talk to the manager and the council, but not specifically at budget time. They don't come at that time and say 'put this in the budget,' They ask for this program or that program over the year and we keep track of it."

Conclusion

In summary, there are four possible situations that describe the part played by this fourth set of participants to the municipal budget process. These revolve around the two dimensions of participation and influence previously identified, and which is presented in the following contingency table:

		Participation	
		Yes	No
Influence	Yes	Pro or Con to Expenditure Expansion	Other mechanisms (elections, different arenas)
	No	Insulated Budgetary Process	Isolated Budget Process

FIGURE 10.1

EXTERNAL PARTICIPATION AND INFLUENCE

First there is the situation where activity is reported and influence is evident as either support or opposition to spending increases is evident. On the other hand, there can be no involvement and no influence as individual and groups from the community are absent. The municipal budget process is isolated from its environment. Then there is no direct participation, but influence upon spending outputs is evident through alternative channels of access. Finally, external actors are able to articulate

demands, but fail to change the budget behavior of authoritative decision makers. The municipal budget process is insulated from external pressure.

Chapter Eleven: Decision Makers' Attitudes Toward the Environment

Introduction

A second mechanism for environmental conditions to cross the boundary line of the political system and enter into the budgetary arena is through the attitudes, beliefs, and values of authoritative decision makers. The subjective orientations of the department heads, the executive, and the legislature to the social and economic characteristics of the community can at times be more important than what those conditions objectively may in fact be. These perceptions serve as the intervening variable between the inputs of social and economic environment and the political response of expenditure policy outputs. As Heinz Eulau and Kenneth Prewitt write:

> An environmental challenge calling for a policy response has the expected effect only if it is perceived by policy makers as constituting a problematic situation. Unless environmental challenges are **experienced** as problems, policy responses are not likely to be forthcoming.1

---

1. Heinz Eulau and Kenneth Prewitt, Labyrinths of Democracy (Indianapolis, Indiana: Bobbs Merrill Publishers, 1973), p. 561.

Two kinds of environmental inputs are especially relevant to the study of governmental budgeting. The first is the amount of resources that are available through taxation. These provide the upper limits of the ability to act. Without money, government cannot spend. The second is the "needs" of the community. These are environmental conditions that generate demands for specific policies. Both of these are measured in terms of the orientations of public officials. What is interpreted as the available resources of government depends upon perceptions of the wealth of the community and appropriate tax levels; while what is perceived as the needs of the community and governments responsibilities in meeting them depends upon the policy preferences and spending priorities of public officials.

Much has been written of the fiscal plight of municipal governments across the country and the cities included within the present research are no exception to this general condition. If anything, the specific circumstances at the time of the study might have exacerbated this situation. 1970 was a period of economic slowdown and the accompanying strike at General Motors might have produced an unusually severe financial crunch on these cities. In any event, it is necessary to examine the impact of this environmental condition upon the budgetary process. Money, certainly, is a significant

factor in making expenditure decisions. As John Crecine writes, ". . . the revenue constraint plays a key role in the budgetary process."[2]

The financial position of city government is described by the concept of Resource Capability. This is the amount of wealth present in the community that is potentially available to government through taxation. This is more exactly defined by Robert Eyestone as: "The maximum amount of income a city may expect yearly when it makes an effort to tap all available income sources . . ."[3] Thus cities can be scaled from a situation of scarcity and poverty on one end to abundance and riches on the other.

The problem inherent in this concept is how to determine if such an effort, "to tap all available income sources,"[4] is being made. Is it an objective measure of the revenue system, or is it a subjective interpretation of budget actors? Eyestone examines these two alternatives and his conclusion provides the starting point for the present analysis. He identified six statistical indicators

---

2. John P. Crecine, Governmental Problem Solving: A Computer Simulation of Municipal Budgeting (Chicago: Rand McNally, 1969), p. 179.

3. Robert Eyestone, The Threads of Public Policy: A Study of Policy Leadership (Indianapolis, Indiana: Bobbs Merrill Publishers, 1971), p. 30.

4. Robert Eyestone, Threads of Public Policy, p. 30.

of the financial condition of the municipality, such as the market value of property, the dependence on the property tax, and so forth only to find that they are not correlated with his measure of expenditure policy outputs. It is the subjective orientation of decision makers, and not objective features of the economic environment that is most important. As he and Heinz Eulau write:

> In this process of adjustment and control through appropriate policies the city's resource capabilities seem to play only a limited part /italics mine/. It appears that policy-makers' willingness to tap city resources in order to adopt appropriate policies is a crucial component of the policy development process.5

What authoritative decision makers interpret the resource capability of the city to be is more significant in making spending choices, than what resources may actually exist.

The assessment of the availability of money depends, above all, on the level of governmental activity desired. If satisfaction and acceptance of a low level of services is expressed, then the lack of funds is not a problem. On the other hand, if a higher level of programs are preferred, the limited supply of resources would then constitute a problem. The amount of wealth existing

---

5. Robert Eyestone and Heinz Eulau, "Policy Maps of City Councils and Policy Outcomes: A Developmental Analysis," American Political Science Review, vol. LXVII, no. 1 (March, 1968), p. 143.

in the community that can be taxed by government, is not a self-evident condition. As Eulau and Prewitt write of this:

> Resource potential does not guarantee that governors will respond to environmental pressures and steer their city appropriately. Neither does the immediate availability or needed resources always develop efforts to deal with challenges . . . Policy makers respond to environmental pressures less in terms of resources available than in terms of their willingness to generate and mobilize them.6

Therefore, it is through the attitudes and values of the department heads, the executive, and the legislature, that the environmental input of resource capability affects the municipal budgetary process.

The concept of resource capability can be broken down into two analytically distinct components. Beliefs about the financial environment can come from two different sources: the actual inadequacy of the city tax base, and citizen demands for low taxes.[7] Presently these are called the Expenditure Constraints and Revenue Consciousness, and are examined in turn.

Expenditure Constraint

The actual adequacy of the tax base means that there is a limited amount of money available to city government.

---

6. Heinz Eulau and Kenneth Prewitt, Labyrinths of Democracy (Indianapolis, Indiana: Bobbs Merrill Publishers, 1973), p. 468.

7. Robert Eyestone, Threads of Public Policy, pp. 59-74.

The supply of resources existing in the community is constricted. There is not sufficient wealth in the community to support governmental expenditures, so that even a rich city, with a high tax rate, faces a shortage of funds to finance the activities of city government. The problem is not that scope of government has expanded beyond the capacities of the community to support them, but that resources are inadequate to meet the increasing cost of current programs. In short, the yearly rise in the price of purchases, and the salaries and fringe benefits of employees, outstrip the annual growth the revenues provide. As Arnold Meltsner and Aaron Wildavsky describe this situation in Oakland:

> The main problem city officials try to solve every year is simply to find sufficient revenue to maintain their current payroll. Their problem is that the city's budget increases at a faster rate than the tax base. Fiscal atrophy is the city's chronic malady.8

Even without an expansion of the level of on-going programs, or the implementation of new ones, the costs of government are expanding faster than its resources. The dimension of the expenditure constraint describes the scarcity or munificence of the financial environment in which spending choices are made.

---

8. Arnold J. Meltsner and Aaron Wildavsky, "Leave City Budgeting Alone: A Survey Case Study and Recommendation and Reform," in John P. Crecine, Governmental Problem Solving, p. 324.

Analysis

Perceptions of expenditure constraint were measured by two questions (see tables 11.1, 11.2, and 11.3). The first asks for an assessment of the: "Effect the city's financial position had upon budget decisions." Responses to this open ended question were coded into five categories that extend from the absence of this environmental impact to its very severe presence.

In the first case, no limitation of resources is perceived and no effect felt within the budgetary process. In the next category there is a closer review of the budget, as a more detailed and extensive examination of spending proposals occurs as a result of the tightening financial situation: "A great deal more care is being exercised in looking at the budget . . . It made the city council take a closer look at everything." Decision makers are more cautious in making expenditure commitments; but, as of yet, no adverse impact on appropriations is evident.

The third category pinpoints such a deleterious effect on spending levels as larger reductions are imposed as a consequence of the perceived inadequacy of funds to support expansion: "Everything was cut as much as possible . . . We had a larger cutback this year than last year because funds did not increase in accordance with the amount of departments requests." Cuts are larger than they would have otherwise been; however, there is still

TABLE 11.1

RESOURCE CAPABILITY
(DEPARTMENT HEAD)

City	Expenditure Constraint / Revenue Consciousness						
	Effect	Rev./Exp. First	Mean	Who Pays	Set Tax Rate	Taxes Too High	Mean
01	2.33	1.00-4.00	3.16	1.00	4.66-1.33	1.33	1.22
02	1.33	1.00-4.00	2.66	1.66	3.66-2.33	0.33	1.44
03	2.00	0.33-1.33	1.66	1.00	3.00-3.00	1.33	1.78
04	1.50	1.00-4.00	2.75	2.00	3.33-2.66	0.00	1.89
05	3.00	1.00-4.00	3.50	2.66	2.33-3.66	1.33	2.22
06	2.66	0.50-2.00	2.33	1.00	2.33-3.66	2.33	2.33
07	1.00	1.00-4.00	2.50	1.66	5.00-1.00	1.33	1.33
08	4.00	1.00-4.00	4.00	3.50	5.00-1.00	0.00	1.50
09	1.00	1.00-4.00	2.50	3.00	4.66-1.33	0.00	1.44
10	3.66	0.66-2.66	3.16	0.60	5.00-1.00	0.00	0.50
11	2.00	0.66-2.66	2.33	1.00	5.00-1.00	1.00	1.00
12	3.00	1.00-4.00	3.50	0.50	4.00-2.00	0.50	1.00
13	3.33	0.50-2.00	2.66	3.50	4.66-1.33	0.50	1.78
14	0.00	0.00-0.00	0.00	1.33	2.00-4.00	1.00	2.11
Mean	2.03	0.74-2.96	2.62	1.74	3.90-2.10	0.78	1.54
St. Dev.	1.29	0.33-1.33	0.96	1.04	1.12-1.12	0.68	0.52

TABLE 11.2

RESOURCE CAPABILITY
(EXECUTIVE)

