

Table 22 (Continued)

## STATE PROVISIONS FOR DEBT INCURRENCE

State	Provisions
Indiana	Constitution prohibits borrowing, except in case of invasion or rebellion. However, there is revenue bond financing by state agencies operated by appointed state officials.
Iowa	Legislature can incur debt up to \$250 thousand by simple majority; any amount can be borrowed following approval by popular referendum.
Kansas	Legislature can borrow up to \$1 million, pledging general credit, by simple majority. Unlimited amounts can be borrowed if approved by popular referendum. The Kansas Turnpike Authority is supported by revenue bonds financed by tolls.
Kentucky	All general obligation bonds must be for a specific purpose and approved by legislature and electorate in referendum. Revenue bonds and indebtedness of Kentucky Turnpike Authority may be authorized by legislature.
Louisiana	Constitution prohibits incurrence of state debt, except to suppress insurrection or repel invasion. However, bond proposals may be submitted to electorate in form of constitutional amendments, or special agency or authority may be set up by legislative act empowered to incur its own debt.
Maine	State may borrow any amount if approved by popular referendum.
Maryland	State may borrow any amount by simple legislative majority.
Massachusetts	State may borrow any amount upon approval of two-thirds majority in each legislative house.
Michigan	State may borrow any amount, long-term, for specific purposes, if approved by two-thirds majority in each house, and if approved by popular referendum. Short-term indebtedness may be authorized by law in any fiscal year; however, such borrowing is limited to 15 percent of the preceding year's undedicated revenues, and repayment must be made before the end of the fiscal year.
Minnesota	State can borrow for a period of 20 years with no limits on amount; however, indebtedness must be for specific purposes, and be approved by 60% majorities in each house.
Mississippi	Legislature may incur indebtedness by simple majority. However, borrowing must be limited to one and one-half times revenue of highest of past five years. State also uses revenue bond financing for dormitory construction at institutions of higher learning.
Missouri	State may borrow any amount if approved by popular referendum. Debt incurrence may also be authorized by popular initiative. There are some instances of financing through revenue bonds.
Montana	Debt in any amount may be incurred with approval of popular referendum backed by property tax. There are no limits on revenue bond financing.
Nebraska	State may borrow only up to \$100 thousand without constitutional amendment; however, special corporate entities dealing with higher education may incur debt.

Table 22 (Continued)

## STATE PROVISIONS FOR DEBT INCURRENCE

State	Provisions
Nevada	State may only incur debt up to 1% of assessed valuation without constitutional amendment; however, constitutional limitation does not apply to "legislatively-approved" contracts, necessary, expedient, or advisable for protection and preservation of any of state's property or natural resources.
New Hampshire	State may borrow any amount by simple legislative majority; however, borrowing must be through specific legislation.
New Jersey	Constitution provides that state shall not contract any debts, which together with previously-existing debts, exceed at any one time 1% of total amount appropriated by general appropriation law for that fiscal year, unless the same shall be authorized by law for a single specified purpose. In case of investment of teachers' and public employees' pension funds for construction of buildings for state use, the state is obligated to amortize the construction cost as rent, without following constitutional procedure of requiring voter approval for debt incurrence.
New Mexico	Indebtedness limited to 1% of assessed valuation of state. Specific purpose must be designated by legislature and approved by majority vote at general election.
New York	State may borrow any amount approved by popular referendum. Indebtedness may also be incurred by special authorities.
North Carolina	Legislature can authorize bonds up to two-thirds of bonded indebtedness paid off during previous biennium, without approval by popular referendum. Additional bond issues require vote of people.
North Dakota	Legislature, by simple majority vote, may issue bonds up to \$2 million, plus one-half the value of all state-owned lands. Additional indebtedness requires constitutional amendment. Revenue bonds are also used for financing projects, such as college dormitories; however, no bond-issuing authorities have been set up.
Ohio	State can only borrow up to \$750 thousand, without constitutional amendment. However, this limit can be exceeded to repel invasion, suppress insurrection, defend state in time of war, or redeem present outstanding state indebtedness. State also has transferred funds from liquor rotary fund to general fund, although this is not considered to be a debt or borrowing procedure. In addition, special commission has been established authorized to issue revenue bonds.
Oklahoma	State can borrow any amount approved by popular referendum. Referendum requirement does not apply to revenue bonds, which do not have backing of state's full faith and credit.
Oregon	State may only borrow up to \$30 thousand, without vote of people.
Pennsylvania	State may borrow only through constitutional amendment. However, it has also set up special authorities empowered to incur non-guaranteed debt; this does not require constitutional amendment.
Rhode Island	State may not borrow in excess of \$50 thousand, without popular referendum. Legislature may borrow in anticipation of tax receipts, however, such indebtedness must be repaid within fiscal year.

