Determination of expenditure period | Number of states
--- | ---
Legislature designates for all items | 31
Legislature designates for current operation items | 40
Executive branch has full discretion | 1
Executive branch has discretion only for capital improvements items | 9
Executive branch has discretion for some current operation items | 8
Information not available | 1

a. In Hawaii, the executive branch may make expenditures at its discretion; however, they must be for specified purposes only.

In 17 states, the executive branch may spend some appropriations items at its discretion; however, in 9 of them, such discretion appears to be limited to capital improvements. In only 1 state—Hawaii—is the time schedule for actual expenditures apparently left entirely to executive discretion.

In 35 states, appropriations lapse automatically at the end of the fiscal periods for which they are voted, unless they are specifically reappropriated. According to questionnaire respondents, most legislatures do reappropriate the unspent balances of appropriations made for the prior budget period. However, some limit this procedure to items such as appropriations for capital outlay and special appropriations.

**Expenditures from Special Funds Without Appropriations**

In a number of states a large proportion of total expenditures is made from special funds outside the general fund (see Section VII, page 74). In addition, in about three-fourths of the states expenditures are made from certain special funds without specific legislative appropriation. According to survey respondents, these expenditures may involve a wide variety of purposes.

Even when expenditures from special funds require specific appropriations, control is at best only partial. These appropriations can set a ceiling on the amounts which may be spent currently from special funds, and thus exert some control over actual spending. However, the receipts of special funds can ordinarily be used only for the specific purposes of the funds. The legislature cannot ordinarily transfer such monies for other uses and is thus hampered in allocating all state monies among programs in accordance with its own estimate of priorities.

**Other Provisions Affecting Expenditure Authorization**

Legislative decisions in authorizing expenditures for state programs are subject to a number of additional statutory or constitutional provisions in most states. Included among them are the item-veto power for many governors, balanced budget requirements, state debt restrictions, and restrictions on the lapsing of appropriations.
authority of the legislature to change the budget submitted to it by the chief budget-drafting authority.

**Executive Role in Expenditure Authorization**

Although the executive branch is concerned primarily with initial budget preparation (and subsequent expenditure execution), it nevertheless plays an important part in the intermediate phase of expenditure authorization. During the time when expenditure requests are examined and acted on by the legislature, the chief executive and the budget office must guide their proposed budget through the appropriations process, explaining the underlying assumptions (for few budget documents are self-explanatory, to say the least), providing information to legislative committees, and revising budget figures in accordance with legislative decisions.

In some states the agency head, or his representative, appears before the legislative appropriations committee (or committees) to defend his budget; in other states, the budget office handles budget presentation for the individual agencies; and in a few states the budget is reportedly considered without formal appearance of any member of the executive branch. 30

As was pointed out in Section II, agency heads in most states appear to have considerable leeway in dealing with the legislatures on spending requests. 31 In most states the original agency requests are presented in the budget document (along with the revised recommendations of the chief budget-making authority), and agency representatives are free to ask for additional funds beyond those recommended in the budget.

**Item Veto.** Another way in which the executive branch can express itself in expenditure decisions is through the exercise of the veto power of the governor. All but 1 of the state governors have veto power over legislative appropriations. 32 In addition, 39 states give the governor authority to veto individual items in appropriations bills. 33

The item veto permits governors to remove individual items in appropriations bills, without being required to disapprove the entire bill. In 24 states chief executives are only permitted to remove individual items in their entirety; 14 states, however, also permit the governor to reduce items. 34 (For 1 state which reported the item veto, information was not available on the point.) Authority to delete (or reduce) appropriations items usually applies to all forms of appropriations. In Arizona and South Dakota, however, the item veto power reportedly extends only to the general appropriations bill. 35

The item veto is often viewed as an effective device for reducing extravagance in public expenditures, discouraging legislators from inserting "pork-barrel" items and curbing legislative