City	Expenditure Constraint / Revenue Consciousness						
	Effect	Rev./Exp. First	Mean	Who Pays	Set Tax Rate	Taxes Too High	Mean
01	1.00	1.00-4.00	2.50	1.50	1.33-4.66	0.50	2.22
02	1.33	0.66-2.66	2.00	1.66	2.00-4.00	1.00	2.22
03	0.50	1.00-4.00	2.25	1.50	2.00-4.00	0.00	1.83
04	0.00	1.00-4.00	2.00	0.00	2.50-3.50	0.00	1.17
05	2.00	1.00-4.00	3.00	1.00	2.00-4.00	1.33	2.11
06	3.00	1.00-4.00	3.50	0.00	2.75-3.25	0.66	1.64
07	0.50	1.00-4.00	2.25	1.00	1.00-5.00	1.50	2.50
08	4.00	1.00-4.00	4.00	1.75	1.00-5.00	0.75	2.50
09	2.75	0.33-1.33	2.04	3.00	2.33-3.66	1.00	2.55
10	2.66	0.50-2.00	2.33	1.00	2.66-3.44	1.50	1.94
11	2.25	1.00-4.00	3.12	1.00	2.50-3.50	0.50	1.66
12	3.00	0.50-2.00	2.53	1.00	2.50-3.50	2.50	2.33
13	2.66	2.00-4.00	3.33	2.75	1.33-4.66	1.25	2.89
14	2.00	0.50-2.00	2.00	1.50	2.50-3.50	3.00	2.66
Mean	1.97	0.82-3.28	2.63	1.33	2.03-3.97	0.85	2.16
St. Dev.	1.16	0.26-1.26	0.65	0.84	0.62-0.62	0.85	0.47

TABLE 11.3

RESOURCE CAPABILITY
(LEGISLATURE)

City	Expenditure Constraint / Revenue Consciousness						
	Effect	Rev./Exp. First	Mean	Who Pays	Set Tax Rate	Taxes Too High	Mean
01	2.37	0.75-3.00	2.68	2.25	4.42-1.58	3.00	2.28
02	3.50	0.60-2.40	2.95	1.20	4.40-1.60	1.20	1.33
03	2.43	1.00-4.00	3.22	1.50	3.85-2.15	2.28	1.98
04	2.50	1.00-4.00	3.25	1.66	3.83-2.17	0.33	1.39
05	1.60	0.80-3.20	2.40	2.20	4.50-1.50	2.60	1.83
06	2.28	0.50-2.00	2.14	2.00	3.00-3.00	1.75	2.25
07	1.16	1.00-4.00	2.58	1.75	4.83-1.17	0.75	1.22
08	3.00	1.00-4.00	3.50	1.66	3.80-2.20	3.33	2.40
09	1.00	0.50-2.00	1.50	1.80	4.20-1.80	1.80	1.80
10	2.20	1.00-4.00	3.10	3.00	3.71-2.29	3.00	2.76
11	0.75	0.50-2.00	1.38	0.50	3.25-2.75	1.00	1.42
12	2.50	0.75-3.00	2.75	2.25	3.50-2.50	2.75	2.50
13	2.85	1.00-4.00	2.42	0.50	3.85-2.15	1.50	1.39
14	0.71	0.50-2.00	1.36	1.75	3.75-2.25	2.75	2.26
Mean	2.06	0.81-3.24	2.52	1.72	3.92-2.08	2.00	1.91
St. Dev.	0.87	0.21-0.84	0.70	0.67	0.50-0.50	0.95	0.50

growth. But in the next category, this annual expansion entirely disappears as a result of the increased severity of the expenditure constraint: "Lack of funds has caused a reduction in all new personnel and equipment. There is no consideration of the development of new programs . . . It's just hold the line . . . We defer and live within our means." A status quo budget emerges, and there is no increase in spending and program levels.

Finally, the most severe expression of the financial constraint emerges when there is an absolute decline in expenditures below the level of the previous year. An austerity budget is implemented. Employees are laid off, no new equipment purchased, and services eliminated as a consequence of the insufficiency of resources to even support the continuation of existing levels of governmental operations.

Uniformly, the department heads, the executive, and the legislature perceive the existence of some expenditure constraint. This corresponds to the midpoint of the five point scale, as greater than normal reductions are imposed as a consequence of the restricted growth in revenues. Budgets still expand, but at a more limited rate. Variation in the severity of this financial "crisis" is most readily apparent, as the assessment of the inadequacy of the tax base extends across the entire scale, from where all those interviewed saw no environmental constraint, to

where everyone attributed the decline in spending totals to the insufficiency of funds.

The second question is the sequencing of revenue and expenditure decisions: "Whether it was first determined what the city's income would be, or whether it was first determined what money should be spent on, before budget decisions were made." The selection of the first alternative indicates a cognizance of a limited supply of funds. Only the amount of money that exists will be spent and no more. Therefore, it was first necessary to determine exactly how much is available before making expenditure decisions. As Thomas Anton writes of this constraint:

> For all persons, however, the first step is the same: estimation of the revenues which will be available to the city in the coming fiscal year . . . such revenues estimates form the theoretical upper limits of the expenditures which can be made in the next fiscal year.9

An average of three quarters of the departments heads and four fifths of the executive and the legislature respond that revenue estimates are prepared before budget choices are made. This points to the great awareness of the expenditure constraint, where spending must fit within the limits established by the revenue supply.

---

9. Thomas J. Anton, Budgeting in Three Illinois Cities, Commission Papers of the Institute of Government and Public Affairs, University of Illinois (Urbana: University of Illinois Press, 1964), p. 8.

Together, these questions, indicate that decision makers greatly perceive a limited annual growth in revenues. A very definite and clear environmental constraint exists upon the budgetary process. All those involved in making spending choices see external conditions as unsupportive of the expansion of governmental spending. But at the same time variation is extensive, ranging across the entire scale from no effect at all to an absolute decrease in appropriations as a result of expenditure constraint.

Revenue Consciousness

The component of citizen demands for low taxes, examined the taxation side to budgeting. For every dollar spent, an equal dollar has to be raised in taxes. As fully explained in the second chapter, at the same time that the budget is approved, taxes rates are established. The appropriations ordinance actually contains a complete statement of both revenues and expenditures. The local property tax, which makes up the major source of funds, can be altered to generate varying amounts of revenues. Additional monies can be collected by upwardly adjusting the tax rate. The cognizance of this direct relationship by authoritative decision makers expresses itself in a concern with the impact annual increases in expenditure levels have upon property tax rates. The homeowning public's opposition to this revenue source, as demands for relief from this "burden" are often voiced.

Again, the question is not whether such taxes are, in fact, excessive, but whether public officials perceive them to be so. As Arnold Meltsner and Aaron Wildavsky write:

> The local property tax, the main source of revenue for cities, is exhausted in a political, if not an economic sense. The common perception among officials is that "we cannot raise the property tax rates. Taxpayers complain that the tax rate is too high."10

This is not an economic limitation, but a political constraint on increases in property tax rates. How much do governmental officials believe city residents are willing to pay. Often, they do not believe that the public is willing to pay any more next year than they did in the past one: "The continuous rise in taxes is hurting too many people . . . The property tax is becoming too much of a burden for too many people . . . Voters will not pay more taxes." Compared to the previous element of the expenditure constraint, it is not that resources are not present in the city, but that they are off-limits to government. The possibility of higher taxes to generate additional revenues to support increased spending is not an acceptable solution, even when the wealth exists within the community.

---

10. Arnold J. Meltsner and Aaron Wildavsky, "Leave City Budgeting Alone," p. 326.

Analysis

The first question formulated to measure the revenue consciousness of the three sets of authoritative decision makers directly taps their awareness of the taxation side to budgeting as it asks for an assessment of the relative importance of: "Setting the tax rate" as a purpose of budgeting (see tables 11.1, 11.2, and 11.3). But decision makers do not perceive the intimate connection between expenditures and revenues as both the department heads and the legislature believe that setting the tax rate is only slightly important, while to the executive is of great importance.

The second question applies to the taxation orientation to budgeting as it asks for agreement that: "Who pays? and How much? are more sensitive than the question of For What?" Attention and concern is not so much evident over the distribution of funds as it is expressed over the raising of revenues. However, the input-cost side of budgeting is not less crucial than the output-benefit side to municipal decision makers. Only slight agreement is expressed by the executive, and some agreement reported by the department heads and the legislature indicating that strong revenue consciousness does not appear to mark public officials who have formal responsibilities over the budget.

The lack of such concern is most evident in the last question, which is the evaluation: "That local taxes have

been too high in the past few years." This is a subjective assessment of the severity of tax burden, for what is or is not high taxation is most certainly defined by each individual's own values. Surprisingly, with all that has been written of the inequity and severity of property taxes, public officials do not believe the public has been overburdened. Both the department heads and the executive adhere to this position to a slight extent, while the legislature responds to some extent.

Altogether, the responses of the department heads, the executive, and the legislature to these three questions reveal some consciousness of the revenue side to budgeting. This is at the midpoint of the five point scale and reveals only a moderate concern for the political consequences of raising property tax rates as a limitation upon the budgetary process.

Relationship to the Annual Change of Expenditure Levels

It is expected that the adherence to both or either of these two elements of the concept of resource capabilities of the budgetary process's financial environment provides a constraint upon the rate of annual growth in expenditure levels.[11] Such perceptions and attitudes provide the

---

11. These two dimensions of attitudes toward the resource capabilities of municipal government are related to each other. In any of the three decision maker theories, they are essentially independent elements of attitudes toward the environment financial, in which spending choices are made (department heads, 0.0066; executive, -0.0242, and legislature, 0.0440).

motivational basis for holding the line on budget growth. Believing that additional funds are simply not available to support increases in spending, or expressing a concern for the impact such increases would have upon local tax rates, have the effect of propelling authoritative decision makers to only support small yearly growth in expenditures.