Table 22 (Continued)

## STATE PROVISIONS FOR DEBT INCURRENCE

State	Provision
South Carolina	Incurrence of state debt must be approved by electorate, except for "ordinary purposes of state government." Whether or not a proposed bond issue comes under this category is left to courts to decide.
South Dakota	State can borrow only up to \$100 thousand for general purposes; there are no constitutional specifications as to method of approval. Financing is also done through issuance of revenue bonds.
Tennessee	State may borrow any amount through simple legislative majority. State does not have any debt limits.
Texas	State may borrow only through constitutional amendment; however, constitutional restrictions do not apply to revenue bonds where full faith and credit is not involved.
Utah	State may borrow limited amounts by simple legislative majority. Constitution sets limits for debt incurrence to specific percentage of assessed valuation. Legislature authorized to issue bonds within these limits; additional borrowing requires constitutional amendment.
Vermont	State can borrow any amount through simple legislative majority.
Virginia	Aggregate of debts is limited to 1% of assessed value of taxable real estate in state as shown by last preceding assessment. Borrowing may be approved by simple legislative majority in each house.
Washington	State may borrow any amount approved by popular referendum. Bonds for highways, toll facilities, buildings at institutions of higher education (repayment from tuition, fees, charges), and state capitol buildings (repayment from granted land income), are exempt from the referendum provision.
West Virginia	State may borrow only through constitutional amendment.
Wisconsin	State may borrow only through constitutional amendment. However, borrowing through constitutional amendments is reportedly not used in practice. Building corporations have been established to incur debt financed from "lease-rentals."
Wyoming	State is prohibited from incurring debt in excess of 1% of assessed valuation, except to suppress insurrection, or provide for public defense. Revenue bond device has been used, however, whereby bonds are issued to construct state office buildings, and rent is charged the occupying agencies to repay bonded debt.

Table 23

## STAFF FACILITIES FOR AIDING LEGISLATURE ON BUDGET MATTERS

State	Facilities
Alabama	Legislative council, other legislative research agency, staff attached to legislative committees.
Alaska	Legislative council assigns full-time fiscal analyst during legislative sessions.
Arizona	Legislative council, staff attached to legislative committees.
Arkansas	Legislative council, staff attached to legislative committees.
	Legislative research agency (other than legislative council); legislative counsel; administrative assistants and secretaries; legislative analyst; staff attached to legislative committees furnished by the office of the legislative analyst, which operates under supervision of the joint legislative budget committee.
Colorado	Legislative council, legislative staff of joint budget committee; staff for legislative committees furnished by legislative council.
Connecticut	Legislative council, staff attached to legislative committees.
Delaware	Very little in the way of legislative staff facilities; legislators may request information from executive branch; joint finance committee has small staff.
Florida	Legislative council, other legislative research agency; members of staff of legislative reference bureau (legislative council), usually serve as staff to legislative committees, either alone or with other special employees; information must also be furnished by budget director.
Georgia	Legislative counsel; staff facilities are also provided by state budget office.
Hawaii	Legislative research agency (other than legislative council), staff attached to legislative committees.
Idaho	Legislative council has recently been established; information also supplied by state budget office.
Illinois	Legislative council; staff attached to legislative committees; information also provided by staff of budgetary commission, legislative reference bureau, legislative audit commission, and budget director.
Indiana	Information furnished by budget committee, and other outside agencies.
Iowa	Legislative council; there is also a legislative fiscal director, under supervision of budget and financial control committee (which is a special legislative interim committee).
Kansas	Legislative council; other staff facilities furnished by budget office and office of revisor of statutes; legislative council has legislative fiscal officer, who works with legislature on budgetary matters.
Kentucky	Legislative research agency (other than legislative council).
Louisiana	Legislative council; the new legislative auditor is to provide additional staff assistance.