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31. When agencies or programs are headed by independently elected officials, or administrative boards, this tendency may be particularly pronounced.
32. The governor of North Carolina has no veto power over any type of legislation.
33. At the Federal level, the President does not have the item veto, although there have been more than 100 proposals since 1873 that he be given this authority.
34. In 1 of these states, North Dakota, the governor apparently does not formally have the power to reduce items; however, on occasions the governor has done this without his actions having been challenged in the courts. In another state—Missouri—the governor's power to reduce items is apparently limited in the case of schools and debt.
35. However, since both these states use combined appropriations bills for most purposes, the governor's item-veto power thus extends to most appropriations.
logrolling in favor of politically popular expenditures which may be of relatively low priority in regard to the state's requirements. Questionnaire respondents indicate, however, that in some states the item veto has not been a particular effective control device (see exhibit).

<table>
<thead>
<tr>
<th>Opinions on effectiveness of item veto</th>
<th>Number of states</th>
</tr>
</thead>
<tbody>
<tr>
<td>Effective</td>
<td>6</td>
</tr>
<tr>
<td>Not effective</td>
<td>13</td>
</tr>
<tr>
<td>Uncertain</td>
<td>7</td>
</tr>
<tr>
<td>Seldom if ever used</td>
<td>8</td>
</tr>
</tbody>
</table>

a. In 1 of these states the item veto is reportedly not effective because it does not apply to expenditures for capital improvements approved by means of authority borrowing-authorization bills. In another state the item veto has not been effective because appropriation bills provide lump sums for particular objects, and the individual items are not itemized.

b. Respondents in 5 of these states indicated that very little pork-barrel legislation was approved by the legislature.

Eight respondents reported that the item veto is seldom if ever used. The frequency of its use, however, is not necessarily a measure of its effectiveness. The very existence of the item-veto power, whether used or not, may deter legislators from inserting pork-barrel items of which the governor disapproves, and can also help to keep over-all legislative expenditure actions within reasonable limits.

**Balanced Budget Requirements**

The only restrictions on the Federal debt (other than on the interest rate) are the limitations imposed by Congress on the total amount. In contrast, the states have adopted a variety of procedural devices aimed at preventing, limiting, or otherwise controlling debt incurrence.

Many states attempt to limit debt by establishing procedures aimed at preventing deficit spending. One method is the requirement that the budget as submitted must be in balance as between proposed expenditures and estimated revenues. According to survey respondents, 41 states require initial presentation of a "balanced budget." This requirement, of course, will not necessarily ensure that actual receipts will be in balance with expenditures. The budget as drafted may always be balanced, depending on the estimates made of revenues. Sometimes overestimates of revenue by the executive branch result from the inability to take into account all future developments which affect revenues. However, at times, advance estimates may deliberately be overstated to permit the administration to propose a certain level of activities ostensibly within the limits set by estimated revenues. Of course, the reverse situation may also apply, when the executive branch deliberately underestimates revenues so as to curb spending proclivities of legislators. In such cases political pressures may build up in the legislature for making appropriations greater than those recommended in the governor's budget. The legislature may take the position that the revenue estimates submitted by the executive are unrealistically low, and that budgetary

36. A 1959 act stipulated that the permanent debt limit of the U.S. Government shall not exceed $285 billion. Since that time, however, 11 additional temporary debt limits have been approved for larger amounts. For fiscal 1966, the total ceiling on the debt, under both permanent and temporary limitations, is set at $328 billion.

37. For 1 of these states the requirement is based only on "precedent"; in another, the requirement is not specifically established by law; while in a third, the requirement applies only to the general fund. Four states which did not report the initially balanced budget requirement did indicate that: (1) sufficient taxes must be levied to cover expenditures; (2) the governor must submit definite recommendations for financing all expenditures; (3) it was the policy (although not the rule) to submit a balanced budget.
balance can be maintained with a higher level of spending.\textsuperscript{38}

The failure to keep an initially balanced budget subsequently in balance during the fiscal period is reflected in the fact that only 27 states require that actual expenditures not exceed receipts.\textsuperscript{39} This is markedly fewer than the 41 states which require initial presentation of a balanced budget.

