PAR

Foundations of Public Administration

Budgeting Theory

David Mitchell and Kurt Thurmaier

The Foundations of Public Administration Series is a collection of articles written by experts in 20 content areas, providing introductory essays and recommending top articles in those subjects.

Currents and Undercurrents in Budgeting Theory: Exploring the Swirls, Heading upstream

David Mitchell and Kurt Thurmaier, Northern Illinois University, Division of Public Administration

Introduction and Thesis

There are core themes about public budgeting and financial management that receive continuous attention from scholars. The key questions shift across time as the core themes are viewed from differing perspectives, shaped by the issues and technology of the era. This essay provides a framework for thinking about budgeting and financial management, with particular highlights of *Public Administration Review* (PAR) articles that have shaped the scholarship of budgeting and financial management since 1940. In addition, we highlight the contributions of PAR's sister journal in ASPA, *Public Budgeting & Finance* (PB&F), which began publication in 1981. We use a scope and dimensions framework to provide a historical review of budget theory, and develop the trends for future research from the various currents and undercurrents identified in each era. We identify the key questions of each era and the extent to which answers were provided or linger today, and we conclude with a research agenda for the next decade.

David Mitchell is a PhD Candidate specializing in Public Administration at Northern Illinois University. David received his MPA from the University of Kansas and has worked for the city managers of Kansas City, Missouri, and Highland Park, Illinois. His research focuses on collaborative governance, public service delivery, and outcomes-based management.

dmitchell10@niu.edu

Kurt Thurmaier is Professor and Director of the Division of Public Administration at Northern Illinois University. His research interests include state and local public budgeting and finance, intergovernmental relations, comparative public management, and e-government. He has published numerous articles in leading public administration journals. His books include *Policy and Politics in State Budgeting* (with Katherine Willoughby), *Case Studies of City-County Consolidations: Reshaping the Local Government Landscape* (with Dr. Suzanne Leland), and *Case Studies of City-County Consolidations: Promises Made, Promises Kept?* (with Dr. Suzanne Leland)and *Networked Governance: The Future of Intergovernmental Management* (with Jack Meek).

kthur@niu.edu

We generally exclude from our analysis the closely related topic of public finance. Public budgeting and financial management involves the sources and uses of public funds. Budgets are composed of both revenues and expenditures, and a budget without one or the other defies the definition. The source of funds, i.e., the extraction of resources from the economy, is a budgeting policy decision for budgeters (Rubin 2010) and involves the larger question of the allocation of productive capacity of an economy to public or private goods. That said, the topic of taxation (public finance) has been largely the domain of applied economists who constitute a subfield of economics and bridge the disciplines, often writing the leading public finance textbooks (e.g., Fisher 2007 [3rd ed.], Mikesell 2010 [8th ed.]) and teaching the public finance courses in MPA programs. The underlying orientation of the public finance literature is on the microeconomic effects of taxes, the macroeconomic effects of public budgets, and normative prescriptions of tax systems that minimize economic inefficiency.

The field of state and local bond finance spans the fields of public budgeting, financial management and public finance, as they converge on the topic of capital budgeting. There are several scholars of municipal bonds whose work includes a high level of economic theory, sophisticated quantitative analysis, and attention to concerns of public managers (e.g., Denison, 2003 PB&F; Hildreth 1993 PAR; and Hildreth and Miller 2002 PB&F).

The emphasis of public administration scholarship has been on public budgeting and financial management and the underlying orientation of the PA literature is on process (the nexus of the budget and policy processes, and budget development) and implementation (budget execution and financial management). Focusing mostly on the expenditure side of budgeting and financial management, we now discuss three key terms that frame the scope of our essay.

Scope of public budgeting and financial management

We set the scope of our review in terms of budget process, budget documents, and financial management. *Public budgeting* is the decision making process that allocates scarce resources of public agencies to fund public services at the local, state and national levels. The bulk of scholarship focuses on these governments in the US, but the international and comparative aspects of public budgeting have been addressed in *PAR* articles since the 1950s. The 21st century interest in global and international affairs has increased attention to this area, and PB&F has consistently devoted many articles to international research in the field, and relatively more than PAR.

Public budgets are the documents that codify and present the budget agreements reached in the budget process. This may seem like a mundane point, but scholarship can be divided into studies of the process and studies of the documents. Process research includes macro and micro decision making, budgetary politics, and fiscal federalism. Document research includes budget format, accountability, and transparency issues. Budget document and budget process studies are not mutually exclusive, as the reasons for altering documents invariably include efforts to alter budget process. For example, a program budget format is designed to affect budgetary decision making differently from a line item format.

Financial management encompasses the implementation and husbandry of efficient and effective spending during the implementation of the budget. The subfield of public and nonprofit accounting (and financial reporting) is included in financial management, although scholarship in this area is dominated by accounting scholars in business schools. Other subfields of this topic include cash management, risk management, expenditure controls, bond financing (and refinancing), inventory management, pensions, auditing and evaluation, and forecasting (revenues and expenditures). Not all of these topics will be addressed in this essay; much of this research appears in specific journals, though they also appear in PB&F. Capital budgeting research bridges public budgeting and financial management, as it entails the process of capital budgeting (e.g., developing a capital improvement plan (CIP)), the capital outlay and CIP presentations in the budget document, and the financing of the capital projects with current revenues, debt, or some combination (see Vogt 2004).

Traditional dimensions of public budgeting and financial management by function

As early budgeteers toiled to develop line-item budget formats and an executive budget process, academic endeavor into public budgeting began in earnest. Early attention was paid to the mechanics of the budgetary process; such as procedures, forms, and the budget document (Buck 1929). In a 1940 call for research, V.O. Key asks a more fundamental question: "On what basis shall it be decided to allocate x dollars to activity A instead of activity B?" It was upon this question that the foundation of budgetary theory was built over the next decades. In 1961, Aaron Wildavsky turned budgetary theory on its head in a spirited rebuttal to Key that appeared in PAR. Wildavsky argued that Key's question presupposed a "normative theory of budgeting" that is undesirable and impractical in American politics. Instead of relying upon normative values or economic principles, Wildavsky argued that budgetary theory is an examination of the political process whittled down to only actions of interests vying for incremental, politically viable policy change. In this PAR article, Wildavsky set the research agenda that led him to provide definition to seven decades of American budgeting.

In his 1964 book, *The Politics of the Budgetary Process*, Wildavsky introduces the concept of *incrementalism*. Subsequent work (Davis, Dempster and Wildavsky 1966, 529-530) describes incrementalism in the following fashion:

> *Participants in budgeting deal with their overwhelming burdens by adopting aids to calculation. By far the most important aid to calculation is the incremental method. Budgets are almost never actively reviewed as a whole in the sense of considering at once the value of all existing programs as compared to all possible alternatives. Instead, this year's budget is based on last year's budget, with special attention given to a narrow range of increases or decreases. Incremental calculations proceed from an existing base. (By "base" we refer to commonly held expectations among participants in budgeting that programs will be carried out at close to the going level of expenditures.) The widespread sharing of deeply held expectations concerning the organization's base provides a powerful (although informal) means of securing stability.*

Wildavsky's concept of incrementalism was an extension of Lindblom's "muddling through" management system espoused in a 1959 PAR article; as both were based upon the idea of "successive limited comparisons" where time, resources, and knowledge are insufficient to make comprehensive decisions.

Writing during the same period, Allen Schick (1966 PAR) provides a chronological and heuristic dimension to the study of public budgeting and financial management in his seminal article on the stages of budget reform. He argues budgeting is a field that was developed with an emphasis on controlling government spending, moved to an era that emphasized using the budget and budget process as an executive management tool, and in the mid 1960s had newfound emphasis in planning for multiyear expenditure programs with the advent of complicated weapons systems and entitlement welfare programs.

Table 1 builds upon this typology to create a framework that spans budget process, budget document, and financial management topics. We structure the discussion that follows on the temporal dimension of budget reform. Although, as Schick points out, public budgeting depends on a mix of control, management and planning features, reform (and scholarly attention) shifts emphasis on one aspect of budgeting to another. As we discuss later, in the post-incrementalism era, budgeting served two new functions: policy and collaboration. Our framework expands upon Schick's typology to incorporate these later emphases in budgeting and financial management.

Table 1. Framework for Public Budgeting and Financial Management Research.

Emphasis	Budget Process	Budget Document	Financial Management
Control:	Line-Item Budgeting Executive Budgeting	Objects-Of-Expenditure Budget	Object Accounting Procurement (accountability)
Management:	Evaluation of Agency Performance Strengthened Executive Budgeting	Activity Budget (inc work program and performance standards)	Activity-Based Costing Centralized Procurement (efficiency)
Planning:	Economic and Systems Analysis Multi-Year Budgeting Entitlement Budgeting	Program Budget	Program Cost Accounting
Policy:	Base Reallocation Legislative Involvement	Priority Statement	Debt, Deficit, and Cash Management
Collaboration:	Contract Budgeting Citizen Participation Entrepreneurial Budgeting Resource Sharing Relational Contracting	Contract Reporting Performance Budgets	Contract Management Performance Management General Accounting Standards Risk Management Network-Based Costing

The framework components are subjects of traditional budgetary theory — and budget reforms. We next discuss these eras of traditional budget reform before discussing more recent developments. We generally cite authors and groups of studies as they appear in PAR and PB&F. In addition, we include seminal work in books and other journals that mark these shifts in emphasis.

Review of Founding Eras

Control (1906-1938)

The central question of the control era was how citizens could gain control of taxes and public expenditures. As the 20th century was born, there were no public budgets to speak of. Jonathan Kahn's (1997) excellent history on the beginnings of modern public budgeting in the US argues that William Allen, Henry Bruere, and Frederick Cleveland developed New York City's Municipal Research Bureau to answer this question. In the process, "proponents of accounting reform, and later champions of budget reform, allowed prospective state builders to make the conceptual leap from conceiving of government as a random agglomeration of administrative fiefdoms to envisioning a coherent, interrelated, and unitary state. The process of budget reform enabled Americans to imagine a new state" (Kahn 1997, 138).