Such connection is explicitly described by Meltsner and Wildavsky: "Since cities are in a financial straight-jacket officials can make only small change in their budgets . . ."[12] Robert Eyestone similarly writes that: "The level of resources available to a city government will limit its policy alternatives . . . If a city is very poor financially, its government would be foolish to attempt a major upgrading of services-- much less the providing of new ones."[13] He then goes on to further explain such an association:

> Every new program (or even the continuation of an old one requiring the expenditure of large sums of money) may or may not be undertaken depending on the availability of money . . . If the tax revenue is insufficient,-- or if councilmen merely think /italics in original/ it is insufficient,-- increases or innovations may be summarily ruled out of an upcoming budget.[14]

---

12. Arnold J. Meltsner and Aaron Wildavsky, "Leave City Budgeting Alone," pp. 311-312.

13. Robert Eyestone, Threads of Public Policy, p. 30.

14. Robert Eyestone, Threads of Public Policy, pp. 59-60.

Mixed support for this linkage is evident. Department heads do not request any less of an increase in funds above their current appropriations as a result of their perceptions of no money (0.1769), nor as a result of their awareness of high taxes (-0.0451). Neither does the two elements together as a single index of the concept of resource capabilities, confirm the relationship (0.0066).

Department heads choose to disregard their own awareness of a restricted financial environment in preparing their budget requests. Perhaps, this should not be surprising, considering their spending-advocacy position within the municipal budgetary system. They are simply unwilling to voluntary impose upon themselves, a limitation upon their budget goals. Such a constraint, has to be imposed by others. As Arnold Meltsner writes, department heads: ". . . disregard the revenue constraint and concentrate upon their service performance function . . . departments ignore revenue limitations in formulating their programs."[15] While these negative expenditure attitudes are present, they are divorced from departmental budget behavior. The expansionary role of department is stronger, and is not effectively constrained by

---

15. Arnold J. Meltsner, The Politics of City Revenue (Berkeley: The University of California Press, 1971), p. 63.

attitudes toward the resource capability of government.

However, the executive own recommendations for budget growth are moderately related to perceptions of an expenditure constraint (-0.4109), (+0.10) but revenue consciousness is not (0.0901). Considering them together as a single measure of attitudes toward the financial environment, also confirms the impact these perceptions have in holding the line on annual spending increases (-0.4110 + 0.10). The legislature also moderately responds to perceptions of a restricted supply of resources (-0.4357 + 0.10), but not to a concern for the property tax rate (0.0999); while both of them together result in only a weak connection to the measure of yearly expenditure change (-0.1912). The more these two actors perceive an inadequate tax base to support an expansion of spending, the less of an increase they do, in fact wither recommend or finally adopt. The expenditure constraint is an accurate assessment of the limited room for growth that is reflected in their budget decisions. But, concern for tax rates does not propel them to hold the line on annual expansion.

The connection between the expenditure constraint and the decisions of the executive and the legislature corroborate a similar finding of Eyestone (of the city council alone):

. . . budgetary decisions are more directly related

> to the city tax base than are councilmen's vague sentiments about the difficulty of paying for city services . . . We must conclude that council perceptions of spending limitations proceed directly from the narrowness of the city tax base regardless of the extent to which that tax base is actually tapped.16

But at the same time, it does not support Arnold Meltsner's contention that it is the political limitation of revenue consciousness upon the popularly elected councilman, that is the most crucial: "It is important to realize the pervasiveness of the councilman's tax rate attitudes. The feeling that the property tax is too high and that it ought to be cut, influences many council actions."[17]

Relationship to Change from One Stage to the Next

These attitudes toward the financial environment can logically be extended to account for the extent, the size, of reductions imposed by both the executive and the legislature in the budgets they receive for review. The possession of both elements of perceptions of resource capability are clearly a negative orientation to expenditure and should be associated with larger cuts. As Arnold Meltsner and Aaron Wildavsky write of such a connection, between the revenue consciousness element of this attitude:

> Since it is difficult to discover painless

---

16. Robert Eyestone, Threads of Public Policy, pp. 67-68.

17. Arnold J. Meltsner and Aaron Wildavsky, "Leave City Budgeting Alone," p. 163.

> methods of raising money, top officials have every incentive to hold down expenditures. Their motivation is clear, the more they can cut, the less they have to worry about finding new sources of revenue.18

Only partial support, is however evident for this position. While the executive responds to an awareness of taxes as a motivation for cutting departmental requests (0.3517); the legislatures do not (-0.6000). This strong negative correlation, when a positive one is expected, offers conclusive evidence that the legislature is not motivated to reduce the budget on the basis of their concern over rising property tax rates. When it comes to perceptions of the expenditure constraint, no connection is revealed to executive budget behavior (-0.3077), but for the legislature there is now a moderate association with the size of cuts imposed (0.2914).[19]

Why the legislature is more affected by the expenditure constraint than the executive is unclear. While the expenditure constraint is the stronger of the two legislative perceptions of resource capabilities, being higher than revenue consciousness in eleven cities, this is not

---

18. Arnold J. Meltsner and Aaron Wildavsky, "Leave City Budgeting Alone," p. 326.

19. However, by combining the two separate elements into a single measure of resource capabilities there is no support to the connection to size of reductions made in the budget reviewed. The executive is -0.2000 and the legislature is -0.2351 when a positive correlation is expected.

much different from executive replies where the expenditure constraint is similarly more pronounced in ten cities. Furthermore, there is not much difference between these two actors in a direct comparison of their attitudes toward the financial environment. In one half of the cities the executive reports stronger awareness of an expenditure constraint, but in the other half, it is the legislature. While the executive reports stronger concern over revenues in eight cities, and the legislature in six. Consequently these two decision makers respond differently to financial pressure from the environment.

In the case of the executive, the awareness of the direct connection between expenditures and taxes politically provides the impetus to cut the rate of annual growth, but perceptions of an expenditure constraint explain the actual increase from one year to the next. Reductions are made by the amount necessary to preserve existing tax rates (or at least keep their increase to a politically acceptable level). However, this orientation to revenues does not reveal anything about the annual percentage increase because tax rates do not indicate exactly how much more money will be available each year. How much more funds are generated is more accurately assessed by perceptions of the prevailing expenditure constraint which tells the executive how much room there is for increases.

But in the case of legislative decision making, the expenditure constraints accounts for both measures of expenditure outputs. Revenue consciousness does not relate to spending choices made by the city council. A possible explanation for this pattern is that the municipal legislature is insulated and isolated from environmental pressure. As a closed decision making process was partially evident in their relationship with community-wide actors, it is also revealed in their perceptions of the community environment itself. The connection between external pressure formed by individuals and groups and these two attitudes of the financial environment lend support to this interpretation. That is, the more groups are involved and influential, the more the legislature perceives constricted resources (0.3872 +0.10), but there is no similar positive connection between a concern for high taxes and this form of external pressure (-0.2071). So, it would seem that the constraint of these fourth set of participants have upon the city council is translated through perceptions of an inadequate tax base and not through a direct demand for tax relief.

Scope of Government

The second set of attitudes of consequence to the municipal budget process are of the "needs" of the community and of the role of government in meeting them. The problems faced by the community, be it inadequate

police protection, insufficient park and recreation facilities, or the deteriorating physical condition of the streets have to be first perceived by public officials before entering the agenda for political action. A governmental response cannot be simply assumed on the basis of statistical measures of environmental conditions. The impact of demands-- arising from the social and economic features of the community partially depend upon the values and goals of authoritative decision makers. Public policy is not an automatic response to such inputs, but is a purposive response of decision makers based upon their own priorities and objectives. The policy concerns and program orientation of department heads, the executive and the legislature enter into the spending choices they make in the course of municipal budgeting.

These particular orientations can be grouped together as attitudes toward the "scope of government." These are the normative evaluations of the responsibilities of local government as a community problem-solver. As Robert Eyestone and Heinz Eulau write:

> The scope of activity scale seeks to order councilmen in terms of their attitudes toward the range or scope of things that the city government should attend to, that is, the substantive areas in which the life of the city can be adapted to the environment.20

---

20. Robert Eyestone and Heinz Eulau, "Policy Maps of City Councils," p. 49.

The scale of what performance areas government should pursue ranges from a passive, limited view of governmental services to an active, extended orientation. In the lower ends of the scale, a restricted role for government is considered most appropriate as decision makers accept the quantity and quality of governmental programs. They are content with the existing situation. On the other hand, in the upper ends of the scale, a more expansive view of governmental responsibilities prevail. Decision makers are more future oriented and more innovative. Consequently, they support increases in program and spending levels. In essence, attitudes toward the scope of government come down to a satisfaction-dissatisfaction with the status quo and the willingness-reluctance to spend money.

Thomas Anton provides an explicit and well-phrased statement of the importance such attitudes have upon the budgetary process, although he does not demonstrate their direct impact upon expenditure choices.

> One contextual aspect of considerable significance in understanding budgeting in the three cities discussed here is the role of local governments in the total political life of each city. If the local government is energetic in the conduct of its business, well staffed, and constantly alert to the possibilities of improving and/or expanding the scope of its responsibilities the budget process is likely to reflect that fact . . . If, on the other hand, the local government acts as a spectator to the local scene, initiating no proposals for action and involving itself in no activities other than its housekeeping chores, this too, will be reflected in the budget process

> . . . what government does, and how it faces its responsibilities, then, will affect the substance and style of its budget.21

The previous analysis of the role of the department head (see Chapter Four) as advocate is equivalent to this concept as it relates to the behavior of the executive and the legislature. Here it will be recalled this advocacy orientation was strongly related to increases sought. Consequently, it is only these two decision makers that are now examined.

Analysis

The initial questions posed to the executive and the legislature were formulated directly in terms of their spending inclinations-- their willingness to spend money. The first asks for an assessment of: "How much money is appropriated on each of the different department-service areas." Responses range from a negative-restricted scope of government belief that too much money is currently allocated to an positive-expansionary orientation that not enough funds are being spent. The overall evaluation of all the different performance areas indicates that both these two actors believe that "enough" money is currently appropriated by the city government (see tables 11.4 and 11.5). This is the midpoint of the five point scale and indicates a general acceptance with the existing range of governmental activities in the community.