**Legislative Authority To Change Budget**

Restricting the power of the legislature to change expenditure requests contained in the budget document is another device designed to prevent deficit spending or spending for which financing may be made available, but which is nonetheless unnecessary or wasteful. Legislatures in all states have final responsibility for approving expenditure requests; in nearly all states the legislatures have full authority to revise the budget in any way that they see fit.\textsuperscript{40} However, in Maryland, and to some extent in New York, the legislature is restricted in making changes. The legislature in Maryland can revise in any way the budget for its own operations; for nearly all other spending requests, it may make decreases only.\textsuperscript{41} In New York, the legislature may reduce or remove items in the executive budget; however, it may add items only "if they are stated separately and distinctly from the original items and if they refer to a single object or purpose."

Limitations on the budget-approving authority of the legislature will on balance weaken its fiscal role in relation to that of the original budget-making authority (in the great majority of states, the executive branch). These restrictions, of course, are intended to prevent lawmakers from increasing the items in the proposed budget, adding new items, or putting through additional special appropriations bills, and thus approving more expenditures than the budget-making authority estimates can be covered by available revenues, or which may be unnecessary even though revenues for their financing may be adequate.

**State Debt Restrictions**

There are only 4 states in which the legislature may incur any amount of debt for any purpose, by simple majority vote.\textsuperscript{42} All other states have procedures to limit debt incurrence. Restrictions in effect include limiting the amount which the state can borrow; requiring approval of debt incurrence by special-sized legislative majorities or the electorate; or providing that no debt can be incurred without a constitutional amendment. Some states have several types of provisions. For example, certain amounts may be borrowed by act of the legislature, but larger borrowings may require voter approval or constitutional amendment. Or the legislature may be empowered to incur debt up to a given amount by simple majority, while larger borrowing requires a special-sized majority (see exhibit).

Legal limitations on state debt incurrence have at times been praised as an expenditure control device. Yet they have also been criticized as a basically

\textsuperscript{38} In some states the legislatures employ research staffs for working out independent revenue estimates, so as to “back-stop” those furnished by the executive.

\textsuperscript{39} One state which requires submission of a balanced budget, and requires that actual expenditures not exceed receipts during a fiscal period, nevertheless accumulated a deficit of $70 million in 2 recent fiscal years.

\textsuperscript{40} In California, however, adoption of the budget requires a two-thirds vote in each house of the legislature.

\textsuperscript{41} However, spending requests for the judiciary and the public schools may be changed in any way.

\textsuperscript{42} Maryland, New Hampshire, Tennessee, and Vermont.
Of course, in states in which the constitution limits or prohibits entirely incurrence of guaranteed debt, a constitutional amendment may remove the restriction, and the state's full backing can then be given to any bond issues. However, such a procedure, through which a state renders nil its own constitutional provisions, seems unduly cumbersome.

Respondents in 26 states where the legislature is restricted in authorizing guaranteed debt report that some form of legal device for circumventing the restrictions is available. One method is that of using special corporations authorized to issue bonds backed by certain revenues (but not by the state's full faith and credit).

The use of special devices for incurring debt is illustrated by the recent sharp increases in non-guaranteed debt. In 1946 non-guaranteed debt comprised 15.4 percent of total long-term debt for all states. By 1963, the non-guaranteed portion comprised 52.3 percent of the total.

**SUMMARY**

To cope with the problems they face in authorizing expenditures, legislatures have made special organizational arrangements and employed a variety of other expenditure control devices. In most states there are procedures for taking into account available revenues before appropriating funds. Through the use of devices such as fiscal notes, or "price-tagging" procedures, many states now give attention to the ultimate costs of proposed new (substantive) programs for which appropriations will subsequently be required.

Other special control devices in effect include the use of omnibus appropriations bills; provisions for the lapsing of appropriations bills after a specified time period; the existence of the item veto power for the governor; requirements for balanced budgets; restrictions on legislative authority to change the budget; and limitations on the incurrence of state debt.