The creation of the executive budget was designed by Allen, Bruere and Cleveland to define what is the public and what is the private sector. While funneling requests for funds through the CEO (mayor/governor/president) was a hallmark of the executive budget model, the critical long-term impact was the new role of the CEO in implementing the budget and controlling expenditures in light of the legislative appropriations. The new practices of budgeting made use of the new accounting tools (another product of the Progressive Era) and the focus of budgeting soon became controlling expenditures through line item budget document formats and executive implementation rules.

Line-item budgeting focuses on controlling the expenditure of inputs for an organization through the legislative appropriation of item allocations by organizational unit. Spending rules exert control over organizational spending by limiting transfers between line items, preventing overdrafts of specified line items, and allotting a portion of appropriated funds throughout the year. Line-item budgeting is neutral to policy objectives and agency evaluation; however, its rigidity can hamper executive management of an organization.

Born at the local government level in the first decade of the 20th century (e.g., New York, Dayton), the executive budget idea was rapidly adopted by several states (e.g., Ohio [1911], Virginia [1918]). In the aftermath of WW I and its high debts, and the Taft Commission reports on the problems of uncontrolled federal spending, the Budget and Accounting Act of 1921 brought executive budgeting (and executive budgets) to the federal government, and with it creation of the Bureau of the Budget (BOB) and the US General Accounting Office (GAO). Insights at the federal level can be gleaned from several historical analyses of the US Bureau of the Budget (BOB) and its evolution to the Office of Management and Budget (OMB), including Brundage (1970) and Pearson (1943 PAR).

The BOB has evolved from a "Just Say NO!" role to one that views budget analysis as policy analysis — without discarding its controller-cutter responsibilities. Yet many of the first budget reformers saw the executive budget process as a tool for management to direct — not just control — the affairs of state. In 1912, the Taft Commission called for an executive budgeting approach such that the executive budget would link and support policy positions with financing in a systematic, regular way. The Taft Commission (1912) vigorously championed a functional (later called program) approach to budgeting. It opposed the narrow control orientation implied by object-of-expense classifications, pushing instead for classifications by class of work and other functions. It was the control function of the process that most appealed to legislatures, however, and it was the control function that was emphasized in the first decades of the century. The management and planning potential of budgeting lay dormant until the demands of the Depression and WWII — and the greatly expanded purposes of government — required greater direction and management by the chief executive (Schick 1966 PAR).

A.E. Buck provides a contemporary account of budgeting activities in *Public Budgeting* (1929) and the aptly-named *The Budget in Governments of Today* (1934), with the latter detailing budgetary systems internationally as well. Although he serves as an early "budget as management" author, his rich descriptive accounts are an excellent primary source for those seeking a portrait of budgetary control functions. Writing in a much later era, Kahn (1997) illustrates the early years of the municipal budget reform movement in New York City and how that effort served as a springboard to implement further reform in cities, states, and the federal government. Together, the authors document the importance of three tenets to early reformers: 1) the use of objects-of-expenditure (or line-item) budgeting via legislated appropriations to control expenditures, 2) the use of the budget document as a transparent financial plan to enhance the legitimacy of the government, and 3) the establishment of accounting, procurement, and personnel rules to limit corruption. Once the line-item budgeting process is complete, the resulting decisions are compiled in an appropriations budget document that serves as a tool for transparency and accountability.

Most significantly, the control era also gave birth to public financial management in the form of accounting and purchasing procedures. Object accounting provided legislative and executive leaders with the means to calculate expenditures, set spending ceilings, and enforce compliance. Kahn (1997) and Buck (1929, 1934) provide strong background on the importance of accounting and purchasing rules to early budgetary reform. Retrospective work by Rubin (1996 PB&F), Fleischman and Marquette (1986 PB&F) and Williams (2003 PAR) discuss the interdependent influences of the public and private sector accounting reforms. For a more nuanced discussion of budget execution controls, Larry Jones and Fred Thompson (1986 PB&F) provide a thorough examination of matching appropriate spending controls to service cost characteristics and the implications of not doing so.

In general, the executive budget process substantially increased executive influence on the budgetary process. Kahn notes the evolution from the local to national level was not smooth. The founding trio disagreed on the trajectory of the budget process, and Allen was opposed to many developments in budgeting promoted by Cleveland at the national level. The evolution of the executive budget office at the various levels of government illustrates the point by Schick (1966) and others (e.g., Thurmaier and Gosling 1997, Thurmaier and Willoughby 2001) that budgeting changes emphasis with changing environments, and one can find elements of control and policy woven together in the evolution of the budget office roles.

The 1937 Brownlow Commission (formally, the President's Committee on Administrative Management) championed the shift in emphasis from control to policy and management as necessary to give the president the tools necessary to manage the growing federal bureaucracy. If the vast federal administrative structure were to be held together, the BOB had to play a strong role, using the federal budget as an instrument of administrative management (Pearson 1943 PAR). Executive dominance of budgeting in many states and at the national level would endure until the 1970s and the post-Watergate resurgence of legislatures and the creation of legislative budget offices (including the Congressional Budget Office [CBO] at the national level).

Management Integration (1939-1965)

The first issues of PAR in 1940 and 1941 appear on the eve of WW II and after substantial intellectual energy had been spent in 1938 and 1939 on the Brownlow Commission's work to design a more effective presidency. Budgeting figured prominently in the discussions, the endnote in the famous POSDCORB acronym[1]. The key question was how to use the budget process to strengthen executive management of the expanding federal bureaucracy. More specifically, they considered what is the appropriate CEO model for budgeting? Is the CEO the chairman of the board or the hands-on chief executive? The answer was clear to the reformers: the latter. Some of the first PAR articles focused on budgeting (Holcombe 1941, Smith 1941) and discuss the movement of the BOB to the Executive Office of the President (from its original home in the Treasury Department) and the promise that the bureau will greatly increase the effectiveness of the president and his ability to influence the work of the expanding range of federal agencies.

The central question appeared in V.O. Key's (1940) seminal article in the leading political science journal, asking perhaps the enduring question of public budgeting: on what basis shall we allocate X dollars to program A and Y dollars to program B? He concludes it is a question that is answered on the basis of competing values, not a scientific formula; in essence, the political process, not economics, will determine the answers to this question. Nevertheless, numerous budget reforms have been proposed since then to reduce the influence of politics and increase the influence of economic calculus, though with little to show for all of the effort.

[1] POSDCORB stands for Planning, Organizing, Staffing, Directing, Coordinating, Reporting & Budgeting. See Gulick 1936.

Reformers of the management era quietly went about establishing a stronger executive to check both legislative and agency influence. In eight succinct pages of her excellent retrospective of federal budgeting, Shelley Tomkin (1998, 33-41) describes the "golden era" of the Bureau of the Budget as it evolved from a "naysayer" into a trusted advisor to the president. Buck (1934) proved to be an early management-oriented advocate by recommending: 1) lump-sum agency appropriations, 2) executive authority to monitor agency spending, and 3) limited legislative amendment to the executive budget proposal. In sum, management advocates desired to reform the budgetary process to provide the executive with the authority and tools to effectively manage agencies while being responsive to the legislature, including agency performance measurement, efficiency improvements, and centralized financial management.

With its transfer from the Treasury Department to the new Executive Office of the President and a rapid expansion of its staff, the BOB became a central presidential agency using the budget to promote policy leadership. As Presidents turned their attentions to increased responsibility for policy initiation, the BOB's emphasis on policy leadership became firmly established (Ippolito 1978). The essential elements of federal budgeting were the review of legislative proposals and administrative planning. These functions involved questions of what programs should be undertaken and how much money should be spent on them (Pearson 1943 PAR). The fundamental administrative purposes became the evaluation of programs and their coordination, both to be achieved by the proper use of the budget as a tool of administrative management. The budget became the president's chief coordinating device and the BOB was responsible for all executive policy coordination (Sherwood 1966, 12).

The culmination of this transition from budgeting for control to budgeting as management was accomplished in 1970 when President Nixon reorganized BOB into the powerful Office of Management and Budget (OMB) by giving it the added responsibility of managing the president's broader policy initiatives (see Johnson 1984, Carey 1970 PAR, Ippolito 1978, and Walsh 1974). As Carey (1970 PAR, 631) observed:

> *The Bureau could have been just what its formal charter called for — a fiscal and management arm of the White House. As we know, it became much more than this, and it did so because: (a) Budget directors believed that resource management equated with the shaping of public policy, (b) they consciously molded the Bureau as an all-purpose backup staff to the President, and (c) Presidents liked the stamina and dependability of the Bureau and accepted the institution for what it was.*

Verne Lewis (1952 PAR) relied upon management principles to build his famous "alternatives budgeting" approach. As he stated (1952, 53), "its purpose is to pose budget questions at every level in terms of relative value. It also is designed to make maximum use of the *expert knowledge* and judgment of officials at the lower organization levels by having them analyze, incrementally, the estimates of their agencies and evaluate the relative effectiveness of their several activities in achieving the goals of their organizations." Professional expertise and agency evaluation tools were essential prerequisites in order to present viable alternatives to decision makers.

A management-oriented budget document is one that is centered on the output of agencies. As Grizzle (1986 PB&F) notes, it focuses on the work of agencies and how efficiently that work is done. Performance measures are extensively reported in the budget document, typically regarding the quantity and quality of outputs. Interest in agency performance evaluation has ebbed and flowed over time, but Dan Williams (2003) describes how performance measurement was a central component to the New York City municipal budget reform movement. Early efforts to implement performance measurement stalled as leaders were more interested in establishing control mechanisms (Buck 1934, Kahn 1997, Schick 1966, Williams 2003). Similar efforts to incorporate performance measurement into the budgetary process stalled in the 1950s and 1970s. Indeed, Williams cautions that strong legislative support for performance measurement is key to implementing agency evaluation into the budgeting process. Julia Melkers and Katherine Willoughby (2005 PAR) echo this finding in their study on the extent of performance measurement in local governments.