---

21. Thomas J. Anton, Three Illinois Cities, pp. 21-22.

TABLE 11.4

SCOPE OF GOVERNMENT
(EXECUTIVE)

City	$ Eval.	1/3 $ Policies	Fed. & State Aid	Too Many Activities	Impt. Eval.	Mean
01	2.00	1.00-2.00	3.50	1.00-3.00	3.20	2.74
02	2.79	1.66-3.33	2.00	0.66-3.33	2.81	2.85
03	2.64	2.00-4.00	0.50	0.00-4.00	2.82	2.79
04	2.39	2.00-4.00	3.00	0.00-4.00	1.69	3.02
05	2.60	2.00-4.00	3.00	0.00-4.00	3.00	3.32
06	1.63	1.00-2.00	2.33	1.00-3.00	3.02	2.39
07	2.18	0.50-1.00	3.00	1.00-3.00	1.89	2.22
08	2.35	1.25-2.50	2.33	1.00-3.00	2.36	2.51
09	2.79	1.66-3.33	2.66	0.33-3.66	2.76	3.04
10	2.74	2.00-4.00	3.00	0.50-3.50	2.36	3.12
11	2.22	1.00-2.00	1.50	0.50-3.50	2.21	2.29
12	2.00	2.00-4.00	2.50	0.50-3.50	3.39	3.08
13	2.12	1.00-2.00	0.75	1.25-2.75	1.98	1.92
14	2.29	1.50-3.00	1.50	0.50-3.50	2.57	2.57
Mean	2.34	1.47-2.94	2.26	0.59-3.41	2.58	2.70
St. Dev.	0.35	0.51-1.02	0.90	0.42-0.42	0.51	0.40

TABLE 11.5

SCOPE OF GOVERNMENT
(LEGISLATURE)

City	$ Eval.	1/3 $ Policies	% Go Along Expansion	Fed. & St. Aid	Too Many Activities	Impt. Eval.	Mean
01	2.54	1.50-3.00	0.17-0.68	2.25	1.00-3.00	2.39	2.31
02	2.46	1.20-2.40	0.50-2.00	2.20	1.20-2.80	3.28	2.52
03	2.82	1.57-3.14	0.66-2.66	3.42	0.57-3.43	2.57	3.01
04	2.36	1.66-3.33	0.17-0.68	2.33	0.66-3.33	2.76	2.45
05	2.10	1.20-2.40	0.75-3.00	1.80	0.40-3.60	2.60	2.56
06	2.27	1.25-2.50	0.00-0.00	1.00	0.75-3.50	2.74	1.97
07	2.33	2.00-4.00	0.83-3.34	2.00	0.75-3.25	2.69	2.93
08	2.50	1.33-2.66	0.40-1.60	3.33	2.00-2.00	3.22	2.56
09	--	--	0.20-0.80	--	--	--	--
10	2.36	2.00-4.00	0.33-1.33	1.60	0.33-3.66	2.61	2.59
11	2.05	1.00-2.00	0.25-1.00	0.75	1.90-2.10	2.86	1.68
12	2.04	0.50-1.00	0.25-1.00	1.00	1.25-2.75	2.55	1.62
13	2.41	1.00-2.00	0.74-2.57	3.00	2.00-2.00	2.76	2.12
14	2.09	1.00-2.00	0.37-1.29	2.00	1.25-2.75	3.09	2.20
Mean	2.33	1.32-2.64	0.40-1.60	2.05	1.08-2.92	2.78	2.35
St. Dev.	0.23	0.42-0.84	0.26-1.04	0.85	0.59-0.59	0.27	0.42

The next question provides a more explicit choice among alternative expenditure policies, as it asks decision makers to indicate their preferences to either: "A. Cut back services, B. Maintain the present level of services, or C. Provide more services." There is a clear choice between expansion, maintenance, and retrenchment of program and funding levels. These two actors display attitudes favorable to an increased form of government intervention in the local community. On the original two point scale, the average reply of the executive stands midway between an acceptance of the existing appropriations and a desire to increase them. The response of the legislature, while less expansive is still above a status quo orientation. There is only a single city, where either the executive or the legislature clearly prefers a cutback on current activities. On the other hand, executives in eight cities and the legislature in four cities unmistakably prefer an increase in spending.

The next question was posed to only the city council and is their predisposition, while reviewing the executive's recommended budget to either: "Hold the line on the budget, or go along with recommendations for spending growth." According to this question, only an average of 40 percent of the members of each legislature went along with executive recommendations for more. In only three

cities, did a majority of councilmen accept the expansion of spending. A negative, hold-the-line attitude, at least vis-a-vis the budget behavior of the executive is evident.

The next question, taps a more general spending orientation, as it probes the support for obtaining funds from state and federal governments: "If cities across the country need financial help, either the state or federal government should supply them with the needed funds." These outside sources of revenue provide a strong stimulus to local spending levels. Therefore, to the extent that decision makers favor an activist role of local government, the more they should also favor receiving such funds. Both the executive and the legislature, to some extent, look favorably upon the receipt of money from such external sources.

The next two questions examine the more general orientation to the role of local government as a community problem solver. First there is an evaluation of the importance: "That the city currently spends money," on each of the separate department-service areas. This obtains an overall assessment of the proper range of governmental activities-- of what kinds of programs decision makers believe the city government should and should not pursue and what kinds of policies are an inappropriate concern of local government. Responses

range from a restricted range of government that it is not important that the city spend its money in this area to an activist orientation that it is greatly important that the city continue to allocate funds in this program. Both the executive and the legislature respond, on the average, that it is of great importance that funds be continued in those areas where they are currently being spent. Authoritative decision makers do not believe that local government has extended the boundaries of its responsibilities too far.

This activist scope of government orientation is further evident in the next question, which most directly represents this concept. This is agreement with the questions that: "The city is participating in too many activities that are better left in the hands of private enterprise." Agreement with this question most certainly reveals a restricted view of government's responsibilities in the local community. The belief that government has extended the range of its activities and services to the public across its legitimate boundaries and has moved into areas that are better left in the hands of private business and individual effort. However, there is only slight agreement with this statement by the executive and the legislature interviewed in these fourteen cities. Decision makers reject this passive orientation to government as a community problem solver.

Altogether these questions indicate that the executive holds attitudes that are greatly supportive of an activist local government and the expansion of municipal spending levels. On the other hand, the legislature is less favorable to such growth, and only to a slight extent do they favor such a position for local government in the community.

Relationship to Budget Behavior

The possession of expansionary attitudes motivates decision makers to support annual growth of the budget. The more the executive holds an activist orientation to government, the more of an increase in spending levels he recommends to the city council (0.3890 + 0.10). Then, the more the legislature holds similar preferences, the more of an increase in expenditures are recorded within the final appropriation ordinance (0.3627).

The possession of these preferences provides a positive thrust to budget choices that are also reflected in less reductions being imposed upon the budget from one stage to the next. The more the executive favors an expanded role of government, the less he reduces departmental requests for increases (-0.3176). A similar, but weaker relationship holds for the amount of reductions imposed by the legislature in the executive's recommendations for annual growth in spending (0.1164).

The corroboration of the connection between these

attitudes and expenditure outputs, provide an explanation for the dual and contradictory position these two actors occupy in the municipal budget system. It will be recalled that while the executive and the legislature both reduce the budget they receive for review, the expenditure products of their decisions is still, on the average, above the current level of spending. The interpretation of their roles in terms of economizer and oversight roles conceives of their part solely in negative terms, as opposing the expansion of municipal spending levels. Now, another component of the budgetary process exists, that can account for the positive component of executive and legislative decision making. Attitudes favorable to spending growth do exist, which propel these two decision makers to support expenditure expansion.

These attitudes serve as a constraint upon the acting out of their negative budget roles. Thus the more the executive himself favors expenditure growth, the less he perceives departmental requests for increases as padded (-0.4209 + 0.10), and the less he views his own position as the balancer (-0.1879). Then, the more the legislature possesses positive spending attitudes, the less they adhere to a checking, oversight budget role (-0.5220 + 0.05).

Conclusion

It is evident, that attitudes toward the scope of government, and public officials own attitudes toward spending the taxpayers money are significant components of the municipal budgetary process. They are able to explain the actual spending choices made by the department heads, the executive and the legislature. Although, this particular dimension of the budgetary system has not been extensively or systematically examined in past studies of governmental budgeting, it is most obviously an important component of the process by which decisions are made. Added understanding is achieved by examining the specific content of the choices made, and the direct preferences and values of those making the decisions.

Chapter Twelve: Summary and Conclusions

Introduction

The expansion of governmental activity and the accompanying increase in governmental spending has evoked great concern with how resource allocation decisions are made. Several alternative models have been offered in past writings on this topic. One is the identification of the statistical empirical determinants of spending patterns (discussed earlier). A second is the application of economic reasoning to political questions and their search for a social welfare function.

However, both of these two approaches have noticeably failed to provide an empirical explanation of expenditure outputs. But the failure to pinpoint the effects of political decisions derives less from the absence of such a connection, than it does from the inadequate conceptualization of the original problem. Expenditure choices emerge less from the macro-analysis of the operations of the political systems in its broadest terms, than it is the end-product of the specific issue area of budgeting. It can be identified less from the deductive logic of economic reasoning than from the

empirical operation of this particular decision making system.

To a remarkable degree, the assumption that such a connection exists has been verified by the present study. The way the municipal budget is formulated and adopted are directly translated into the content of the spending choices made. The process of politics does have immediate and concrete consequences upon the substance of the issue being decided.

Summary

The budgetary process was compartmentalized into three interrelated stages of department, executive, and legislative decision making. From this schematic model, two measures of expenditure outputs emerged; the change in total spending levels from one year to the next, and then the change in expenditures from one stage to the next. These provide the dependent variable of analysis to be explained by its connection to the decision making process.

Department heads ask for more than they received in the previous year. The executive's immediate response is to reduce their requests, but the end-product of this stage is a set of spending recommendations to the legislature that is still above the expenditure levels of the previous year. The legislature also displays a varied decision pattern. While on the average they too reduce

the budget they receive from the executive, in some cities they add to executive spending totals, and in some cities they leave them exactly unchanged. The increase above the level of the previous year is generally characteristic of the final appropriations, but in some cities there is an absolute decline.