Control procedures are not always effective in practice, and ways of circumvention have perhaps too frequently been found. The mere existence of such controls is itself, however, an indication that state legislatures have given responsible consideration to their role in authorizing spending.
V.
Fiscal Services for Appropriations Committees

In the past it was common procedure for legislative appropriations committees to undertake their own investigations of agency operations by means of annual or biennial field trips; and to some extent this practice is still used. The amount of information which can be so obtained, however, in relation to the mass of spending requests, is limited.

The mounting problems confronting the legislatures, together with the increasing costs of state government, have called for quite different facilities for obtaining background information on the problems and issues behind expenditure authorization. In the absence of such fiscal services, legislative decisions on budget proposals could either bog down in an abyss of detail, or become superficial and ineffective. One observer has remarked:

"When the executive's advantage, resulting from more detailed and extensive knowledge of the operations of agencies than that available to the legislature becomes overwhelming, the legislature can be expected to abdicate much of its responsibility to the executive. Indeed, there is evidence that this has already happened." (Italics added.)

In addition, inadequate budgetary preparation by the executive branch may at times leave a gap which the legislature must fill in order to have a complete and coherent view of spending requests.

According to questionnaire respondents, state appropriations committees have a variety of fiscal service facilities (see exhibit).

<table>
<thead>
<tr>
<th>Type of fiscal service</th>
<th>Number of states</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legislative council</td>
<td>28</td>
</tr>
<tr>
<td>Other legislative research groups</td>
<td>17</td>
</tr>
<tr>
<td>Staff attached to appropriations committees</td>
<td>32</td>
</tr>
<tr>
<td>Other facilities</td>
<td>33</td>
</tr>
</tbody>
</table>

These include legislative councils, legislative reference and other legislative research facilities, and staff attached directly to the committees. In some states, in addition, legislative analysts and/or legislative interim committees furnish important fiscal service aids to appropriations committees.

Besides the assistance they are able to receive from legislative agencies or staff, the appropriations committees typically obtain information and certain types of service from central budget offices and other executive agencies, state universities, private research groups, and other private organizations and individuals.

2. Only 1 state—Vermont—specifically reported that there were no staff facilities for assisting legislative appropriations committees on budget matters.
According to the Council of State Governments, the most significant development in the legislative research field during the past 30 years has been the growth of the legislative council. The first such council, the Kansas legislative council, was established in 1933 and the great majority of states have now set up such institutions.

Legislative councils are essentially permanent, bipartisan, bicameral, general purpose research committees, composed of legislators, which meet periodically between sessions to consider public issues, and supervise research on these matters. Many of them recommend alternative solutions for the problem under study. Permanent research staffs are usually attached to the councils. In addition to serving as research groups under legislative supervision, legislative councils at times furnish personnel to work directly under appropriations committees when the budget is under consideration, or as staff for special interim committees which engage in continuing examination of fiscal problems between legislative sessions.

One state respondent outlined the operations of what appears to be a well-functioning legislative council. The council appoints special committees to explore, investigate, and report on various subjects during each session of the legislature. Reports are printed and sent to all legislators prior to the legislative session. These reports are usually public knowledge and are discussed quite widely during the period preceding the convening of the legislature. The council is well provided with research staff and funds for hiring outside consultants when needed for particular assignments.

Legislative councils would thus appear to be particularly well suited to providing fiscal services for appropriations committees. With adequate professional personnel, the councils can work up the type of information needed by legislators in considering budget proposals. Since they operate under legislative supervision, their activities can be focused exclusively toward assisting the legislature in functioning effectively as an independent branch of state government.

Survey participants were asked their opinions as to the effectiveness of the services provided by legislative councils to the appropriations committees. Typical of the favorable comments expressed were the following: (1) "council consists of 6 to 8 well-qualified staff, employed on a year-round basis"; (2) "council is very effective, one of the best to do research"; (3) "council has good research staff facilities, works closely with the budget division, and prepared some excellent reports on fiscal trends for the legislative budget committee"; (4) "council provides information on all bills having a financial impact"; and (5) "council maintains a small, but competent, staff."