From a financial management perspective, existing accounting and purchasing systems were revamped with the needs of the executive in mind. Francis McGilvery (1966 PAR; 1968 PAR) was keenly interested in the impact of PPBS on cost accounting. He provides a solid explanation of "responsibility accounting" — or accounting based on organizational activities. This initial foray into "activity-based costing" is nicely supplemented by a retrospective analysis conducted by Richard Brown, Mark Myring, and Cadillac Gard (1999 PB&F). As accounting systems were altered to focus on organizational activities, government purchasing systems were centralized in an effort by executives to improve management and create efficiencies (Buck 1920).

Meanwhile, state and local governments generally lagged behind these changes at the national level. While the national government practiced expansionary Keynesian fiscal policies in the 1930s, many states and cities had to tighten their fiscal controls. Renewed emphasis was placed on line-item controls; allotment procedures were installed or strengthened; and CBBs were generally given more control over execution of the budget (Schick 1980). But the post-war pressures for government expansion in the 1946-56 decade began to alter the negative roles of the state budget offices. In New York, the budget office experimented with the concept of performance budgeting in the 1950s and "began to assert its role as financial manager not *through the Governor*, as in earlier years, but *on behalf of the Governor*. The change was subtle, but unmistakable," as evidenced by "the increasing tendency of the Division to take the initiative in forcing a rethinking of program priorities and coordinating the work of other agencies" (Miller 1981, 87-88 [original emphasis]).

Planning (1960-1978)

As the Cold War Era dawned in the 1950s, the military bureaucracy was reoriented toward major weapons systems with complicated development timelines, complex delivery systems, and the need for multiyear budgeting and planning to keep ahead in the burgeoning arms race. Long-term planning became central to military budgeting, and soon spilled into the social welfare programs at the national level. *The key question* for budgeting in the decades of the 1960s and 1970s was: how can the annual budget process be overcome to fund multi-year projects, and how can the budget documents reflect the complexity of program delivery by multiple units of the government?

Program-Planning-Budgeting-Systems (PPBS, often shortened to PPB) were designed to meet this challenge, and there is substantial literature on its promise — and problems — at the national and state government levels (e.g., Schultze 1968). Born in the military budget, President Johnson tried to expand its scope to budget for the newly created entitlement welfare programs that required multiyear forecasts (and budgets) for client demand. The technological power of new computing models and more sophisticated econometric modeling promised more accurate program budgeting despite the complexity.

The reformers were working against the inertia of the practical experience of budgeters at the local, state, and national levels, captured in Aaron Wildavsky's incremental budgeting theory (1961 PAR, 1964). Wildavsky argued that most budgeting was a relatively simple exercise of adjusting the base budget so that each claimant in the base year received its fair share of the incremental increase in revenues in the following year. This system avoided political conflict, allowed budget actors to play clearly defined roles with relative ease, and allowed only modest growth in most government programs.

In many ways, the planning era of budgeting and the PPBS movement are synonymous. Several underlying characteristics of the planning function of budget and of PPBS deserve attention: systems budgeting, multi-year budgeting, capital budgeting, and entitlement budgeting. Schick (1969 PAR, 138) argues that system budgeting departed from the traditional negotiation and bargaining of incremental budgeting (or "process politics") by using analytical tools to guide decision making: "The critical difference is that the increments are negotiated in bargains that neglect the outcomes, while the systems margins are determined via an analysis of outcomes." The planning orientation relied upon analytical systems instead of political bargaining to reach budgetary outcomes. Although entitlement spending would soon be deemed "uncontrollable" in the national — and state — budgets, the focus under PPBS was on forecasting demands and costs for new social services (e.g., Medicare).

With a comparative slant, Jameson Boex, Jorge Martinez-Vazquez, and Robert McNab (2000 PB&F) provide a thorough examination of the multi-year budgeting format and lessons learned from use in developed countries, most notably England. Although the rigidity of multi-year budgeting has soured many adopters, John Forrester (1991 PB&F) demonstrates how multi-year forecasting has become an essential component to local government budgeting.

As part of this forward-looking perspective, Bozeman (1984 PB&F) discusses how capital budgeting has been aligned with the planning process since its inception in the 1920s and 1930s. During the Great Depression and World War II, capital budgeting functioned more as a city planning exercise and was awkwardly incorporated into the operating budget process. Bozeman states that capital budgeting was largely ignored as the management era of budgeting emerged in the 1940s and 1950s. However, capital budgeting became part of the planning function of budgeting as PPBS emerged, due to the system's comprehensive and multi-year approach.

One reason that planning-oriented budgeteers turned to a long-term, systems perspective was the advent of government entitlement programs. As Joseph White (1998 PAR) explored in his retrospective "Entitlement Budgeting vs. Bureau Budgeting," the entitlement programs were built assuming incremental growth in the budget, to the point of indexing growth to inflation. With assumed growth in entitlement programs and capital projects such as defense programs, a longer-term and more systematic approach was consistent with new demands of government budgets.

Schick (1966, 257) asserts that PPBS was a budgetary device to systematically divide the increment based on desired outcomes, long-term planning, and systematic alternatives analysis:

> *PPB aspires to create a different environment for choice. Traditionally, budgeting has defined its mission in terms of identifying the existing base and proposed departures from it-"This is where we are; where do we go from here?" PPB defines its mission in terms of budgetary objectives and purposes-"Where do we want to go? What do we do to get there?" The environment of choice under traditional circumstances is incremental; in PPB it is teletic. Presumably, these different processes will lead to different budgetary outcomes.*

To Schick and followers of PPBS, outcomes can be designed; they are not necessarily accidental. PPBS tried to turn the budgeting process on its head by advocating determination of policy from the top before budgetary estimates were made at the bottom. It extended the executive from managing the activities of government to driving them, based on systematic analysis.

The concept of *programs* drove reform in planning-oriented budget documents and financial management systems. As Grizzle (1986) describes, programs transcend the activities of government by operationalizing and organizing them toward achieving long-term goals. Performance measures included in budget documents focus on organizational outcomes instead of agency outputs. In a fashion similar to one described by McGilvery (1966 PAR; 1968 PAR), programmatic cost accounting require multi-layered *crosswalks* that can simultaneously provide object, activity, and program data — enabled by advances in accounting technology.

Incrementalism: Winning the Battle, Losing the War

The Short-Lived Triumph of Incrementalism over PPBS

Schick (1973 PAR) pronounced the death of PPBS just a few short years after widespread implementation. He concluded that a number of implementation errors (one-size-fits-all approach, lack of support in the Bureau of Budget, lack of qualified analysts, lack of respect for the budgetary process by reformers) were enough to spell the demise of PPBS at the federal level. He argues (p 148) "PPB was a threat to budgeters and an embarrassment to reformers…budgeters didn't let it in and PPBers didn't know how to break down the resistance." Schick concludes that even with perfect implementation, PPBS would have to overcome the "antianalytic thrust" of the budgetary process. In other words, the process of incrementalism, bargaining, and negotiation was foreign to policy analysis and too entrenched to be displaced. PPBS attempted to storm the castle of incrementalism, and was turned back effectively.

Wildavsky (1978 PAR) viewed the demise of PPBS as a validation for the traditional line-item budget. Wildavsky (1978, 508) provided a stirring defense of "traditional" line-item budgeting:

> *Traditional budgeting lasts, then, because it is simpler, easier, more controllable, more flexible than modern alternatives like PPB, ZBB, and indexed entitlements. A final criterion has not been mentioned because it is inherent in the multiplicity of others, namely, adaptability. To be useful a budgetary process should perform tolerably well under all conditions. It must perform under the unexpected deficits and surpluses, inflation and deflation, economic growth and economic stagnation. Because budgets are contracts within governments signifying agreed understandings, and signals outside of government informing others of what government is likely to do so they can adapt to it, budgets must be good (though not necessarily great) for all seasons. It is not so much that traditional budgeting succeeds brilliantly on every criterion, but that it does not entirely fail on any one that is responsible for its longevity.*

In essence, Wildavsky argues that at a time when the budget process is expected to perform numerous, sometimes contradictory functions, "the simpler the budget the better." In hindsight, he may have been correct that the traditional budget process was most suitable to work in an incrementalist public sphere, but this conclusion missed the forest for the trees. Governments at all levels may have been content to continue to parse the increment, but environmental forces from many directions were conspiring to crumble the sturdy foundation of incrementalism.

The Obsolescence of Incrementalism

Even as Wildavsky published his emphatic defense of traditional budgeting, critics of the theory had begun to chip away at its continued relevance. These authors viewed the incrementalist approach as a relic that was ill-equipped for a changing budgeting environment. In particular, their critiques centered on three themes: 1) the rise of entitlement and capital budgeting exempted a significant and increasing portion of the budget from budgetary negotiations, 2) the decentralized nature of incrementalism failed to explain the prevalence of top-down budgeting in many governments, and 3) quite simply, there was no longer an increment to divide amongst agencies due to budget deficits and revenue shortfalls.

Lance T. Leloup (1978) first prominently challenges the viability of incrementalism based on methodological grounds. After questioning the validity of several key incrementalist assumptions and asserting bias in findings, he states (1978, 503-504):

> *The incremental theory of budgeting was formulated on the basis of a number of interrelated analytical choices. As has been shown, these choices played a critical role in determining what was found and what conclusions were drawn. Focusing on striking regularities, crucial changes were obscured; in a relatively simple explanation of budgetary decision making, complex alternatives were ignored. The history of incrementalism presents a dramatic example of the pitfalls of social science theory. What appeared to be an obvious and self-evident analytical approach actually involved numerous choices and excluded*

alternatives. The consequences of these choices are a set of findings highly skewed toward a single interpretation.