Table 23 (Continued)

## STAFF FACILITIES FOR AIDING LEGISLATURE ON BUDGET MATTERS

State	Facilities
Maine	Legislative analyst.
Maryland	Legislative council; state fiscal research bureau provides analytical services to legislators.
Massachusetts	Legislative council staff attached to legislative committees.
Michigan	Staff attached to legislative committees. New constitution (1963) directs creation of a legislative council.
Minnesota	Legislative research agency (other than legislative council); two budget analysts of the staff of the legislative research committee are assigned to the finance and appropriations committees during sessions (in the 1965 session, additional technical assistance was supplied to both committees by the operating state departments).
Mississippi	Staff of commission of budget and accounting; recess committees have also compiled information on particular subjects.
Missouri	Staff available under supervision of joint fiscal affairs committee of general assembly, as authorized in 1965.
Montana	Staff attached to legislative committees.
Nebraska	Legislative council, staff attached to legislative committees, legislative analyst.
Nevada	Legislative commission, legislative fiscal analyst.
New Hampshire	Legislative council, legislative analyst.
New Jersey	Legislative research agency (other than legislative council); legislative budget and finance officer (and staff), who is secretary to chairman of the joint appropriations committee; budget director serves as secretary to the entire joint appropriations committee.
New Mexico	Legislative council, legislative analyst.
New York	Legislative research agency (other than legislative council), staff attached to legislative committees.
North Carolina	Information supplied by budget office, which also serves as staff for appropriations and revenue committees.
North Dakota	Legislative council; budget director must serve on staff of appropriations committees during sessions when called on; legislative research council provides staff to legislative committees as needed; position of legislative auditor and budget analyst created in 1965 session.
Ohio	Legislative research agency (other than legislative council); information also obtained from department of finance budget analysts; legislative service commission available to legislative committees; position of legislative auditor recently set up to assist legislature on fiscal matters.

Table 23 (Continued)

## STAFF FACILITIES FOR AIDING LEGISLATURE ON BUDGET MATTERS

State	Facilities
Oklahoma	Legislative council, legislative analyst; information also obtained from budget director and staff.
Oregon	Legislative council, staff attached to legislative committees, legislative analyst; information furnished by state bar association; interim committees provide information on special areas, and department of finance and administration is required by law to furnish information dealing with budget and appropriations bills.
Pennsylvania	Information furnished by joint state government commission, and staff of legislative budget and finance committee, an interim "watch-dog" committee.
Rhode Island	House committee on finance has fiscal advisor, who makes annual report on governor's budget; senate finance committee has no fiscal staff.
South Carolina	Legislative council, staff attached to legislative committees; information also furnished by state auditor's office.
South Dakota	Legislative council.
Tennessee	Legislative council; legislative committees have special committees for staff assistance; information also furnished by private research groups.
Texas	Legislature has four staff agencies; legislative budget board, legislative council, legislative reference service, and state auditor; only staff assistance for legislative committees is that provided by legislative budget board.
Utah	Legislative council, other legislative research agency, legislative analyst; legislative council staff works with appropriations committees.
Vermont	<u>Reportedly no staff facilities.</u>
Virginia	Legislative council.
Washington	Legislative council, legislative budget committee, joint committee on highways, public pension commission, and temporary staff attached to standing committees during sessions.
West Virginia	Legislative auditor's staff assists certain legislative committees.
Wisconsin	Legislative council, other legislative research agency, staff attached to legislative committees; extensive use also made of executive agencies for obtaining information.
Wyoming	Legislative council established in 1959, but inoperative since 1963; budget officer serves as advisor to appropriations committees.