Comments from those who felt that legislative councils provide less than...
adequate service to the appropriations committees gave several reasons for their opinions: (1) as general-purpose agencies, councils do not deal with fiscal matters in some states; (2) the staff of councils is sometimes too small to handle all assignments; one state reported that "the staff is swamped by the volume of legislative requests"; (3) another respondent said that many proposals for state spending are submitted directly to the legislature by the sponsors and do not come to the council for review; and (4) still another commented that the council's staff reports are often too voluminous, with the result that they are not read by the legislators.

**OTHER LEGISLATIVE RESEARCH GROUPS**

Seventeen of the questionnaire respondents indicated that appropriations committees in their respective states receive assistance on budgetary matters from legislative research groups other than legislative councils. There is a variety of such organizations. The oldest are the legislative reference services, or specialized research libraries. New York and Massachusetts were the first states to set up this type of facility, and legislative reference services now operate in nearly all of the states.

Other types of legislative research facilities available to appropriations committees include the legislative audit commission in Illinois, the legislative research committee in Minnesota, the legislative budget and finance office in New Jersey, the office of legislative research in New York, the legislative service commission in Ohio, the joint state government commission in Pennsylvania, and the legislative budget board in Texas.

Opinions expressed by questionnaire respondents as to the effectiveness of fiscal services provided by these other legislative research groups were inconclusive, and a number of replies indicated that neither a positive nor a negative answer could be unequivocally given.

**STAFF ATTACHED TO APPROPRIATIONS COMMITTEES**

Staff personnel are attached directly to the appropriations committees in 32 states. In some cases this staff is hired by the committees themselves. The qualifications of the staff apparently vary widely, ranging from professionals such as fiscal specialists, political scientists, accountants, and economists down to "clerks and assistant clerks," legislative interns recruited from among college students, or persons appointed on the basis of political patronage.

In other states committee staff members are assigned to the appropriations committees by one of the legislative service agencies. For example, in Alaska and Colorado staff is provided by the

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6. All states except Nevada, North Carolina, and Utah reportedly have legislative reference services. In these 3 states, however, some alternative form of assistance is provided. The Council of State Governments, *Book of the States, 1963-64*, op. cit., p. 63.

7. Michigan also formerly had a legislative audit commission. However, the new 1963 state constitution authorized setting up the Office of legislative auditor general. With the establishment of this new agency, in the spring of 1965, the legislative audit commission was abolished.

8. The Texas legislative budget board provides a number of services for appropriations committees. It conducts research on fiscal matters, prepares a legislative budget and a general appropriations bill, and furnishes personnel to serve as committee staff when the budget is under consideration by the legislature.
legislative council; in Florida, by the legislative reference bureau; in Minnesota staff is provided by a research agency other than a legislative council; and in North Dakota the legislative research council furnishes committee staff as needed.

In a few states committee staff is furnished by executive agencies — in North Carolina, Oregon, and Wyoming, for example. In other states staff is provided by special interim committees or by the staffs of such committees. In Missouri, staff to assist the appropriations committees is hired and supervised by the newly-established joint fiscal affairs committee. In Georgia the only legislative staff assistance for appropriations committees is furnished by the legislative counsel; in Texas, the legislative budget board furnishes the only staff operating under direct supervision of the committees during budget consideration; and in West Virginia the staff of the legislative auditor’s office assists the appropriations committees.

Opinions of questionnaire respondents as to the effectiveness of help provided by staff attached to appropriations committees again indicated a varied pattern of attitudes with some being highly laudatory, and others extremely negative.

**Legislative Analysts**

A staff facility for appropriations committees which appears to have considerable potential usefulness is the office of legislative analyst. Fourteen states reported that this type of staff function was currently in use.

Probably the most outstanding example of the use of a legislative analyst to assist appropriations committees is in California. This official is appointed by the joint legislative budget committee (a special interim committee discussed subsequently), and has a sizable staff organized along the lines of the executive budget office. The office of legislative analyst operates as a sort of legislative budget office (although it does not submit a separate legislative budget as is done in Texas). The staff examines all agency budgets and reviews appropriations bills. For each legislative session it prepares a detailed document setting forth its analysis of the spending proposals in the governor’s budget.