Kamlet and Mowery (1980) attack the dominant focus on the budget increment and call attention to the need to focus on base budgets, especially with respect to the policy decisions related to the sources and uses of funds. In exploring the new "rules of the game" for federal budgeting, Naomi Caiden (PAR, 1984a) takes time to explain the downfall of incrementalism. Noting that the traditional budgeting process had become so institutionalized that it had taken on an "aura of permanence," she states that revenue decline and automatic entitlement spending render the existing process useless in containing conflict. The result is budget deficit, off-budget spending, and vague budgetary timetables.

Irene Rubin both writes the obituary for incrementalism (1989 PAR) and summarizes the gap between theory and practice that emerged due to a continued fixation on the paradigm (1990 PAR). In reviewing Wildavsky's revised budget theory (1989), she acknowledges that he had dropped the incrementalism theory and cites entitlement spending, top-down budgeting, and cutback budgeting as the major causes for its downfall. In the later article, Rubin (1990) laments that the intense focus upon incrementalism had caused scholars to ignore: 1) increased centralization and coordination in the budgeting process, 2) the role of the budget office as a policy formulator, 3) the emergence of cutback budgeting, 4) the practice of budget tradeoffs, 5) the linkage of policymaking and budgetary decisions, and 6) the increasing role of the legislature in the budgetary process. Noting that most major local government policy is *routinely* decided in the budget, Rubin (1990 PAR) observes that the municipal management literature has slowly evolved to prescribe an increasing role for city managers in developing policy, recommending policy, and using the budget as a method of policy formulation. By the 1970s, the traditional reform era distinction between policy making and policy execution in city government was being jettisoned altogether by some (Smith 1979).

Picking Up the Pieces: Budgetary Theory Explores the Exposed Base

The erosion and demise of incrementalism theory heralded a fundamental shift in public budgeting. From the beginning, executive budgeting had been developed in a bottom up fashion, with the CEO (mayor, governor, president) using the central budget office to aggregate the flow of budget requests from the various governmental departments, controlling the amounts presented to the legislature. Despite early performance budget efforts in the 1950s, and the failed attempts at PPBS in the 1960s, the CEO was largely responding to and managing the flow of budgetary decisions from government bureaus up to the CEO and then up to the legislature. It was a bottom up process, and the focus was on organizational processes. Incrementalism mainly defined predictable roles for agency bureaus, the central budget office, the CEO, legislative committees, and the legislature as a whole.

As entitlement spending grew and tax revolts proliferated, the traditional incremental budget process was inadequate to the needs of CEOs and ineffective in predicting budgetary outcomes. Most fundamentally, the deep recession of 1981-82 rendered the budget base — as Wildavsky had understood it — obsolete. The "commonly held expectations among participants in budgeting that programs will be carried out at close to the going level of expenditures" (op.cit.) no longer was valid, as local and state governments responded to deep revenue shortfalls by reallocating the base budget components from lower to higher priorities. Base budget reallocation required a fundamental shift from a predominantly bottom-up process to a top-down process dominated by the CEO. Constrained by much slower and lower revenue growth but unconstrained by political campaign promises, CEOs — especially governors — had to find and focus budgetary slack on top policy priorities to be effective.

The failed attempt at PPBS also marked another transition in the evolution of scholarship in public budgeting and financial management. In the periods when scholars focused on control and management, roughly the first 50 years of the 20th century, the underlying focus was on the public organization and organizational processes, how a unit budgeted funds and managed the funds it was authorized to collect or spend. Object accounting, line item budgeting, and later performance budgeting (round one) focused attention on the costs of service delivery by a unit of government (an agency or department at some level of government). Attention to budget process (the executive budget movement, for example) was focused on how to identify the scope and cost of the executive (or executive branch).

The normative goal was to improve efficiency of organizational units by re-engineering the process that they used to create a budget, both at the unit level and the enterprise-wide level of a local, state, or national government. Budget process reformers were relentless in their pursuit of making the budget and the budget process fashioned more on the basis of economic rationality (allocative efficiency) than the political rationality that undergirded incrementalism theory. (e.g., Schultze 1968). While PPBS represented the epitome of such efforts, it also foreshadowed a shift in focus from thinking about re-engineering processes viz. the budget process, to focusing on organizational outputs as a consequence of budget allocations. Of course, budgets have always allocated funds to produce public service outputs — that is inherent in the definition of a budget as we have used it in this essay.

Our point is that the focus of budgetary process redesign began to shift from the input and throughput side of budgetary systems to the output side of the system. PPBS itself can be framed on systems theory (Easton 1965); regrouping governmental units into programs that produced service outputs was the main point of the PPBS format. Although PPBS failed as a reform for numerous reasons, its legacy is a fundamental shift from thinking about organizational process to thinking about organizational outputs of the budget allocations. In the post-incrementalism era, budgeting emphasized two new functions: policy and collaboration.

The Policy Era (1978-92)

The shift to inter-organizational issues set the stage for a new emphasis in the late 1970s and early 1980s on the policy aspects of budgeting and financial management, shaped by changes in base budget *re*allocations, intergovernmental relations, tax revolts, and economic constraints. As entitlement spending grew and tax revolts proliferated in the late 1970s and early 1980s, *the key question* of the era was: how can the government establish control of a budget process that has been functioning on incremental autopilot? Scholarship highlighted the priorities of governors and local government executives, including base reallocation challenges and the use of the item veto as a policy tool.

Both Schick (1983) and Robert Behn (1985) recognize that a new era of "decrementalism" emerged from the tax revolts launched in the late 1970s. In the context of chronic resource scarcity, they both apply the principles of incrementalism in reverse to the new budgetary environment. Although Schick attempts to draw a distinction between decremental and cutback budgeting, both scholars emphasize that decremental budgeting is by nature redistributive between agencies, increases conflict between budgetary interests, requires more centralized leadership, and threatens to destroy institutions of the budgeting process (e.g., annual budgeting, balanced budgets, transparency). Both are pessimistic regarding the ability of budget mechanisms to create order in the chaos of retrenchment.

The policy emphasis era emerged with federal cuts in intergovernmental grants in the Carter and Reagan administrations, including termination of revenue sharing to state and local governments. Reagan successfully hammered the final nail in the predictable budget increment by indexing the federal income tax, effectively limiting most agencies to a base budget unless they were the focus of the president's priorities — as was the Department of Defense under Reagan's administration. The policy debate regarding the shares of budget allocated to domestic versus military spending was shaped by the foreign policy competition and arms race with the USSR (Tsai-Tsu, Kamlet and Mowery 1993; Ostrom and Marra 1986). And although many in Congress and the White House complained about "uncontrolled" entitlement spending, little was done to curb their growth, and they were largely unaffected by various reforms such as Gramm-Rudman-Hollings (Joyce 1993 PB&F; Hahm, Kamlet and Mowery 1993, Mowery 1993 PAR).

Concurrently, states were beset with tax revolts that limited state revenues and expenditures, as well as local property tax growth. The latter effectively pressured states to increase aid to local governments, especially school districts. Meanwhile, state matching requirements for Medicaid also drove state spending pressures. Although revenues were constrained by tax and expenditure limitations (TELs) for many local governments, the pressure for public service expenditures was unabated, pushing mayors, managers, and city councils to reassess the budget base and its implied service priorities. Thus at all levels of government, base budgets were shattering as CEOs were able to identify policy priorities and fund them with the previously sacrosanct "fair shares" of unfavored programs.

Within this background, the budgetary discussion shifted from allocating an increment to reallocating the base budget. Two approaches to base reallocation emerge: zero-based budgeting (ZBB) and decremental budgeting. ZBB was introduced to government budget from the private sector by President Carter (Pyhrr 1977 PAR). Schick (1978 PAR) provides a retrospective on the ZBB experiment at the federal level. He states the

ZBB was effective at producing some management efficiencies through increased programmatic scrutiny, but ultimately at the expense of long-term program objectives. In addition, he claims that ZBB was ineffective at penetrating the 75-95 percent of the budget that is "uncontrollable" through budgetary action. Although theoretically ZBB can be used to drive efficiency and contain costs, entitlement spending at the state and federal levels and agency institutionalization at all levels render it impractical. In 1972, Cohen, March and Olsen published their "Garbage Can Model Of Organizational Choice" to explain non-incremental change, and despite having little explanatory power, it continues to be explored as a model for use in budgeting and policy theories. Most notable is Kingdon's agenda setting model (1997, 2003) which has been adapted by Thurmaier and Willoughby (2001) for state budgeting.

At the local level, the combination of federal cutbacks, public displeasure regarding tax burden, and heightening expenses turned traditional budgetary growth into retrenchment in many cities. Levine, Rubin, and Wolohojian (1981 PAR) note that those communities with high levels of politicization and fragmented authority experienced the most difficulty managing cutbacks. These authors, along with McGowan and Stevens (1982 PAR) and others, began to analyze the use of slack resources and other strategies that can assist local government in riding the waves of economic cycles. Alternatively, both articles indicated a growing reliance on user fees to fund services as traditional revenue sources were limited by economic conditions and/or intergovernmental aid.

ASPA's budgeting section, the Association for Budgeting and Financial Management (ABFM) partnered with the American Association for Budget and Program Analysis (AABPA) to launch the journal, *Public Budgeting & Finance* (PB&F) in 1981. The first issue of this sister journal to PAR reflected the budgeting turmoil at the state and local levels. It included several articles on new accounting reforms, the new tax and spending limitations, and budgetary uncertainty. Naomi Caiden's lead article (1981 PB&F) lamented the loss of budgetary stability, a foreshadowing of the turmoil to come. A third of PB&F's 327 budgeting and financial management articles in its first decade were dedicated to local government issues. About half of PAR's 54 articles on the topics were focused on local government issues, a significant increase from previous decades. The shift in emphasis reflected, in part, the growing realization by scholars that there is much more to study at the local level in an era of program devolution to states and local governments.