The statistical interrelationships among these various measures of expenditure outputs show that the more departments seek the more they are cut, but the more they obtain in the executive's recommendations to the legislature. Then the more is recommended to the legislature, the less they reduce the budget, going along with the pattern of annual growth established by the executive. The more either is requested or recommended, the more that is finally approved, as legislative action does not alter the association between initial requests and subsequent recommendations and the pace of final outputs. The concept of incrementalism neither explains the pattern of the absolute size of each of the expenditure outputs, nor the connection between them.

Department heads occupy the budget role of the spenders of municipal government, as they submit requests for more funds than they received in the previous year. They adhere to this position not because they pad their budgets in anticipation of subsequent reductions, but because they are the advocates of their department's

service area. They are committed to its policy goals and genuinely believe in its importance as a service to the public.

The executive takes up an opposing position, as the economizer. He reduces departmental requests for increases and recommends a budget to the legislature that is more consistent with spending levels of the previous year. He occupies this position both because he perceives departments to submit padded requests and as a result of his formal responsibility to balance expanded costs with estimated revenues. While this role does account for the cuts imposed in departmental budgets it fails to account for the increases he himself proposes. The executive occupies more than a negative position vis-a-vis the expansionary thrust of departments, as he himself favors expenditure growth.

The legislature adheres to the traditional role of oversight of administration, by reviewing the previous spending choices of both the department and the executive. Not only does the city council serve as a popularly elected watchdog of government by cutting the budget, but by changing it-- either increasing or decreasing spending totals-- they provide a legislative check and balance over executives and the executive branch of government. But again, adherence to this particular budget role does not explain the annual increase in the

appropriations ordinance. The city council occupies a positive spending position as well as a negative one.

Formal influence is possessed by each actor's legal authority to participate and make spending choices. This is evident at the time of the official budget review of the second and third stages. First, department heads have the opportunity to bargain and negotiate with the executive. Hierarchical and unilateral reductions are not imposed. But this ability to bargain, does not lead them to initially propose more, nor enable them to prevent executive reductions. However, it does give them the influence to obtain spending increases in the executive's recommendations to the legislature. They are able to achieve their fundamental budget objective of annual growth in their funding level.

The legislature is not a rubber stamp, subordinate to the executive. They do not passively defer to executive spending choices but assert their authority to review the budget and impose changes in it. Thus they cut the budget they receive for review, change it, and wind up with a smaller annual increment in spending.

Then the department heads and the legislature are directly connected, as the departments appeal to them for a restoration of previous executive reductions. Departments are only partially successful in influencing the legislature. They are less able to achieve an increase

as they keep what they already have. They prevent the legislature from cutting further their spending total as recommended by the executive.

The second element of the structure of budgetary influence is exercised through informal means. By anticipated reactions and behind the scenes contact and communication spending decisions are made that are not evident in the formal points of decision making. This is indeed a part of the influence relationships among budget actors; but it does not result in the diminishing of the size of increases proposed by either the department heads or the executive. Limiting the scope of decision making does not mean that all growth is opposed, only those specific items of expenditures that are not favored by the more powerful are eliminated. Consequently, there are less reductions made overtly at the official and concrete decision making arena. Spending items are not brought forth for public and official decision, but eliminated beforehand, as the weak exercise power over the weak.

The executive has a particular influence relationship with the departments as he attempts to supervise the preparation of their initial budget requests. This control is exercised through limiting the amount of leeway departments possess in formulating their requests free of executive sanctions, and by limiting the amount of

interdepartmental competition over the distribution of additional funds. When departments are free to ask for what they want, and perceive competitive pressures, they are propelled to submit expansionary requests; and such expansionary requests, in spite of the larger cuts that they elicit from the executive, still have the effect of larger executive recommendations. So, by the executive not controlling the process from the very start of the sequence of decisions, he loses control over the pace of annual expenditure growth.

The interrelationships among these three components of the structure of municipal budget influence does not reveal a consistent pattern of executive dominance, as other research has reported. The executive does not occupy the central position where both the departments and the legislature are subordinate to his influence. This is evident both in the pattern of formal influence, informal influence, and his supervision over department heads. Perhaps this is most strikingly revealed in the legislature's possession of formal and influence of the informal variety. They are not similar mechanisms for the city council to affect spending outputs, but are instead alternative means. Thus the absence of change at the official point of decision making does not mean that expenditure outputs are not affected, just that they veto and review at a different time and place.

The structure of municipal budget influence is more bifurcated than concentrated. Instead of a three stage process there is actually a two stage one: first of formulation of the administration budget, and then the adoption of the appropriation ordinance by the legislature. This is evident because the department heads are more in alliance with the executive than they are with the legislature. Their spending objectives of grwoth are looked upon more favorably by the executive than by the city council. Thus they cannot go to the city council to get more than the executive as they defend and support his budget recommendations for them.

The difference between a synoptic and an incremental cognitive and evaluative approach to decision making is reflected in three different orientations to the purpose of the budgetary process: control, management, or planning. Each has a distinct informational base and standard of evaluation. These are respectively the line items of expenditures, activity accounts, and program categories as the first attempts to minimize the yearly increase in the cost of governmental purchases, the second strive for efficiency and economy in the delivery of services, while the last seeks the effective attainment of organizational goals. All three orientations are present within the municipal budget process, as the utilization of one does not preclude its use for another. The

incremental mode of budgeting is not associated with actual expenditure outputs and neither is the planning mode. Only the management orientation, with its efficiency and economy criteria, is translated into a constraint upon the annual expansion of spending levels.

Finally the budgetary process is linked to the social and economic conditions of its community environment. First this is through the involvement and influence of individuals and organizations who articulate specific demands upon the budget for governmental services. There is no apparent impact, however, upon actual spending levels. The municipal budgetary process is either insulated or isolated from external pressure.

The second mechanism of linkage is through the attitudes of authoritative decision makers toward the resources and needs of the community. First these are attitudes toward the resource capabilities of city government, in an expenditure constraint and revenue consciousness. These do serve as an inhibitor upon the annual expansion of spending levels. Believing that there is an inadequate base, or that property taxes are too high propels decision makers to hold the line on the size of the annual increment in funds. Then the interpretations of the needs of the community through preferences for the responsibilities of the governments as a community problem solver and a willingness to spend

money propels decision makers to support the expansion of governmental activities and spending levels.

Budgeting as a Decision Making Process

It is important to assess the significance of budgeting as a process of governmental decision making. In this regard three broad kinds of decisions have been offered in the literature: Programmed, Adaptive, and Innovative, as a typology of decision making patterns has been constructed.

A Programmed decision is a routine one. A stimulus, in this case the budget calendar, evokes a response, which is regularized and consistent. It has already been learned on the basis of past stimuli and past responses. As March and Simon define such a decision process:

> When a stimulus is of a kind that has been experienced repeatedly in the past, the response will ordinarily be highly routinized. The stimulus will evoke with a minimum of problem-solving or other computational activity, a well structured definition of the situation that will include a repertory or response programs, and programs for selecting an appropriate specific response from the repertory.1

The search for cognitive and evaluative processes of choice is greatly abridged, if not completely done away with, as a set of standard operating procedures already

---

1. James G. March and Herbert A. Simon, Organization (New York: John Wiley and Sons, Inc., 1958), p. 140.

exists to guide subsequent action and choice.

On the other hand a Non-Programmed decision is innovative. The stimulus creates a novel situation that cannot be handled by existing programs. Thus a new problem exists that requires extended search and evaluation of alternatives: ". . . the unprogrammed activity is innovation and generally requires a great deal of 'productive problem-solving.'"[2] The appropriate response does not exist in the memory of past learning in the organization, as a new situation exists.

A third category, midpoint between these two end points of the continuum, has been called Adaptive and is a mixture of both programmed and unprogrammed activity. Starting with the foundation of past learning, a reconstruction of essential elements of the response takes place as required by the situation. As Alan Steiss writes of this:

> Adaptive decisions provide a means of modifying established patterns of response and thereby reestablishing a flow of productive activity on a more or less stable basis. Adaptive decisions seek to alleviate built-up pressures by removing the immediate sources of demand or by producing a satisfactory alternative solution to that which is sought . . . Adaptive decisions lead to certain revisions in expectations, whereas innovative decisions may lead to new or substitute expectations.[3]

---

2. James G. March and Herbert A. Simon, Organization, p. 177.

3. Alan Steiss, Public Budgeting and Management (Lexington, Massachusetts: D. C. Heath and Company, 1972), p. 40.

Programmed decisions bring back the situation to where it existed before the initial demand for a decision was made. Innovative decisions, on the other hand, have the effect of modifying the decision making system itself, creating a situation that did not previously exist. Innovation establishes something new, programmed decisions reinforce the status quo. Adaptive decisions fall somewhere inbetween, possessing the potentialities for change.

The budget is possibly a unique kind of decision that incorporates essential features of all three kinds of decisional patterns. On the surface it would appear to be a nicely programmed decision of government. It is a repetitive decision making arena that occurs every year, at the same time, at with the same practices. It is certainly a recurring and not a unique event. Yet at the same time, it is not a routine decision. While standard operating procedures may have been devised, on the basis of past experience, the choice made each year is frequently different. The substantive content of the selection of alternatives made varies accordingly. The process is the same but the content is different.

Limitations of the Study

Although the major objectives of the present study were achieved, nevertheless their limitations can be pointed out, to serve as the basis of future analysis by others who study the municipal budgetary process, as well as other levels of the budgetary process.

First, this is an analysis of fiscal year 1971, as the budget ordinance was adopted in the spring of 1970, as a description of both the process of decision making and its expenditure outputs are examined only for a single year. It would have been interesting to examine if the pattern of expenditure outputs of each of the three steps or stages, and the interrelationships among them display consistency over time. The research of Sharkansky and Turnbull suggests that it isn't:

> Our preliminary findings suggest that . . . there is no consistent relationship between budget success in one budget period and success in succeeding periods.4

If this is true, and the preceding analysis of the decision making process effects upon spending outputs is valid, then it suggests that the budgetary process is also less able to withstand change over than might first be expected. Budget roles change, the distribution of influence fluctuates, orientations to the purpose of budgeting are altered, and the permeability of the political system to environmental inputs vary. Each of these are readily apparent. As occupants of these official positions change: a new department head, a new executive (i.e., manager), a new election and a different city council can

---

4. Ira Sharkansky and Augustus G. Turnbull, "Budget Making in Georgia and Wisconsin: A Test of a Model," Midwest Journal of Political Science, vol. XIII, no. 4 (November, 1969), p. 633.

bring out alterations in any of these characteristics. The acceptance of a new budget practice or of new performance measurements or PPBS can change conditions in the community. The mobilization of new interests such as organizations of blacks and unions of municipal employees or a change in resources can have direct effect upon the process of decision making.