This office also reviews information submitted by state agencies to the executive budget office, and participates in executive budget hearings held prior to completion and submission of the budget document. The staff of the legislative analyst’s office reportedly even acts as an informal court of appeals for those agencies dissatisfied with amounts recommended by the executive budget office. Other duties include reporting any instances of administrative non-fulfillment of legislative intent; informing the appropriations committees of budget proposals which entail new services, or which were previously rejected; and proposing statutory changes aimed at achieving greater efficiencies and economies in agency administration.

9. Examples are California, Colorado, Iowa, Mississippi, Oregon, Pennsylvania, and Tennessee (see discussion of legislative interim committees).

10. California, Iowa, Kansas, Maine, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, North Dakota, Oklahoma, Oregon, Rhode Island, and Utah. Two recent sessions of the Missouri legislature adopted measures for establishing the office of legislative fiscal officer; however, both bills were vetoed by the governor.

11. As previously mentioned, personnel of the legislative analyst’s office act as staff to the appropriations committees during their first consideration.
LEGISLATIVE INTERIM COMMITTEES

Some legislatures have developed procedures for using the time between sessions for examining the background of expenditure proposals. For example, in 1961 the Alaska legislature instituted a pre-legislative meeting of both house and senate finance committees for budget consultation.

In Kansas, legislative leaders, the budget director, and the director of the legislative council research department set up a "legislative school" during the 1960 session to acquaint legislators with state agencies and functions. In the same year, a pre-session legislative conference was conducted by a private research organization in Louisiana to familiarize legislators with taxation, budgetary issues, and the operations of state agencies.

However, the most important device for utilizing the time between sessions has been the special or interim committee. Interim committees are made up of members of both houses and generally are reported to have adequate staff facilities. In some cases staff members are assigned on a full-time basis; in others, the committees obtain assistance from legislative service organizations, executive agencies, state universities, and private research groups. In California, there is the joint legislative budget committee (made up of 10 members—5 from each house), with responsibility for ascertaining facts and making recommendations concerning the budget and the organization and functions of state agencies. In Colorado, the joint budget committee (composed of members of the appropriations committees of both houses) holds hearings on agency proposals prior to submission of the executive budget. The Pennsylvania budget and finance committee (a 12-member group) serves as a legislative "watch-dog" interim committee between sessions. Other examples of continuing committees are the Illinois budgetary commission and the Iowa budget and financial control committee. In some states, the staff of special interim committees assist the legislature during budget consideration. Examples are California, Colorado, Iowa, Mississippi, Oregon, Pennsylvania, and Tennessee.

ASSISTANCE FROM THE EXECUTIVE BRANCH

Executive agencies, particularly central budget offices and departments of finance and administration, provide varying amounts and types of assistance to appropriations committees in helping them understand spending requests. Irrespective of what other types of staff facilities are available, legislators typically call on agency heads to testify concerning their spending proposals. Moreover, according to survey reports, there are 5 states in which the appropriations committees have little or no staff assistance on budgetary matters beyond that furnished by the executive branch.12

Many states do not have the tight centralized control over executive agencies in regard to review, coordination, and presentation of their spending requests, which exists at least in a formal

way, at the Federal level. As previously mentioned, in most states original agency requests are passed on to the legislature along with budget office recommendations, and agency spokesmen are permitted to ask the legislature for more money than is recommended in the budget document. Given this looser coordination of the executive branch in budget presentation, it is probable that many state-level executive officials feel less restrained in providing legislative committees with information on the justification of budget proposals than do their Federal counterparts.

Regardless of the degree of budgetary autonomy exercised by executive agencies, budget office personnel are inevitably identified, more or less, with the specific recommendations made in a budget document which they themselves have prepared, as well as with the over-all policy objectives which the budget reflects.

Where spokesmen for operating agencies feel quite free to criticize budget recommendations, and provide legislative committees with background information, a bias is to be expected. The over-all focus of their efforts will almost inevitably be to show where budget recommendations have provided insufficient funds, and not where they have been adequate, or even overly generous.