In the larger context of constant conflict between programs and interests, mediators are needed to assist in decisionmaking. Hence, the influence of policy analysts grew in the budgetary process. (Gosling 1987 PB&F). Kurt Thurmaier and James Gosling (1997 PB&F) detail the rapid conversion during the 1980s and early 1990s of three state budget offices from a control orientation to a dominant policy orientation. Their findings suggest that *policy* should become a fourth function of budgeting alongside control, management, and planning.[2]

[2] As noted above, Schick's concept of planning included elements of policy analysis in budgeting.

Robert Lee's (1991 PAR) examination of state budgeting also finds the predominance of executive-led budgeting processes fueled by policy analysis from state-budget offices. Goodman and Clynch (2004 PB&F) find evidence that budget analysts use a mix of political and technical factors in their analyses. Rubin (1996 PB&F) discusses budgeting for accountability in the 1990s, arguing that "The dominant trend in budgeting in the 1970s and 1980s was *prioritization,* devising the machinery for making tradeoffs and reductions in the budget." Thurmaier and Willoughby (2001) use a microlevel budgetary decisionmaking model to explore the implications of the evolution of state budget offices from the control to a policy orientation.

By the 1980s, budget analysts in Wisconsin were routinely attending board meetings of the state's housing authority and other quasi-public corporations, not only to observe financial activities, but also to coordinate policies with other agencies, such as the department of development, to navigate constitutional questions, and in general to keep the budget director appraised of the authority's activities. The evolution of the executive budget process enabled budget offices to set agendas and coordinate the organization and "packaging" of revised programs when serious financial problems or crises were facing the state (Miller 1981, 103).

The public conflict created by citizen tax revolts and retrenchment also infused the role of legislative bodies in the budgeting process with renewed vigor (Mullins and Joyce 1991 PAR). Long dormant in budgetary discussions as incrementalism created win-win budgeting, legislators were suddenly confronted with the challenges of resource scarcity and interest group conflict. As they attempted to confront the new reality and increase their influence relative to the executive, legislators quickly discovered they were hampered by a knowledge deficit. In contemporary textbook reviews of public budgeting, both Donald Axelrod (1988) and Gosling (2002) explore the growth of legislative budgetary organizations. They highlight the importance of the 1974 Congressional Budget and Impoundment Control Act (at the federal level) as a watershed for re-asserting legislative influence in the budgeting process, especially the establishment of the Congressional Budget Office (see also Joyce 2011). The authors also emphasize the resurgence of state legislatures into budgeting, with a heavy reliance on legislative policy staffs to examine alternatives to the gubernatorial budget proposals. Both accounts lend credence to a new era of legislative budgeting and the role of policy analysis within it. Caiden (1984b PB&F) highlights the policy influence of the legislative budget offices.

Gosling's (PAR, 1986) study of the gubernatorial item-veto use in Wisconsin over a 12-year period suggests that it has been used primarily as a tool of policy choice and partisan advantage rather than of fiscal restraint. Abney and Lauth (1985 PAR) find similar patterns in a broader study of the item veto in the states. The line item veto was a tool to achieve gubernatorial priorities over those of legislators. Later (1998 PAR), their extensive study of the line item veto and the budget power struggle over two decades led them to declare "The End of Executive Dominance in State Appropriations."

Despite the trend for budgeting to increasingly involve explicit debates about policy outcomes and tradeoffs, little has been written about the policy-oriented budget document itself. Even though policy decisions have been increasingly incorporated into budget decisions (as we have shown above), line items budget formats can obscure policy decisions. As the GFOA budget awards program has increasingly emphasized, the policy content of a budget document is a consequence of policy analysis, CEO priorities, and policy trade-offs. Fishbein (2006) suggests that the policy-oriented budget document must have a statement of priorities. Gloria Grizzle's (1986 PB&F) groundbreaking study of budget documents explains that control-oriented budgets are reflective of the desire to publicize spending ceilings for agencies set by the legislature in terms of items to be bought, and report on conformance to previously-established spending ceilings. We lament that Grizzle's work has not been continued in later years (with some notable exceptions described below) as the budget document is an essential (but oft ignored) component of the budgetary process.

The realities of retrenchment radically altered traditional conceptions of financial management. Bowsher (1985 PB&F) advocates for a more proactive, coordinated, and comprehensive financial management system that transcends the isolated, reactive, accounts-based approach. In particular, he calls for the establishment of cash, debt, and deficit policies which are enforced through access to improved financial data and enhanced auditing procedures. Bowsher's call to expand the realm of financial management echoes those who recognized that chronic retrenchment would require controls on deficit spending and debt levels. More recently, the Government Performance Project (GPP) has been an ambitious effort to analyze and compare the financial management practices and performances of the states on multiple criteria (see Pew Center on the States 2010).

Retrenchment also had a significant effect upon capital budgeting and financing. Bozeman (1983 PB&F) speaks to how the capital budget has become a part of the policy function of budgeting, by adding an additional strategic option for allocating scarce resources over time and competing with operational pay-as-you-go alternatives. Forrester (1993 PB&F) attests that, over time, scarce resources have made capital budgeting more complex and deeply intertwined with the political and managerial concerns found in the operating budget process. As governments turned to deferring the capital budget as a way to relieve fiscal stress, capital budgets were further stressed by decreasing federal grants and high interest rates for bond financing. These two factors led to less reliance on general obligation bonds and more emphasis upon "creative" debt financing vehicles such as revenue bonds, tax increment financing, leasing and lease-purchase, bond banks, and revolving loan funds (Petersen 1982 PB&F; Hamilton 1983 PAR; Hildreth and Zorn 2005 PB&F). Hildreth and Zorn (2005 PB&F) detail that as state and local governments ran up debt balances, default became a significant concern and — in some cases — reality. In a decentralized and mostly unregulated public bond market, credit agencies have found success exerting pressure on the market through its credit ratings. In addition, state and local governments have attempted to differentiate the quality of their offerings through credit enhancements such as bond insurance and letters of credit.

The Collaborative Era (1993-Current)

The last decade of general public administration scholarship has been energized with studies that extend the inter-organizational conception of public service delivery to programmatic relationships between government agencies and nongovernmental organizations (NGOs) and public-private partnerships in *public service networks*. Early roots are found in the New Public Management (NPM) models popular in the early 1990s. Born in Australia and New Zealand as a renewed effort to apply market principles to public service delivery, it sprang up in the US in the Reinventing Government reforms espoused by Osborne and Gaebler (1992) at the local level and popularized at the federal level by Vice-President Al Gore (1993).

The normative NPM model never gained substantial traction in the US (Thurmaier and Wollmann, forthcoming), and the focus was more on contracting for services than to privatizing government activities. Regardless, the reinvention or NPM model has been displaced by a collaborative public service delivery model using public-private-nonprofit partnerships while government retains important policy influence. Network theory, long at home in sociology, has leaped across the academic boundary into public management in an explosion of scholarship on public management networks, network management, the role of public managers in networks, and collaborative partnerships between public agencies and NGOs to deliver public services, especially social services. Importantly, the collaborative model ushers in a focus on community outcomes, a significant shift from the previous focus on organizational outputs.

Perhaps the greatest evidence of the shift to community outcomes is shown in the revitalization of performance budgeting. At the federal level, the Government Performance and Results Act of 1993 (GPRA) was designed to hold agencies accountable for program results, promote a focus on results and citizen satisfaction, plan to meet program objectives, and improve legislative oversight by providing useful data for consideration (Radin 1998 PAR). Melkers and Willoughby (1998 PAR) found that 47 of the U.S. states had enacted some level of performance-based budgeting requirements, most during the 1990s. They (2005 PAR) also document the evolution of local government measurement focus from outputs to outcomes with attempts to incorporate the data into budgeting processes. During the 1990s and early 2000s, all levels of government saw a reinvigoration of performance budgeting focusing on organizational and community outcomes.

The cumulative success of these performance budgeting initiatives has been limited in achieving true budgetary reform. Congress has largely ignored the deluge of performance data from agencies under GPRA while continuing to appropriate on an obligation basis which ignores the ability of agencies to achieve outcomes or efficiencies (McNab and Melese PB&F, 2003). Melkers and Willoughby (2001 PAR) review the state experience and find that legislatures were largely uninterested in performance data while agencies experienced implementation challenges. At the local level, they (2005 PAR) demonstrate that most governments have implemented the structure of a performance-based budgeting system, but full buy-in has been lacking across the board — boards review performance data, but do not use it in decisionmaking processes; performance data is included in the budget, but data is not relevant to or used by citizens to participate in the budgetary process; agencies report data, but do not incorporate into operations. Although implementation has been difficult and results are lacking, the authors indicate that the initiatives have largely continued with steady progress. Related to performance budgeting and results budgeting are efforts to analyze citizen participation in budgeting (Ebdon and Franklin PAR 2006; Watson et al PAR 1991).

Beyond examinations of performance budgeting, we suggest that this shift in the larger public administration literature has yet to be seen in significant ways in the scholarship on public budgeting and financial management. *The key question for this era is*: how can governments use the budget process and financial management to collaborate with other governments, NGOs, and private sector to meet service delivery demands and hold agencies accountable for the results? There is scant research on how public service networks are financed, how financial accountability works (or does not work) in these networks, and how public organizations budget for collaboration. Themes of financing public organizations, financial accountability, and budgeting process and outcomes need to be extended to the context of collaboration and community outcomes to enrich our understanding of public management networks and their benefits and costs. One can anticipate a new wave of dissertations and following scholarship in this arena as the budgeting and financial management community catches up to the larger field of public administration. As this body of research continues to emerge, we utilize the next section to review initial forays in this arena and to offer some new concepts for exploration by the field.