Table 24  
USE OF ALLOTMENT SYSTEM

For all agencies:

Alabama, Alaska,<sup>a</sup> Colorado, Connecticut, Delaware,<sup>b</sup> Florida, Hawaii, Idaho, Indiana, Iowa, Kentucky, Massachusetts, Michigan, Mississippi, Missouri, Montana,<sup>c</sup> Nebraska, Nevada, New Jersey, New York, North Carolina, North Dakota,<sup>a</sup> Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, Tennessee, Utah, Vermont,<sup>d</sup> Virginia, Washington<sup>e</sup>

For some agencies or in some situations:

Arizona, California, Illinois, Kansas,<sup>f</sup> Louisiana, Maine, Maryland, Minnesota,<sup>g</sup> New Mexico, Texas,<sup>h</sup> West Virginia, Wisconsin<sup>i</sup>

Not at all:

Georgia, New Hampshire, South Carolina, South Dakota, Wyoming

- a. Allotment authority provided by law; however, system has not yet been set up.
- b. Procedure was initiated in 1965.
- c. Authorized on a permissive basis.
- d. There is an informal allotment system. Agencies submit a quarterly expenditure plan to the budget office. However, there is no accounting control.
- e. State agencies headed by elected officials, state colleges and universities, certain agricultural commissions, the legislative and judiciary, develop their own allotments, which may not be revised by the governor and the central budget agency. The unexpended portions of the allotments of these exempt agencies may not be placed in reserve.
- f. Allotments are used in situations in which it appears likely that expenditure will exceed estimated revenue.
- g. State university, and professional and regulatory examining and licensing boards are exempt.
- h. There are three instances in which an allotment or reporting method is required for all or part of an agency's operations.
- i. Legislature and judiciary are exempt.

Table 25

## PROCEDURES FOR AVOIDING THREATENING DEFICITS

State	Procedure
Alabama	Reduction in allotments to all state agencies.
Alaska	No statutory provision; however, governor may use discretionary powers in effecting allotment control.
Arizona	Revenue is under-estimated to make sure that receipts equal expenditures.
Arkansas	Reduction in allotments to all state agencies.
California	Procedures may include: reduction in allotments to all state agencies; discretionary reduction in allotments to some state agencies; moratorium on hiring personnel and purchasing equipment.
Colorado	Procedures may include: reduction in allotments to all state agencies; discretionary reduction in allotments to some state agencies; moratorium on hiring personnel and purchasing equipment.
Connecticut	Discretionary reduction in allotments to some state agencies.
Delaware	No statutory provision for this eventuality. In the past the governor has appealed to agencies to reduce expenditures voluntarily; in one case the legislature reduced authorizations.
Florida	Procedures may include: reduction in allotments to all state agencies; discretionary reduction in allotments to some state agencies; moratorium on hiring personnel and purchasing equipment; other procedures used to extent necessary.
Georgia	Reduction in allotments to all state agencies.
Hawaii	Procedures may include: reduction in allotments to all state agencies; discretionary reduction in allotments to some state agencies; moratorium on hiring personnel and purchasing equipment; issuance of instruments of indebtedness payable within one year.
Idaho	Reduction in allotments to all state agencies; moratorium on hiring personnel and purchasing equipment.
Illinois	Procedures may include: reduction in allotments to all state agencies; discretionary reduction in allotments to some state agencies; moratorium on hiring personnel and purchasing equipment.
Indiana	Reduction in allotments to all state agencies.
Iowa	Reduction in allotments to all state agencies; if tax revenue for general fund is insufficient, a state property tax automatically goes into effect.
Kansas	Discretionary reduction in allotments to some state agencies.
Kentucky	Procedures may include: reduction in allotments to all state agencies; moratorium on hiring personnel and purchasing equipment; the "de-escalator" clause may be used.
Louisiana	Discretionary reduction in allotments to some state agencies.