A second limitation of the present analysis of governmental budgeting and its connection to the content of the expenditure choices made, is that actual policy decisions are not being explained. The study has been careful to refer to expenditure decisions as outputs and not outcomes. Outputs are the simple end-products of a choice situation. Outcomes are the consequences of that course of action. The present research does not explore the connection between spending and the amount and quality of the services bought by those expenditures. Indeed Ira Sharkansky has indicated that such a connection does not exist.[5] The effectiveness of spending in achieving its goals, or the impact spending has upon satisfying demands and decision makers' expectations are not examined. Indeed, it can be said that budgeting and expenditures are not very important. As John Crecine

---

5. Ira Sharkansky, Spending in the American States (Chicago: Rand McNally Publishers, 1968), pp. 110-130.

writes in explaining the absence of a connection between external pressure and spending levels, that such influence is felt most in the delivery of services and the priorities attached to them:

> The relevant question for the department head is: Whose street gets repaired first? And not: How many dollars should be spent on street repair? Which neighborhood will the new park be placed in? Not: How many new parks? . . . Response to political pressure and elite influence takes the form of a change in departmental attention rules rather than a change in budget levels.6

This brings up two related questions. One is that the measure of expenditure outputs does not examine the spending priorities of municipal government. This was discussed previously, although other statistical measures could be probably devised that would provide an aggregate measure of changing priorities and allocation among the various department-service areas. Secondly, by abstracting the budget making process into the actual process of department, executive, and legislative decision making in the time specified by charter, the budgetary process is divorced from other and more general policy making processes that immediately impinge upon it and which have the effect of either translating budget decisions into service decisions or taking service decisions and converting them into budget decisions.

---

6. John P. Crecine, Governmental Problem Solving: A Computer Simulation of Municipal Budgeting (Chicago: Rand McNally Publishers, 1969), p. 189.

APPENDICES

APPENDIX A

Calculation of the Dependent Variables

In measuring the percent of change in total expenditures from either one year to the next, or from one budget stage to the next, two different calculating techniques are identified. This difference is similar to the distinction made earlier between an individual and a group level of analysis. Each of the separate departments can be considered as the subunits of the organization who come together to comprise the total of all governmental spending. So, the measure of each of the five separate variables of expenditure outputs could be derived from the average of individual department change. This aggregate would then represent each city as a whole. On the other hand, total spending could be taken as a collectivity in itself that is measured on a level that is integral to government as a whole, and not derived from data on its component elements. In this case, instead of treating each department as a separate and distinct unit; all the departments are merged together into a single, unified figure of total spending.

The significance of this distinction lies not only

in the selection of the appropriate level of analysis, but in the different substantive results that are prodoced by these two computational methods. A simple illustration is provided below:

	Time 1	Time 2	% Change
Department 1	100,000	115,000	15
Department 2	1,000,000	1,100,000	10
Department 3	10,000,000	10,500,000	5
Total	11,100,000	11,715,000	

Average Percentage Change - 10.00%
Total Percentage Change - 5.54%

If there are three departments with appropriations of $100,000, $1,000,000, and $10,000,000 in the first year (or the first stage), who obtain a 15 percent, a 10 percent, and a 5 percent increase (or decrease) respectively, then the average of these individual changes is 10 percent. However, adding the three separate figures together into a single output of total spending, the absolute size of the change is only 5.54 percent, as the whole budget went from $11,100,000 to $11,175,000.

The explanation for such a difference, is that measuring the organization as a whole by an average of its constituent parts, preserves the independence of each unit. It considers each of the individual departments as equal; contributing the same mathematical part to the calculation of the measure. But this distorts the measure of the amount of change that actually occurred

because of the interaction between the amount of change with the amount of current spending. The smaller the department, the larger the percentage is produced by any specific dollar value of change. The $15,000 change in the smallest department is 15 percent of the base, but in the two larger departments it is only 1.5 percent and 0.15 percent respectively. Conversely, the $500,000 change in the largest department is 5 percent of its current spending, but is 50 percent and 500 percent of the two smaller departments. Consequently, the measure of the average department change inflates the absolute amount of expenditure change that actually occurred, compared to the computation of total spending.

This problem was encountered in previous research, notably the work of Ira Sharkansky, who attempted to solve it by excluding these small departments in the calculation of the average change in expenditure levels.[1] Although this procedure eliminated the particular problem, in the process it created several additional ones. By excluding the expenditures of these departments from the analysis, a completely new figure of total spending is established that is only an artificial construct of the researcher's own method. It has no existence in the real world of budget decision making that is being

---

1. Ira Sharkansky, "Agency Requests, Gubernatorial Support and Budget Success in State Legislators," American Political Science Review, vol. LXIX, no. 4 (December, 1968), passim.

described. Furthermore, the difference between "minor" and "major" departments is not based on any concept within the literature of public administration, nor does Sharkansky then proceed to define it. Instead, the distinction essentially exists only as the arbitrary selection of $500,000 as the criterion of inclusion/exclusion of departments within the analysis. All those departments below this spending level are defined as "minor" are excluded from the analysis, while all those above are "major" and included within the analysis.

Attempting to follow the same set of procedures in the present research setting is simply unworkable. As there is no conceptual underpinning between different department sizes, there is no guide to follow in making a similar distinction in the current research setting. The smaller absolute size of municipal budgets requires a new dollar figure as the criteriin for exclusion of minor departments. But there is simply no logical reason to choose any other figure, be it $50,000 or $5,000 as the appropriate dividing line. Consequently, in the measurement of the average department change, that was made, all departments that are listed separately in the budget document are included.

However, by leaving all departments in the calculation, another problem emerges; and that is how to consider activities that did not have a base of spending

in the prior year. If spending in an area is entirely eliminated, then this is accurately measured as a 100 percent decrease. But the opposite is not mathematically correct. There is no way to represent the percentage increase from zero, except to either eliminate it from the analysis, or assign it some arbitrary figure. In this case it was considered as a 100 percent increase. The result however, is a further distortion of the absolute amount of the average spending change. An example of this problem is in city number eight, where total spending actually declined. However the average change recorded an increase because a $600,000 sum retiring the deficit of the previous year had to be listed as a 100 percent increase. Obviously this is inaccurate; a distortion of the real situation which emerges solely as a consequence of the property of the measures used.

A direct comparison between these two methods of calculating the dependent variable of expenditure change (see table A.1) further demonstrates that the measure of the aggregate of individual department spending changes does not provide an accurate description of budget outcomes in the fourteen cities. In four of the five variables (department requests, executive reactions, executive recommendations, and legislative appropriations), the average change inflates the absolute size of change in expenditures compared to the figure

TABLE A.1

EXPENDITURE OUTPUTS--
AVERAGE OF INDIVIDUAL DEPARTMENTS

City	Dept. Requests	Exec. Review	Exec. Rec.	Legis. Review	Mean
01	81.44	-22.94	19.07	7.23	22.66
02	45.13	-24.99	3.00	-3.84	-5.24
03	27.63	-3.36	24.42	-0.45	22.08
04	5.58	-1.96	3.40	0.86	-1.01
05	54.75	-26.02	51.13	0.00	51.13
06	35.25	-7.89	13.31	30.78	29.18
07	11.68	-4.96	1.67	-0.32	2.18
08	-3.46	7.30	18.31	0.00	18.31
09	23.24	-27.71	4.41	-4.46	21.25
10	11.81	-2.15	3.56	0.00	3.56
11	10.11	-0.34	9.85	-3.10	6.57
12	39.03	-2.22	39.84	-28.57	-2.07
13	21.87	-17.77	-7.30	-3.50	-8.75
14	29.14	-4.45	23.21	7.26	23.39
Mean	28.58	-9.96	14.78	1.97	13.09
St. Dev.	20.79	11.04	15.44	8.72	15.97
Total Mean	20.68	-7.78	10.67	-1.36	9.38

of total change. Yet, they are still in the same direction. So there is an important element of consistency between the computational techniques that would not severely distort the interpretation of the budget making process. However, in the legislatures' response to executive recommendations, this is not the case. The average change increases by 1.97 percent, while the total change decreases by 1.36 percent. The direction of legislative behavior has been reversed on the basis of the kind of mathematical manipulation employed.

This is a most significant difference, and conclusively indicates the superiority of the measure of total expenditure change, as it reveals a logical inconsistency in the pattern of legislative decision making by utilizing the measure of average expenditure change. It is impossible for the legislature to have added to the executive's recommendations when the budget finally adopted is below those recommendations. Executives submitted a budget 14.78 percent above the previous year and final appropriations were 13.09 percent above past appropriations. So the legislature must have reduced the executives' budget. But this decision is not revealed by averaging the individual spending changes made by the legislature. Only the change in total expenditures as a whole displays the correct end-product of legislative budgeting.

For these several reasons, the present research

utilizes as its measure of change in expenditure levels the calculation of total spending, as a figure integral to city government as a whole. A comparison of the two measurement techniques shows that the whole is greater than the sum of its parts. And as a decision making process was represented as a collectivity in itself, apart from its individual members; so are its policy decisions measured on the basis of the organization as a whole, apart from its separate elements.

APPENDIX B

Type of Expenditure Data Used

It is necessary to specify the type of expenditures employed in the construction of the dependent variable of change in total expenditures. Considerable confusion and lack of comparability often results from the use of different and inappropriate data bases. Governmental accounting procedures are complex as appropriations are divided into a number of different categories, or funds. The essential demarcation presently made, is between one general funds and numerous special funds.