Emerging Research Questions for Contemporary Scholars

The initial thrust of the collaborative era focused on using private business to serve public ends through contracting out and privatization. This form of collaboration was grounded in principal-agent theory as governments engaged private business to provide public goods and services in competition with or in place of public agencies. Engaging the private sector was typically a management strategy for economizing, and base budgets were increasingly reshaped as organizational units were replaced with contracts for services, ostensibly at lower costs of service delivery. The ideas of contracting and entrepreneurialism emerged in the budgetary process (Cothran, 1993 PAR; Robinson 2000). In its fullest conception, public agencies were treated as budgetary contractual partners; they agreed to terms with the executive and the legislative body to obey expenditure limits while producing a specified volume of output. In return, agencies were granted wide latitude to meet their contractual obligations by having regulatory shackles removed. In this way, the executive could "purchase results" from providers bidding to deliver the stated objectives. The entrepreneurial approach to budgeting was the initial management-oriented response to calls for streamlined government, "doing more with less," "running government more like a business," and the like (Osborne and Gaebler 1992).

As governments turned to private businesses to assist in service delivery, they also began to look horizontally at neighboring governments and NGOs as partners. Initially, these partnerships were seen, in the same light as private sector contracting, as mechanisms to address fiscal stress (Sonenblum, Kirlin, and Ries 1977; Morgan and Hirlinger 1991; Bartle and Swayze 1997). As public administration became increasingly networked, scholars noted that these new working arrangements had unique implications for public budgeting and financial management. As early as the PPBS era, Schick (1966 PAR, 256) notes in his discussion highlighting the difficulty of integrating planning and budgetary activities that "the diversity of government agencies involved in related functions… has given rise to various ad hoc coordinating devices, but it also has pointed to the need for permanent machinery to integrate dispersed activities." Laurence O'Toole, Jr. (1997 PAR, 50) challenged researchers to "take networks seriously," including the fields of public budgeting and financial management where "networked public administration raises new questions and requires theoretical reformulation. An obvious topic is theory regarding fiscal instruments such as contracting, loans and loan guarantees, debt, and in-kind exchanges. Most of these topics have made inroads in the literature, *but solid theory remains scarce* [emphasis added]. Furthermore, ideas about how the structure of resource flows influences public management and decision-making are also needed."

The principal vehicle for networked public collaboration at the local level has been interlocal agreements (ILAs), which are typically viewed as vehicles to improve efficiency and reduce costs through economies of scale. ILAs were initially used within discrete functional service networks to create what Thurmaier and Wood (PAR, 2002) have termed "picket fence regionalism." However, Thurmaier and Chen (2009) find that ILAs are also used to increase program effectiveness, with little to no focus on the fiscal implications. The currency that fuels such agreements is trust built in professional social networks (Thurmaier and Wood 2002 PAR). Successful previous collaboration efforts also have been demonstrated as a factor influencing further collaboration (Lackey, Freshwater, and Rupasingha 2002). When trust is built through networks and past success, transaction costs can be minimized as monitoring and compliance needs are reduced (Thurmaier and Wood 2002 PAR; Lackey, Freshwater, and Rupasingha 2002). Thus, trust-based "relational contracting" allows partners to reduce transaction costs and incorporate ambiguity in terms that may be the key to addressing larger, programmatic issues (Thurmaier and Chen 2009). In short, trust allows collaborators to utilize ILAs not only to improve service delivery, but to plan for community objectives and address "wicked problems."

As contracting and network agreements emerge to address service delivery and improve community outcomes, the implications for public budgeting and financial management must be viewed through two lenses. First, from the organizational perspective, we argue that committing funds to outside partners without coordination to the budgetary process can be as threatening to fiscal health as unbudgeted supplemental appropriations. Open-ended commitments and negligible monitoring of participation costs (fiscal and nonfiscal) can divert resources from higher priorities without conscious budgetary decisionmaking. In addition, the use of outside partners for production of public goods incorporates an additional link in the accountability chain, potentially weakening the entire chain (Cohen and Eimicke 2008). However, Zeemering (PAR, 2008) demonstrates that: 1) contract terms can provide transparency and accountability, and 2) elected officials are attentive to distribution of costs and benefits of agreements (including cost allocation formulas, terms, and monitoring mechanisms).

These findings indicate the budgetary process can potentially be used as a mechanism to ensure accountability in collaborative government. Rubin (2006 PB&F) also argues that accountability and transparency can be improved if contracts (including the scope, duration, cost, and performance requirements) are reported individually within the budget document. Finally, the increased use of agreements have brought contract management, general accounting standards, and risk management to the forefront of financial management practices. Steven Cohen and William Eimicke (2008) provide an excellent primer on contract management, including discussions of requisite skills, public ethics, and representative democracy. General accounting standards have grown in importance as intersectoral relationships have uncovered the need for a common accounting language. For instance, Elizabeth Keating and Peter Frumkin (2003 PAR) provide several recommendations to improve NGO accounting and reporting, which they link to the long-term viability of a NGO. Arie Halachmi (2005) explores the implication of moving from "government" to "governance" for organizational risk management.

Second, the budgetary implications of governance have been viewed primarily from the participant vantage point; however, little scholarship exists of the budgeting process of network organizations. As collaborative networks continue to proliferate in use and develop in depth, the network setting and the process of resource sharing will be central to budgeting for public services. Therefore, *it is imperative that scholars understand how network budgeting functions*. Two recent efforts deserve note. First, Karl Rethemeyer and Deneen Hatmaker (2008) introduce the concept of a fiscal network in their reconception of network management. They theorize that the fiscal network operates in partnership with a policy network and collaborative service network to produce collaborative public goods. The networks may have overlapping participants but perform different functions within the program. They argue that all three networks must be evaluated as a functioning whole in order to properly understand network management. The idea of separate, but dependent fiscal networks within collaborative programs deserves further attention. Second, Fayth Ruffin (2010) cites the Newark (NJ) Downtown District as an example where PBB was easily implemented into a public network. She postulates that the implementation ease was due to the lack of institutionalized incrementalism inherent to most public organizations. This indicates that collaborative networks may be a viable vehicle to pursue community outcomes and develop collaborative budgets to achieve those outcomes.

Finally, determining the complete cost of collaborative activity impacts both participant organizations and the collaborative network organization. We argue that the advantages and pitfalls of "network-based costing" are similar to those found with the more traditional activity-based costing. Beyond contractual terms, participant organizations devote substantial unaccounted amounts of personnel, time, and materials to collaborative activities (Thurmaier and Wood 2002 PAR). In order to accurately budget for collaborative activity at either the network or participant level, further research is necessary to determine appropriate tools to capture the entire cost of a collaborative activity.

The historical analysis, theoretical framework, and emerging trends identified above collectively set a research agenda for today's scholars. We believe that the following questions are among the most critical needs to enhance the theoretical understanding of public budgeting and financial management in a new era emphasizing governance over government.

Networks – How do the budgetary concepts associated with organizations translate to networks? What are the similarities and differences? How do individual organizations control contribution expenditures to the network? Who drives the network budgeting process? What are the budgetary objectives (controlling inputs, managing outputs, or achieving outcomes)? How does the fiscal network interact with the policy and service networks of a collaborative effort? Are existing financial management tools sufficient to incorporate network participation? Are community-focused planning networks supplanting "picket-fence" functional networks? How do legislatures and boards participate in budgeting for collaborative activity?

Budget Documents – Throughout this essay we have noted the dearth of scholarship on the use of budget documents in public budgeting. As an essential tool of transparency, accountability, and communication, we place special imperative on the following questions: Is the type of budget document used by organizations driven by the budgeting process, or vice versa? What are the implications of this finding? How does a budget document accurately convey the extent of contracting and collaboration and the implications posed by each contractual/collaborative commitment? How can a budget document accurately convey organizational and community goals and document progress toward those goals? What is the proper role of the budget document for a collaborative network?

Performance Budgeting – Does incorporating performance data into the budgetary process matter? Does it improve decisionmaking (and what does improved mean)? How can legislative bodies incorporate performance budgeting into the budgeting process? Is performance budgeting relegated to the executive branch? If PB is about the management of resources, not their allocation by legislatures and chief executives, then this requires research on agency budgeting, which has not been done much at all. What practices can scholars recommend for integrating performance budgeting into organizations?

The Global Context – The 21st century has been marked by a rebirth of scholarly interest in the global context of public affairs, and budgeting and financial management is no exception. Australia and New Zealand exported the New Public Management (NPM) to the US, Europe, and other countries in the 1990s. The market-oriented framework appealed to many practitioners and scholars, although less in the US, in part because the size of government (and its role in the private sphere) in the US was much smaller than elsewhere. Still, Osborne and Gaebler (1992) and Vice-president Gore (1993) championed the *reinventing government* version of NPM in the US. As a rule, PAR has not published very many articles about international aspects of public budgeting and finance, but 9 of the 32 budgeting and financial management articles in the first decade were international in content. Many of the published studies are country specific — Indonesia, Kenya, Ghana (Leigland 1993 PB&F; Peterson 1994 PB&F; Assibey-Mensah 1997 PB&F; respectively). A few studies are more comparative in nature (see Wildavsky and Jones 1994 PB&F; Schick 1990 PAR; and Savage 2001 PAR; all on budgeting and financial management in the European Union). More recently, scholars have published comparative public budgeting books to provide a more systematic and global overview of the field (e.g., Menifield 2010, Guess and Leloup 2010). Overall, PB&F has much higher global content (in public budgeting and financial management) than PAR.

Yet there is much to learn from experiments in the EU on budgeting shared governance, on alternative forms of local capital finance through dedicated revenue sharing (e.g., Kenya's Community Development Fund), and citizen participation in Brazil. Truly comparative research should be encouraged, solicited, and published in PAR and PB&F to take advantage of the easier access to scholarly information in a global context — within and outside the US. The *OECD Journal on Budgeting* is a unique resource for policy makers, officials and researchers in public sector budgeting.