Table 25 (Continued)

## PROCEDURES FOR AVOIDING THREATENING DEFICITS

State	Procedure
Maine	Procedures may include: reduction in allotments to all state agencies; discretionary reduction in allotments to some state agencies.
Maryland	Reduction in allotments to all state agencies.
Massachusetts	Discretionary reduction in allotments to some state agencies; moratorium on hiring personnel and purchasing equipment.
Michigan	Governor, with approval of legislative committees, is to reduce expenditures authorized by appropriations except for legislative and judicial branches, or from constitutionally dedicated funds. Implementing legislation has not as yet been enacted.
Minnesota	Reductions are made in those funds in which deficiencies appear likely; there may also be a moratorium on hiring personnel and purchasing equipment.
Mississippi	Limited bond issues are authorized in case of a deficit.
Missouri	Procedures may include: reduction in allotments to all state agencies; discretionary reduction in allotments to some state agencies.
Montana	Avoidance of deficits is dependent on working out realistic revenue estimates, and authorized use of quarterly allotment system.
Nebraska	Reduction in allotments to all state agencies.
Nevada	Reductions in allotments to all state agencies are ordered by executive branch acting through state board of finance.
New Hampshire	Reductions are made based on recommendations of statutory committee.
New Jersey	Discretionary reduction in allotments to some state agencies; moratorium on hiring personnel or purchasing equipment.
New Mexico	Discretionary reduction in allotments to some state agencies.
New York	Use of special reserve funds.
North Carolina	Expenditures must be cut for all agencies by budget director.
North Dakota	Procedures may include: reduction in allotments to all state agencies; discretionary reduction in allotments to some state agencies.
Ohio	Procedures may include: reduction in allotments to all state agencies; discretionary reduction in allotments to some state agencies; moratorium on hiring of personnel and purchase of equipment.
Oklahoma	Reduction in allotments to all state agencies; appropriations from general fund; governor is empowered to issue deficiency certificates, although this method has never been used.
Oregon	Reduction in allotments to all state agencies; moratorium on hiring personnel or purchase of equipment.

Table 25 (Continued)

## PROCEDURES FOR AVOIDING THREATENING DEFICITS

State	Procedure
Pennsylvania	Procedures may include: reduction in allotments to all state agencies; discretionary reduction in allotments to some state agencies; moratorium on hiring personnel or purchasing equipment. If executive branch does not take requisite steps, a proportionate across-the-board reduction is required.
Rhode Island	Discretionary reduction in allotments to some state agencies; moratorium on hiring personnel and purchasing equipment.
South Carolina	Reduction in allotments to all state agencies.
South Dakota	Allotments are not used; however, budget officer may prorate agency reductions.
Tennessee	Reductions in allotments to all state agencies.
Texas	Moratorium on hiring personnel and purchasing equipment.
Utah	Procedures may include: reduction in allotments to all state agencies; discretionary reduction in allotments to some state agencies.
Vermont	Moratorium on hiring personnel and purchase of equipment. No other formal authority exists for avoiding deficits, although governor could take executive action to accomplish this objective.
Virginia	Reduction in allotments to all state agencies.
Washington	Discretionary reduction in allotments to some state agencies; moratorium on hiring personnel and purchase of equipment.
West Virginia	Reduction in allotments to all state agencies.
Wisconsin	Reduction in allotments to all state agencies; moratorium on hiring personnel and purchasing equipment.
Wyoming	Moratorium on hiring personnel and purchase of equipment.