Special funds are expenditures financed in such ways as: user fees and service charges (water and sewer), state government grants-in-aid, as well as the local property tax (capital improvements, sanitation collection, employee benefits, and debt service). Expenditures in these areas are nondiscretionary. Money can be appropriated only for the specific purpose specified by law and as long as there is a balance between revenue and expenditures whatever is collected will be spent-- no more and no less. These funds, plus other legal and institutional constraints such as earmarked revenues, distributive formulas and matchings all make governmental spending rigid and inelastic and limit

its controllability by budgetary decision makers. As Thomas Anton writes of this situation in the state of Illinois:

> . . . worst of all, an intricate maze of general funds, special funds, revolving funds, loan funds, trust funds, federal funds, local funds, all conspire to shroud the state's financial situation in mystery . . . the governor will probably conclude that there is very little he can do to control state spending . . . expenditures from special funds will be practically, if not always legally, impossible to control. Some idea of what this can mean for a governor may be gleaned from the fact that three-fifths of the states finance upward of 50 percent of their total expenditures from such special funds.2

On the other hand, activities in the general fund cannot look forward to such a guarantee of support. Total discretion is held by decision makers to allocate the revenues of this fund to support general operating expenses as they see fit. Spending levels are completely elastic and there is maximum control over spending policy outputs. It is for this reason that the present research utilizes only general fund expenditures as the basis for calculating the dependent variables of expenditure outcomes. All special funds and earmarked revenues are excluded. It is only the general fund that is analyzed. The interviews with authoritative decision makers explicitly stated that it was only this single general fund that was under consideration and it is the budgetary process of this fund

---

2. Thomas J. Anton, "Roles and Symbols in the Determination of State Expenditures," Midwest Journal of Political Science, vol. XI, no. 1 (February, 1967), pp. 124-125.

that is discussed.

APPENDIX C

The Problem of Three Department Heads

A problem encountered in the description of the first budget stage of department decision making is that to account for the size of total expenditure requests it would have been necessary to interview all of the departments that submitted a separate budget to the executive. Then, by aggregating the individual responses, as in the case of the executive and the legislature, a measure of the behavior of all departments in each city, as a group, would be derived. This was impossible, due to financial constraints, and with the resources available only the three largest departments-- the police, public works, and parks and recreation-- were interviewed.

However, the responses gathered from these three particular department heads cannot be utilized to describe the budget process of all departments and cannot be used to account for the total of all department expenditure requests. Such an extension of the data is logically unsupportable. Therefore, the analysis of the first stage of decision making is made up of only the three department heads that were personally interviewed.

As a result of this shift in the analysis, an accompanying shift in the measurement of the dependent variable of expenditure requests is also made. Only the requests of these three departments are analyzed, which is then measured by the average mathod of computation. As the process of decision making is measured on the basis of the aggregate response of the three department heads, so too each department must contribute an equal part to the measurement of expenditure change.

However, the analysis of executive and legislative relationships with the departments shifts back to a measure of all departments considered together as a single group. It was impossible to follow the path of these three departments in the second and third stages of decision making. This would have required the formulation of each question three times-- once for each of the different departments. Not only would this be inordinately complex, but it is doubtful that valid and reliable responses could be gathered from decision makers who would be unable to make such fine distinctions among the departments. The analysis of executive and legislative interactions with the departments characterizes a more general and a more inclusive measure of the average of all departments.

Although, the first stage of the budget process is only represented by the average of three particular

particular departments, these three departments can be considered as representative of all departments. Comparing the fourteen city average expenditure outputs of the five dependent variables between these three departments, and the total of all departments in each city (see table A.2) shows them to be remarkably similar. As summarized below:

	Three	All
Departmental Requests	+20.60%	+20.60%
Executive Response	-7.74%	-7.78%
Executive Recommendations	+7.76%	+10.07%
Legislative Response	-0.41%	-1.36%
Legislative Appropriations	+12.68%	+9.38%

The absolute amount of change in expenditure levels of the three departments bears a close similarity to the spending change in the total of all departments considered together as a single aggregate.

Not only are the average absolute outputs similar, but there is a strong correlation between the three departments and all departments. They are:

Department Requests	0.7846 (+0.001)
Executive Response	0.5604 (+0.025
Executive Recommendations	0.8813 (+0.001)
Legislative Response - Absolute	0.5946 (+0.025)
Legislative Response - Reductions	0.0528 (Not Significant)
Legislative Appropriations	0.5692 (+0.025)

Except for legislative reductions in executive recommendations, there is a substantial and strong association in the inputs between the three departments and the total of all departments among the different cities.

TABLE A.2

EXPENDITURE OUTPUTS
OF THREE DEPARTMENT HEADS

City	Dept. Requests	Exec. Change	Exec. Rec.	Legis. Change	Legis. Appro-pria-tions
01	43.07	17.26	17.90	-2.61	15.02
02	12.61	13.64	-0.32	0.00	30.34
03	22.94	5.16	16.61	-0.60	15.90
04	9.36	6.25	4.13	1.08	4.86
05	48.98	15.50	22.75	0.00	22.75
06	7.70	0.58	5.28	1.36	6.80
07	45.34	22.77	9.92	1.03	10.85
08	-10.05	1.16	-11.27	0.00	-11.27
09	21.68	1.92	12.00	1.55	13.71
10	13.52	1.81	11.20	0.00	11.20
11	0.74	1.33	-0.61	-4.75	-5.39
12	30.55	8.83	8.47	5.86	15.66
13	22.27	3.84	3.10	-7.66	-4.81
14	19.75	8.35	9.49	-0.93	8.93
Mean	20.60	-7.74	7.76	-0.41	12.68

So, overall, it can be concluded that these three departments can be considered as a representative sample of all departments in each city. Little seems to be sacrificed in the analysis of the first stage of departmental decision making by utilizing the particular responses of the heads of the police, public works, and parks and recreation departments as the basis for the analysis of the municipal budget process.

BIBLIOGRAPHY

1. Thomas J. Anton, Budgeting in Three Illinois Cities, Commission Papers of the Institute of Government and Public Affairs, University of Illinois (Urbana: University of Illinois Press, 1964).

2. Thomas J. Anton, The Politics of State Expenditure in Illinois (Urbana: University of Illinois Press, 1966).

3. Thomas J. Anton, "Roles and Symbols in the Determination of State Expenditures," Midwest Journal of Political Science, vol. XI, no. 1 (February, 1967), pp. 27-43.

4. Paul Appleby, "The Role of the Budget Division," Public Administration Review, vol. XVIII, no. 3 (Summer, 1957), pp. 156-159.

5. Peter Bachrack and Morton Baratz, Power and Poverty: Theory and Practice (New York: Oxford University Press, 1970).

6. R. W. Bahl, "Studies on Determinates of Expenditures: A Review," in S. Mushkin and J. Cotton, eds., Functional Federalism: Grants in Aid and the P. P. B. System (Washington D. C.: George Washington University Press, 1968).

7. David Barber, Power in Committees: Experiments in the Governmental Process (Chicago: Rand McNally, 1966).

8. Allen Barton, Organizational Measurement (New York: College Entrance Examination Board, 1961).

9. Allen Barton, "Bringing Society Back In: Survey Research and Macro-Methodology," American Behavioral Scientist, vol. XII, no. 2 (November/ December, 1968), pp. 1-9.

10. Peter Blau, "Formal Organizations: Dimensions of Analysis," American Journal of Sociology, vol. LXIII, no. 1 (July, 1957), pp. 58-60.

11. Peter Blau, "Structural Effects," American Sociological Review, vol. XXV, no. 2 (April, 1960), pp. 178-193.

12. Donald J. Borut, Implementing PPBS "A Practitioner's Viewpoint," in John P. Crecine, ed., Financing the Metropolis: Public Policy in Urban Economics (Beverly Hills: Sage Publications, 1970), pp. 285-310.

13. David Braybrooke and Charles E. Lindbloom, A Strategy of Decision: Policy Evaluation as a Social Process (New York: Free Press, 1963).

14. Rufus P. Browning, "Innovative and Non-Innovative Decision Making in Governmental Budgeting," in Ira Sharkansky, Policy Analysis in Political Science (Chicago: Markham Books, 1970), pp. 304-334.

15. James Buchanan, Public Finance in Democratic Process (Chapel Hill: University of North Carolina Press, 1967).

16. Jesse Burkhead, Governmental Budgeting (New York: John Wiley and Son, 1956).

17. David Caputo, "Normative and Empirical Implications of Budgetary Processes," prepared for delivery at the 65th annual meeting of the American Political Science Association, Los Angeles, California, 1970.

18. Robert Chartrand, Kenneth Janda, and Hugo Michael, Information Support Program Budgeting and the Congress (New York: Spartan Books, 1968).

19. John P. Crecine, Governmental Problem Solving: A Computer Simulation of Municipal Budgeting (Chicago: Rand McNally, 1969).

20. John P. Crecine, ed., Financing the Metropolis: Public Policy in Urban Economics (Beverly Hills: Sage Publications, 1970).

21. Philip Coulter, "Comparative Community Politics and Public Policy," Polity, vol. IIIn no. 1 (Fall, 1970), pp. 22-43.

22. Richard M. Cyert and James G. March, A Behavioral Theory of the Firm (Englewood Cliffs, New Jersey: Prentice Hall, 1963).

23. Robert Dahl, "City in the Future of Democracy," American Political Science Review, vol. LXVI, no. 4 (December, 1967), pp. 953-971.

24. Otto A. Davis and M. A. H. Dempster and Aaron Wildavsky, "A Theory of the Budgetary Process," American Political Science Review, vol. LXVI, no. 4 (December, 1966), pp. 529-547.

25. Bryon Downes and Lewis Friedman, "Local Level Decision Making and Public Policy Outcome: A Theoretical Perspective," in H. Hahn, ed., Urban Politics and Peoples (Beverly Hills: Sage Publications, 1972), vol. III.

26. Amitai Etzioni, ed., Complex Organizations (New York: Holt, Rinehart, & Winston, 1961).

27. Heinz Eulau and Kenneth Prewitt, Labyrinths of Democracy (Indianapolis: Bobbs Merrill and Company, 1973).

28. Robert Eyestone and Heinz Eulau, "City Councils and Policy Outcomes: A Developmental Profile," in J. Q. Wilson, City Politics and Public Policy (New York: John Wiley & Son, 1968), pp. 37-65.