Although this list is by no means exhaustive, they are important questions that merit scholarly attention. In the case of performance budgeting, promising research has been conducted, but the questions still endure. For collaboration and budget documents, the work is just beginning and requires significantly more effort. The field of public budgeting and financial management continues to be highly relevant in today's political environment, and theoretical advances in the areas highlighted above must be made in order to address today's political challenges.

Bibliography

Abney, Glenn, and Thomas P. Lauth. 1985. Line-item veto in the states: an instrument for fiscal restraint or an instrument of partisanship? *Public Administration Review* 45(3): 372-377.

___. 1998. The End of Executive Dominance in State Appropriations. *Public Administration* 58(5): 388-394.

Assibey-Mensah, George O. 1997. Budgeting in Ghana: Innovations, Problems, and Prospects. *Public Budgeting & Finance* 17(2): 89-113.

Axelrod, Donald. 1988. *Budgeting for Modern Government*. New York: St. Martin's Press.

Bartle, John R., and Richard Swayze. 1997. Interlocal Cooperation in Nebraska. Unpublished report prepared for the Nebraska Mandates Management Initiative.

Behn, Robert D. 1985. Cutback Budgeting. *Journal of Policy Analysis and Management* 4(2): 155-177.

Boex, L.F. Jameson, Jorge Martinez-Vazquez, and Robert M. McNab. 2000. Multi-Year Budgeting: A Review of International Practices and Lessons for Developing and Transitional Economies. *Public Budgeting and Finance* 20(2): 91-112.

Bowsher, Charles A. 1985. Governmental Financial Management at the Crossroads: The Choice is Between Reactive and Proactive Financial Management. *Public Budgeting and Finance* 5(2): 9-22.

Bozeman, J. Lisle. 1984. The Capital Budget: History and Future Directions. *Public Budgeting & Finance* 4(3): 18-30.

Brown, Richard E., Mark J. Myring, and Cadillac G. Gard. 1999. Activity-Based Costing in Government: Possibilities and Pitfalls. *Public Budgeting and Finance* 19(2): 3-21.

Brundage, Percival Flack. 1970. *The Bureau of the Budget*. New York: Praeger Publishers.

Buck, Arthur Eugene. 1920. The Coming of Centralized Purchasing in State Governments. *National Municipal Review* 9(s2): 115-135.

___. 1929. *Public Budgeting: A Discussion of Budgetary Practice in the National, State, and Local Government of the United States*. New York: Harper.

___. 1934. *The Budget in Governments of Today*. New York: MacMillan.

Caiden, Naomi. 1981. Public Budgeting Amidst Uncertainty and Instability. *Public Budgeting & Finance* 1(1): 6–19.

___. 1984a. The New Rules of the Federal Budget Game. *Public Administration Review* 44(2): 109-118.

___. 1984b. An Interview with A. Alan Post, Legislative Analyst for the State of California, 1950-1977. *Public Budgeting & Finance* 3(1): 75–90.

Carey, William D. 1970. Reorganization Plan No. 2, Remarks by. *Public Administration Review* 30(6): 631-34.

Cleveland, Frederick A., and Arthur Eugene Buck. 1920. *The Budget and Responsible Government*. New York: MacMillan Company.

Cohen, Steven, and William Eimicke. 2008. *The Responsible Contract Manager: Protecting the Public Interest in an Outsourced World*. Washington, DC: Georgetown University Press.

Cohen, Michael, James March, and Johan Olsen. 1972. A Garbage Can Model of Organizational Choice. *Administrative Science Quarterly* 17(1): 1-25.

Cothran, Dan A. 1993. Entrepreneurial Budgeting: An Emerging Reform? *Public Administration Review* 53(5): 445-454.

Easton, David. 1965. *A Framework for Political Analysis*. Chicago: University of Chicago Press.

Davis, Otto A., M. A. H. Dempster, and Aaron Wildavsky. 1966. A Theory of the Budgetary Process. *The American Political Science Review* 60(3): 529-547.

Denison, Dwight. 2003. An Empirical Examination of the Determinants of Insured Municipal Bond Issues. *Public Budgeting & Finance* 23(1): 96–114.

___. 2009. What Happens When Municipal Bond Insurance Companies Lose Credit? *Municipal Finance Journal* 29(4): 37-47.

Ebdon, Carol, and Aimee L. Franklin. 2006. Citizen Participation in Budgeting Theory. *Public Administration Review* 66(3): 437-447.

Fishbein, John. 2006. *Preparing High Quality Budget Documents*. Chicago: Government Finance Officers Association.

Fisher, Ronald C. 2007. 3rd ed. *State and Local Public Finance*. Glenview, IL: Scott, Foresman.

Fleischman, Richard K., and R. Penny Marquette. 1986. The Origins of Public Budgeting: Municipal Reformers During the Progressive Era. *Public Budgeting and Finance* 6(1): 71-77.

Forrester, John P. 1991. Multi-Year Forecasting and Municipal Budgeting. *Public Budgeting and Finance* 11(2): 47-61.

___. 1993. Municipal Capital Budgeting: An Examination. *Public Budgeting & Finance* 13(2): 85-103.

Goodman, Doug and Edward Clynch. 2004. Budgetary Decision Making by Executive and Legislative Budget Analysts: The Impact of Political Cues and Analytical Information. *Public Budgeting & Finance* 24(3): 20-37.

Gore, Al. 1993. *From Red Tape to Results: Creating a Government that Works Better & Costs Less*. Washington, DC: The Review.

Gosling, James J. 1986. Wisconsin Item-Veto Lessons. *Public Administration Review* 46(4): 292-300.

_____. 1987. The State Budget Office and Policy Making. *Public Budgeting and Finance* 7(1): 51-65.

_____. 2002. *Budgetary Politics in American Governments*. 3d ed. New York: Routledge.

Grizzle, Gloria A. 1986. Does Budget Format Really Govern the Actions of Budgetmakers? *Public Budgeting and Finance* 6(1): 60-70.

Guess, George M. and Lance I. Leloup. 2010. *Comparative Public Budgeting: Global Perspectives on Taxing and Spending*, Albany, NY: SUNY Press.

Gulick, Luther. 1936. Notes on the Theory of Organization. In L. Gulick & L. Urwick (Eds.), Papers on the Science of Administration (pp.3–35). New York: Institute of Public Administration.

Hahm, Sung Duek, Mark S. Kamlet, and David C. Mowery. 1993. The Political Economy of Deficit Spending in Seven Parliamentary Democracies: The Role of Fiscal Institutions. Paper presented at the American Political Science Association Annual Conference.

Halachmi, Arie. 2005. Governance and Risk Management: Challenges and Public Productivity. *The International Journal of Public Sector Management* 18(4): 300-317.

Hamilton, Randy. 1983. The World Turned Upside Down: The Contemporary Revolution in State and Local Government Capital Financing. *Public Administration Review* 43(1): 22-31.

Hildreth, W. Bartley. 1993. State and Local Government as Borrowers: Strategic Choices and the Capital Market. *Public Administration Review* 68(4): 41-49.

Hildreth, W. Bartley, and Gerald J. Miller. 2002. Debt and the Local Economy: Problems in Benchmarking Local Government Debt Affordability. *Public Budgeting & Finance* 22(4): 99–113.

Hildreth, W. Bartley, and C. Kurt Zorn. 2005. The Evolution of the State and Local Government Municipal Debt Market over the Past Quarter Century. *Public Budgeting & Finance* 25(4 Supplement): 127-153.

Holcombe, Arthur N. 1941. Over-All Financial Planning Through the Bureau of the Budget. *Public Administration Review* 1(3): 225-230.

Ippolito, Dennis. 1978. *The Budget and National Politics.* San Francisco, CA: W. H. Freeman.

Johnson, Bruce E. 1984. "From Analyst to Negotiator: The OMB's New Role," *Journal of Policy Analysis and Management*, 3(4): 501-515.

Jones, L. R., and Fred Thompson. 1986. Reform of Budget Execution Control. *Public Budgeting and Finance* 6(1): 33-49.

Joyce, Philip G. 1993. The Reiterative Nature of Budget Reform: Is There Anything New in Federal Budgeting? *Public Budgeting and Finance* 13(3): 36-48.

___. 2011. *The Congressional Budget Office: Honest Numbers, Power, and Policymaking.* Washington D.C.: Georgetown University Press.

Kahn, Jonathan. 1997. *Budgeting Democracy: State Building and Citizenship in America, 1890-1928*. Ithaca, NY: Cornell University Press.

Kamlet, Mark S. and David C. Mowery. 1980. "The Budgetary Base in Federal Resource Allocation," 24(4): 804-821.

Keating, Elizabeth K., and Peter Frumkin. 2003. Reengineering Nonprofit Financial Accountability: Toward a More Reliable Foundation for Regulation. *Public Administration Review* 63(1): 3-15.

Key, V.O. 1940. The Lack of a Budgetary Theory. *The American Political Science Review* 34(6): 1137-1144.

Kingdon, John W. 1997. Agendas, Alternatives and Public Policies. Addison-Wesley Educational Publishers, Inc.

Lackey, Steven Brent, David Freshwater, and Anil Rupasingha. 2002. Factors Influencing Local Government Cooperation in Rural Areas: Evidence from the Tennessee Valley. *Economic Development Quarterly* 16(2): 138-154.

Lee Jr., Robert D. 1991. Developments in State Budgeting: Trends of Two Decades. *Public Administration Review* 51(3): 254-262.

Leigland, James. 1993. Decentralizing the Development Budget Process in Indonesia: Progress and Prospects. *Public Budgeting & Finance* 13(3): 85-101.

Leloup, Lance T. 1978. The Myth of Incrementalism: Analytical Choices in Budgetary Theory. *Polity* 10(4): 488-509.