Table 26

## PROVISIONS FOR DISPOSITION OF SURPLUSES

Surplus carried over to next fiscal period:

Alabama, Alaska, Arizona, Arkansas, California, Colorado, Delaware, Georgia, Hawaii, Illinois, Indiana, Kansas, Kentucky, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Rhode Island, Utah, Virginia, Wisconsin, Wyoming

Surplus carried over or "other" provisions made for disposition:

Connecticut,<sup>a</sup> Idaho,<sup>b</sup> Louisiana,<sup>c</sup> Missouri,<sup>d</sup> Pennsylvania,<sup>e</sup> Tennessee,<sup>f</sup> Texas<sup>g</sup>

"Other" provisions made for disposition:

Florida,<sup>h</sup> New York,<sup>i</sup> South Carolina,<sup>j</sup> West Virginia,<sup>k</sup> Washington<sup>e</sup>

No provisions made:

Iowa, South Dakota, Vermont

Information not available:

## Maine

- a. The first \$1.5 million of surplus is transferred to state employees' retirement fund; next \$1 million of any general fund surplus remains with general fund; any remaining balance is transferred to bond retirement fund.
- b. Surplus remains in general fund to be used in considering next biennial budget. However, in the past the size of the surplus has caused a reduction in tax rates. On one occasion, major surpluses were used for capital improvements.
- c. No procedure for disposing of surplus during year in which it occurred. Surpluses from appropriations from special funds must be returned to those funds within 120 days of close of fiscal year. Surpluses accruing from restricted funds may be retained. If there is a surplus, legislature will appropriate it at next regular or special session.
- d. Surplus sometimes remains as balance in fund in which it accrued. However, excess balances in a large number of specified funds are transferred to the general revenue fund at the end of the biennium.
- e. Surplus is carried over to next fiscal period and is available for appropriation for current expenses of government. However, any amount of the surplus which is not so appropriated must be transferred to the sinking fund for debt service.
- f. Surplus is available for appropriation in subsequent years; however, a \$25 million reserve is maintained as "working capital" in general fund.
- g. Surplus which may accumulate in special funds "spills over" into general fund; otherwise, surpluses accumulate for disposition by legislature.
- h. Surplus in general revenue fund at end of fiscal biennium goes into working capital fund until balance in that fund reaches \$50 million (it was about \$3 million at time of present survey).
- i. Surplus transferred to tax stabilization reserve funds at end of fiscal year. However, surplus to be transferred can be — and has been — reduced by appropriations, transferring surplus from general fund to other funds at end of fiscal year in which it occurred.
- j. Surplus is allocated to local subdivisions of government for public school purposes. Legislature usually approves sufficient projects to use up any possible surplus.
- k. Reduction of indebtedness, reduction of taxation, or other purposes recommended by governor.

Table 27

RESPONSIBILITY FOR CARRYING OUT POST-AUDIT FUNCTION

Independently elected official:

California,<sup>a</sup> Colorado,<sup>b</sup> Delaware, Indiana, Iowa,<sup>a</sup> Kansas, Kentucky, Massachusetts, Mississippi, Missouri, New Mexico, New York, North Carolina, North Dakota,<sup>a</sup> Ohio, Oklahoma, Oregon, Pennsylvania, Utah, Vermont, Washington, West Virginia

Appointed legislative official:

Alabama, Alaska, Arizona, Arkansas, California,<sup>a</sup> Connecticut,<sup>c</sup> Georgia, Hawaii, Iowa,<sup>a</sup> Louisiana, Maine,<sup>d</sup> Michigan, New Hampshire, New Jersey, North Dakota,<sup>a</sup> South Dakota, Tennessee, Texas, Virginia

Appointed executive official:

Idaho, Illinois, Maryland, Minnesota, Montana, Nebraska, Wisconsin, Wyoming

Other:

Florida,<sup>e</sup> Nevada,<sup>f</sup> Rhode Island,<sup>g</sup> South Carolina<sup>h</sup>

- a. Post-audit carried out both by independently elected official, and appointed legislative official.
- b. Effective January 1, 1967, this function is to be placed under supervision of the legislative branch.
- c. Function carried out by two legislative auditors, each appointed by one of the major political parties.
- d. In addition, there is an outside audit every four years.
- e. State auditor is appointed by governor from a list of names submitted by the legislature.
- f. Post-audit carried out by fiscal staff of legislative commission.
- g. House committee on finance employs outside independent firm to conduct annual post-audit.
- h. Function carried out by official appointed by the budget and control board, composed of both executive and legislative officials.