Several states attempt to strengthen the position of the legislature in obtaining information from executive budget offices. In New Jersey, the budget director serves as secretary to the joint appropriations committee; in North Carolina, budget office personnel serve as staff for the appropriations committees during budget review; in Oregon, the budget analysts in the department of finance and administration are required by law to serve as staff for the legislative committees on ways and means; while in Wyoming, the budget director must serve as advisor to the appropriations committees.

In these situations the executive personnel are required to furnish all information related to budgetary requests, and may not limit themselves to providing only that which will support administrative budget recommendations. It may in practice be possible for the same personnel to operate effectively in making budget recommendations for the executive branch, and then subsequently furnish the legislative branch with reasons for criticizing those same proposals.13 However, most legislatures have apparently felt the need for having staff facilities under their own exclusive jurisdiction and thus with an undivided loyalty to the legislative committees which they are called on to serve.

### Assistance from Private Individuals and Organizations

Nearly all states provide for open hearings on the budget by appropriations committees. Private individuals and organizations may appear and testify.14 In 37 states, hearings appear to be standard practice, while in 5 more

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13. In North Carolina the budget document is prepared under the supervision of the governor and the advisory budget commission (of its 6 members, 4 are members of the previous legislature; the other 2, appointed by the governor, may be former legislators). In this case, with the budget prepared largely under legislative supervision, there may not be a problem of “divided loyalties” in having the same staff which prepares the budget subsequently serve as staff assistants to the legislature for budgetary review.

14. In at least one state appropriations committees reportedly urged public attendance at hearings.
they may be held at particular times or for particular purposes. Only 5 states reported that the practice did not exist (or in the case of one state, was practically non-existent). For 3 states information was unavailable. In 8 of the states which hold public hearings, the public may also attend hearings on initial agency spending requests prior to final drafting of the budget document.

Information, views, and testimony provided by private individuals, faculties of state universities, state bar associations, professional and trade associations, and various types of private research groups may be useful to committee members and may supplement facts obtained from other sources. However, questionnaire respondents in several states indicated that attendance at public hearings is often confined largely to agency heads, officials, or representatives of organized pressure groups. In such situations the hearings may serve as a forum for attempts to secure larger expenditures for particular purposes.

To deal with problems associated with private pressure groups, most states have adopted some form of legislation to regulate the activities of lobbyists. As of 1961 no less than 33 states required registration of lobbyists, some also requiring payment of registration fees; 21 states required the filing of their expense accounts; while 26 prohibited arrangements between lobbyists and their employers which make compensation dependent on passage or defeat of particular legislation.

Examples of state lobbying provisions are the Texas statute which stipulates that "no person shall seek to influence the vote of a legislator or the action of the governor in any pending measure other than by an appeal to reason," and the North Dakota law which requires all lobbyists to wear special identification badges so that they can be recognized by legislators when lobbying in the capitol building. Wisconsin's law even goes so far as to forbid "directly or indirectly furnishing or being concerned in another's furnishing to any legislator or to any officer or employee of the state—any food, meal, lodging, beverage, or transportation." (The prohibition does not apply to entertainment by a non-profit organization at a bona fide social function of such organization.)

**Summary**

Some years ago the statement was made that staff services provided for legislative committees were incomplete, inadequate, poorly organized, and in some cases not even under legislative control. When state government—and spending proposals—were relatively small, legislators were perhaps in a position to undertake their own research by field trips or direct investigation. Today's problems require different techniques, and in recent years an increasing number of states have been expanding staff facilities and making other

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15. Iowa, Montana, Rhode Island, South Dakota, and West Virginia. In one additional state—Massachusetts—announced public hearings have been discontinued in recent years because of lack of interest. However, hearings are available to any responsible person on request.


17. As previously mentioned, respondents in 8 states listed activities of private pressure groups as a principal factor making for a less than desirable degree of expenditure control. See Section IV, page 60.

18. For a time the Illinois lobbying law even required registration by elected or appointed state officials appearing before the legislature on behalf of governmental agencies.