29. Robert Eyestone and Heinz Eulau, "Policy Maps of City Councils and Policy Outcomes: A Developmental Analysis," American Political Science Review, vol. LXVII, no. 1 (March, 1968), pp. 124-143.

30. Robert Eyestone, The Threads of Public Policy: A Study of Policy Leadership (Indianapolis: Bobbs Merrill and Company, 1971).

31. Richard Fenno, Jr., The Power of the Purse: Appropriations in Congress (Little, Brown and Company, 1966).

32. Herbert Jacob and Michael Lipsky, "Output Structure and Power: An Assessment of Changes in the Study of State and Local Politics," Journal of Politics, vol. XXX, no. 2 (May, 1968), pp. 510-538.

33. William Jump, "Testimony from Hearings Before the Subcommittee of the Committee on Appropriations," United States House of Representatives, 2nd session on the Agricultural Department Appropriation Bill for 1947, (Washington D. C.: U. S. Government Printing Office, 1946).

34. Arthur Kallenberg, "The Logic of Comparison: Methodological Note on Camparative Study of Political System," World Politics, vol. XIX, no. 1 (October, 1966), pp. 69-83.

35. P. L. Kendall and P. F. Lazarsfeld, "Problems of Survey Analysis," in R. K. Merton and P. F. Lazarsfeld, eds., Continuities of Social Research: Studies in the Scope and Method of the American Soldier (New York: Free Press, 1950), pp. 187-196.

36. P. F. Lazarsfeld and H. Menzel, "On the Relation Between Individual and Collective Properties," in Amatai Etzioni, ed., Complex Organization (New York: Holt, Rinehart, & Winston, 1961), pp. 187-206.

37. Verne B. Lewis, "Toward a Theory of Budgeting," Public Administration Review, vol. XII, no. 1 (Winter, 1952), pp. 42-54.

38. Charles Lindbloom, "Decision Making and Taxation and Expenditures," in Public Finances: Needs, Sources and Utilization: A Conference, National Bureau of Economic Research (Princeton: Princeton University Press, 1961), pp. 295-323.

39. Robert Lineberry and Ira Sharkansky, Urban Politics and Public Policy (New York: Harper and Row, 1971).

40. Ronald O. Loveridge, City Managers in Legislative Politics (Indianapolis: Bobbs Merrill, 1971).

41. Arthur MacMahon, "Congressional Oversight of Administration: The Power of the Purse," Political Science Quarterly, vol. LVIII, no. 2 (June and September, 1943), pp. 161-190, 380-414.

42. James March and Herbert Simon, Organizations (New York: John Wiley and Son, 1958).

43. Arnold J. Meltsner and Aaron Wildavsky, "Leave City Budgeting Alone: A Survey Case Study and Recommendation and Reform," in John P. Crecine, Financing the Metropolis: Public Policy in Urban Economics (Beverly Hills: Sage Publications, 1970), pp. 311-358.

44. Arnold J. Meltsner, The Politics of City Revenue (Berkeley: University of California Press, 1971).

45. Richard M. Merelman, "On the Neo-Elitist Critique of Community Power," American Political Science Review, vol. LXII, no. 2 (June, 1968), pp. 451-460.

46. Guenther Schaefer and Stuart Rakoff, "Politics, Policy and Political Science," Politics and Society, vol. I, no. 1 (November, 1970), pp. 6-15.

47. Allen Schick, "Control Platform in State Budget Execution," Public Administration Review, vol. XXIV, no. 2 (June, 1964), pp. 97-106.

48. Allen Schick, "The Road to PPB: The Stages of Budget Reform," Public Administration Review, vol. XXVI, no. 4 (December, 1966), pp. 243-258.

49. Allen Schick, "System Politics and System Budgeting," Public Administration Review, vol. XXIX, no. 2 (March/ April, 1969), pp. 137-151.

50. Allen Schick, Budget Innovation in the States (Washington D. C.: Brookings Institute, 1971).

51. Charles L. Schultze, The Politics and Economics of Public Spending (Washington D. C.: Brookings Institute, 1968).

52. H. C. Selvin and W. O. Hagstrom, "The Empirical Classification of Formal Groups," American Sociological Review, vol. XXVIII, no. 3 (June, 1963), pp. 399-410.

53. Ira Sharkansky, "An Appropriations Sub-Committee and Its Client Agencies: A Comparative Study of Supervision and Control," American Political Science Review, vol. LXVI, no. 3 (September, 1965), pp. 622-628.

54. Ira Sharkansky, "Four Agencies and An Appropriations Sub-Committee: A Comparative Study of Budget Strategies," Midwest Journal of Politics, vol. XCIII, no. 4 (December, 1965), pp. 254-281.

55. Ira Sharkansky, "Agency Requests, Gubernatorial Support and Budget Success in State Legislators," American Political Science Review, vol. LXIX, no. 4 (December, 1968), pp. 1220-1231.

56. Ira Sharkansky and Augustus G. Turnbull, "Budget Making in Georgia and Wisconsin: A Test of a Model," Midwest Journal of Political Science vol. XIII, no. 4 (November, 1969), pp. 1141-1162.

57. Arthur Smithies, The Budget Process in United States (New York: McGraw Hill, 1968).

58. Alan Steiss, Public Budgeting and Management (Lexington, Mass.: D. C. Heath & Co., 1972).

59. A. S. Tannenbaum and J. G. Bachman, "Structural versus Individual Effects," American Journal of Sociology, vol. LXIX, no. 6 (May, 1964), pp. 585-595.

60. Aaron Wildavsky, The Politics of the Budgetary Process (Boston: Little, Brown and Company, 1964).

61. Raymond Wolfinger, "Nondecision and the Study of Local Politics," American Political Science Review, vol. LXV, no. 4 (December, 1971), pp. 1963-1080, 1102-1105.

62. Betty Zisk, Local Interest Politics: A One Way Street (Indianapolis: Bobbs Merrill, 1973).

GENERAL REFERENCE

1. William Capron, "Impact of Analysis on Bargaining in Government," in James Davis, ed., Politics, Programming and Budgeting (Englewood Cliffs, New Jersey: Prentice Hall, 1969), pp. 145-171.

2. Terry Clark, "Community Structure, Decision Making and Public Policy in Fifty-one American Cities," American Sociological Review, vol. XXXIII, no. 4 (August, 1968), pp. 576-593.

3. John P. Crecine, "A Computer Simulation Model of Municipal Budgeting," Management Science, vol. XIII, no. 4 (November, 1967), pp. 786-845.

4. James Davis and Randall Ripley, "The Bureau of the Budget and Executive Branch Agencies: Notes on Their Interaction," Journal of Politics, vol. XXIX, no. 4 (December, 1967), pp. 749-769.

5. James Davis, ed., Politics, Programs and Budgeting: A Reader in Governmental Budgeting (Englewood Cliffs, New Jersey: Prentice Hall, 1969).

6. O. A. Davis, M. A. H. Dempster, and Aaron Wildavsky, "On the Process of Budgeting: An Empirical Study of Congressional Appropriations," in Gordon Ruilkach, ed., Papers on Non-Market Decision Making (Thomas Jefferson Center of Political Economy, 1966).

7. Richard Fenno, Jr., "The House Appropriations Committee as a Political System: The Problem of Integration," American Political Science Association Review, vol. LVI, no. 2 (March, 1962), pp. 310-324.

8. Lewis Friedman and Bryan Downes, "Local Level Decision Making and Budgetary Outcomes: A Theoretical Perspective on Research in Fourteen Michigan Cities," paper delivered at the American Political Science Association annual meeting, Chicago, 1971.

9. Donald Gerwin, "A Process Model of Budgeting in a Public School System," Management Science, vol. XV, no. 7 (March, 1969), pp. 338-361.

10. Donald Gerwin, "Towards a Theory of Public Budgeting, Decision Making," Administrative Science Quarterly, vol. 14, no. 1 (January, 1969), pp. 33-26.

11. Donald Gerwin, Budget Public Funds The Decision Process in an Urban School District (Madison, Wisc.: University of Wisconsin Press, 1969).

12. Robert T. Galembiewsky, Public Budgeting and Finance: Readings in Theory and Practice (New York: F. E. Peacock, 1968).

13. Donald G. Herzberg and Paul Tillett, "A Budget for New York State 1956-1957," ICP Case Series, Number Sixty-nine, (Montgomery Ala.: University of Alabama Press, 1962).

14. Arnold Kanter, "Congress and the Defense Budget, 1960-1970," American Political Science Review, vol. LXVI, no. 1 (March, 1972), pp. 129-144.

15. V. O. Key, "Lack of a Budgetary Theory," American Political Science Review, vol. XXXIV, no. 6 (December, 1940), pp. 1137-1144.

16. Charles Lindbloom, "The Science of Muddling Through," Public Administration Review, vol. XIX, no. 2 (Spring, 1959), pp. 79-88.

17. Fremont J. Lyden and Ernest G. Miller, Planning Programming Budgeting: A System Approach to Management (Chicago: Markham Books, 1967).

18. Leonard Merewitz and Stephen Sasnick, The Budget's New Clothes: Critique of PPB and Benefits (Chicago: Markham Books, 1971).

19. Selvia Musklam, "PPB in Cities," Public Administration Review, vol. 29, no. 2 (March/ April, 1969), pp. 167-177.

20. Austin Ranney, The Study of Policy Content: A Framework for Choice (Chicago: Markham Books, 1968).

21. Ira Sharkansky, Politics of Taxation and Spending (Indianapolis: Bobbs Merrill, 1971).

22. Robert Wallace, Congressional Control of Spending (Detroit: Wayne State University Press, 1960).

23. Aaron Wildavsky and Arthur Hammann, "Comprehensive Versus Incremental Budgeting in the Department of Agriculture," Administrative Science Quarterly, vol. X, no. 3 (December, 1965), pp. 321-346.

24. Aaron Wildavsky, "The Political Economy of Efficiency Cost-Benefit Analysis, Systems and Program Budgeting," Public Administration Review, vol. XXVI, no. 2 (March, 1966), pp. 292-310.