Levine, Charles H., Irene S. Rubin, and George G. Wolohojian. 1981. Resource Scarcity and the Reform Model: The Management of Retrenchment in Cincinnati and Oakland. *Public Administration Review* 41(6): 619-628.

Lewis, Verne B. 1952. Toward a Theory of Budgeting. *Public Administration Review* 12(1): 42-54.

Lindblom, Charles E. 1959. The Science of 'Muddling Through.' *Public Administration Review* 19(2): 79-88.

McGilvery, Francis E. 1966. A Management Accounts Structure. *Public Administration Review* 26(4): 277-283.

___. 1968. Program and Responsibility Cost Accounting. *Public Administration Review* 28(2): 148-154.

McGowan, Robert P., and John M. Stevens. 1982. Local Government Management: Reactive or Adaptive? *Public Administration Review* 43(3): 260-267.

McNab, Robert M., and Francois Melese. 2003. Implementing the GPRA: Examining the Prospects for Performance Budgeting in the Federal Government. *Public Budgeting & Finance* 23(2): 73-95.

Melkers, Julia and Katherine Willoughby. 1998. The State of the States: Performance-Based Budgeting Requirements in 47 out of 50. *Public Administration Review* 58(1): 66-73.

___. 2001. Budgeters' Views of State Performance-Budgeting Systems: Distinctions across Branches. *Public Administration Review* 61(1): 54-64.

___. 2005. Models of Performance-Measurement Use in Local Governments: Understanding Budgeting, Communication, and Lasting Effects. *Public Administration Review* 65(2): 180-190.

Menifield, Charles E. 2010. *Comparative Public Budgeting: A Global Perspective*, Sudbury, MA: Jones & Bartlett Learning.

Mikesell, John L. 2010, 8th ed. *Fiscal Administration*. Boston: Wadsworth.

Miller, Howard. 1981. *The Executive Budget in New York State*, Albany, NY: New York State Division of the Budget.

Morgan, David R., and Michael W. Hirlinger. 1991. Intergovernmental Service Contracts: A Multivariate Explanation. *Urban Affairs Quarterly* 27(1): 128-144.

Mowery David C. 1993. U. S. Defense Spending under the Gramm-Rudman-Hollings Act, 1986-1989. *Public Administration Review* 52(1): 8-15.

Mullins, Daniel R. and Philip G. Joyce, 1991. The Changing Fiscal Structure of the State and Local Public Sector: The Impact of Tax and Expenditure Limitations. *Public Administration Review* 51(3): 240-253.

O'Toole, Laurence J. 1997. Treating Networks Seriously: Practical and Research-Based Agendas in Public Administration. *Public Administration Review* 57(1): 45-52.

Osborne, David, and Ted Gaebler. 1992. *Reinventing Government: How the Entrepreneurial Spirit Is Transforming the Public Sector*. New York: Penguin Books.

Ostrum, Charles W., and Robin F. Marra. 1986. U.S. Defense Spending and the Soviet Estimate. *American Political Science Review* 80(3): 819-842.

Pearson, Norman M. 1943. The Budget Bureau: From Routine Business to General Staff. *Public Administration Review* 3(2): 126-149.

Petersen, John. 1982. Creative Capital Financing in the State and Local Sector. *Public Budgeting & Finance* 2(4): 73-89.

Peterson, Stephen B. 1994. Budgeting in Kenya: Practice and Prescription. *Public Budgeting & Finance* 14(3): 55-76.

Pew Center on the States. 2010. Policy Framework to Strengthen Government Planning, Budgeting, and Accountability. Accessed at: www.pewcenteronthestates.org/uploadedFiles/wwwpewcenteronthestatesorg/Initiatives/Government_Performance/Accountability_Framework_GPP.pdf?n=6536

Pyhrr, Peter. 1977. The Zero-Base Approach to Government Budgeting. *Public Administration Review* 37(1): 1-8.

Radin, Beryl A. 1998. The Government Performance and Results Act (GPRA): Hydra-Headed Monster or Flexible Management Tool? *Public Administration Review* 58(4): 307-316.

Rethemeyer, R. Karl, and Deneen M. Hatmaker. 2008. Network Management Reconsidered: An Inquiry into Management of Network Structures in Public Sector Service Provision. *Journal of Public Administration Research and Theory* 18(4): 617-646.

Robinson, Marc. 2000. Contract Budgeting. *Public Administration* 78(1): 75-90.

Rubin, Irene. 1989. Review: Aaron Wildavsky and the Demise of Incrementalism. *Public Administration Review* 49(1): 78-81.

___. 1990. Budget Theory and Budget Practice: How Good the Fit? *Public Administration Review* 50(2): 179-189.

___. 1996. Budgeting for Accountability: Municipal Budgeting for the 1990s. *Public Budgeting and Finance* 16(2): 112-132.

___. 2006. Budgeting for Contracting in Local Government. *Public Budgeting and Finance* 26(1): 1-13.

___. 2010. *The Politics of Public Budgeting: Getting and Spending, Borrowing and Balancing*, 6th Edition, Washington, DC: CQ Press.

Ruffin, Fayth A. 2010. Collaborative Network Management for Urban Revitalization: The Business Improvement District Model. *Public Performance and Management Review* 33(3): 459-487.

Savage, James D. 2001. Budgetary Collective Action Problems: Convergence and Compliance under the Maastricht Treaty on European Union. *Public Administration Review* 61(1): 43-53.

Schick, Allen. 1964. Control Patterns in State Budget Execution. *Public Administration Review* 24(2): 97-106.

___. 1966. The Road to PPB: The Stages of Budget Reform. *Public Administration Review* 26(4): 243-58.

___. 1969. Systems Politics and Systems Budgeting. *Public Administration Review* 29(2): 137-151.

___. 1973. A Death in the Bureaucracy: The Demise of Federal PPB. *Public Administration Review* 33(2): 146-156.

___. 1978. The Road From ZBB. *Public Administration Review* 38(2): 177-180.

___. 1980. "Budgeting as an Administrative Process," in *Perspectives on Budgeting (PAR Classics)*. Washington, DC: American Society for Public Administration, p. 5.

___. 1983. Incremental Budgeting in a Decremental Age. *Policy Sciences* 16(1): 1-25.

___. 1990. Budgeting for Results: Recent Developments in Five Industrialized Countries. *Public Administration Review* 50(1): 26-34.

Schultze, C. L.1968. *The Politics and Economics of Public Spending*. Washington, D.C.: Brookings Institution.

Sherwood, Frank P. 1966. *The Management Approach to Budgeting*. Brussels: International Institute of Administrative Sciences.

Smith, Harold D. 1941. The Bureau of the Budget. *Public Administration Review* 1(2): 106-115.

Smith, Russ. 1979. City Administrators as Policy-makers: Some Rules for Behavior? *Midwest Review of Public Administration* 13 (1): 3-18.

Sonenblum, S., J. J. Kirlin, and J. C. Ries. 1977. *How Cities Provide Services*. Cambridge, MA: Ballinger.

Thurmaier, Kurt, and Yu-Che Chen. 2009. Managing for Less: The Fiscal Attributes of Collaboration. Paper presented at National Public Management Research conference, October 1-3, Columbus, OH.

Thurmaier, Kurt, and James J. Gosling. 1997. The Shifting Roles of State Budget Offices in the Midwest: Gosling Revisited. *Public Budgeting and Finance* 17(4): 48-70.

Thurmaier, Kurt, and Katherine G. Willoughby. 2001. *Policy and Politics in State Budgeting*. Armonk, NY: M. E. Sharpe.

Thurmaier, Kurt, and Hellmut Wollmann. Forthcoming. *Reforming Local Government Institutions and the New Public Management*.

Thurmaier, Kurt, and Curtis Wood. 2002. Interlocal Agreements as Overlapping Social Networks: Picket-Fence Regionalism in Metropolitan Kansas City. *Public Administration Review* 62(5): 585-598.

Tomkin, Shelley Lynne. 1998. *Inside OMB: Politics and Process in the President's Budget Office*. Armonk, NY: M. E. Sharpe.

Tsai-Tsu Su, Mark S. Kamlet and David C. Mowery 1993. Modeling U.S. Budgetary and Fiscal Policy Outcomes: A Disaggregated, Systemwide Perspective. *American Journal of Political Science* 37(1): 213-245.

U.S. Government [Taft Commission]. 1912. "The Need for a National Budget." President's Commission on Economy and Efficiency, U.S. House of Representatives, Document #854 (Washington, DC: June 27,): 210-213.

Vogt, A. John. 2004. *Capital Budgeting and Finance: A Guide for Local Governments*. Washington, DC: ICMA Press.

Walsh, John. 1974. Office of Management and Budget: New Accent on the 'M' in OMB. *Science* 25:183 (4122): 286-290.

Watson, Douglas J., Robert J. Juster, and Gerald W. Johnson. 1991. Institutionalized Use of Citizen Surveys in the Budgetary and Policy-making Processes: A Small City Case Study. *Public Administration Review* 51(3): 232-239.

White, Joseph. 1998. Entitlement Budgeting vs. Bureau Budgeting. *Public Administration Review* 58(6): 510-521.

Wildavsky, Aaron. 1961. Political Implications of Budgetary Reform. *Public Administration Review* 21(4): 183-190.

___. 1964. *The Politics of the Budgetary Process*. Boston: Little, Brown.

___. 1978. A Budget for All Seasons? Why the Traditional Budget Lasts. *Public Administration Review* 38(6): 501-509.

Wildavsky, Aaron, and L.R. Jones. 1994. Budgetary Control in a Decentralized System: Meeting the Criteria for Fiscal Stability in the European Union. *Public Budgeting & Finance* 14(4): 7-22.

Williams, Daniel W. 2003. Measuring Government in the Early Twentieth Century. *Public Administration Review* 63(6): 643-659.

Zeemering, Eric S. 2008. Governing Interlocal Cooperation: City Council Interests and the Implications for Public Management. *Public Administration Review* 68(4): 731-741.