Table 28

## PERCENT OF TOTAL EXPENDITURES MADE FROM SPECIAL FUNDS\*

State	Percent	State	Percent
Alabama	90	Montana	54
Alaska	8	Nebraska	76 <sup>h</sup>
Arizona	50 <sup>a</sup>	Nevada	37 <sup>i</sup>
Arkansas	23 <sup>a</sup>	New Hampshire	18 <sup>j</sup>
California	**	New Jersey	24
Colorado	69 <sup>b</sup>	New Mexico	35
Connecticut	41	New York	** <sup>k</sup>
Delaware	55	North Carolina	** <sup>k</sup>
Florida	55	North Dakota	50
Georgia	**	Ohio	58
Hawaii	22 <sup>c</sup>	Oklahoma	75
Idaho	63 <sup>c</sup>	Oregon	69
Illinois	43	Pennsylvania	27 <sup>l</sup>
Indiana	46 <sup>d</sup>	Rhode Island	4
Iowa	67	South Carolina	60
Kansas	62 <sup>e</sup>	South Dakota	71 <sup>m</sup>
Kentucky	64	Tennessee	39
Louisiana	86	Texas	72
Maine	6	Utah	65-70
Maryland	39	Vermont	71
Massachusetts	57 <sup>f</sup>	Virginia	63
Michigan	56	Washington	47
Minnesota	64	West Virginia	55
Mississippi	60 <sup>g</sup>	Wisconsin	71 <sup>n</sup>
Missouri	76	Wyoming	88

- a. In addition, Federal funds, trust funds, non-revenue and construction funds comprised 44.2% of total expenditures.
- b. Bond fund expenditures not included in working out percentages.
- c. Includes \$90.4 million of Federal grants-in-aid, considered as special funds.
- d. Special fund and trust fund expenditures are included under special funds.
- e. Includes Federal grants-in-aid, highway fund, and other trust and agency funds.
- f. However, general fund-general purpose expenditures (those financed from non-restricted revenues, and which are subject to annual appropriation) comprise only 37% of total state expenditures.
- g. Figures relate to treasury accounts only. Special funds expenditures include Federal funds.
- h. Cash funds: 29.7%; Federal funds: 36.46%; building funds: 1.89%; special levy funds: 8%.
- i. The only special fund is the highway fund.
- j. In addition, the highway fund accounts for 48% of expenditures.
- k. All special funds and subsidiary funds are part of the general fund appropriations.
- l. An additional 20.6% of total expenditures is comprised by bond accounts.
- m. Highway fund, debt service fund, and bond funds.
- n. Includes 64 working capital funds, 18 permanent land funds, 17 land income funds, 20 trust and agency funds, 16 Federal funds, 9 state collected local funds, and 24 other special funds.
- \* For consistency, data reported from all states have been rounded to the nearest whole percent.
- \*\* Information not available.

Table 29

EXPENDITURES FROM SPECIAL FUNDS  
WITHOUT SPECIFIC LEGISLATIVE APPROPRIATIONS

State	Type of expenditures
Alabama	<u>None.</u>
Alaska	Federal funds may be spent under executive authority of governor, if no state matching funds are required.
Arizona	Certain funds, such as income funds of universities, may be spent without specific appropriation. However, there must be specific legislative authority; receipts of such funds are appropriated in "unknown" amounts.
Arkansas	Expenditures of trust funds, cash funds of institutions of higher learning, etc., are deposited in separate agency accounts and may be spent without legislative appropriation.
California	For most special funds, governor is authorized to spend amounts beyond those appropriated.
Colorado	Expenditures from Federal grants, special funds of colleges and universities, special trust funds, etc., may be made without specific appropriation. In those cases, expenditures are authorized by continuing appropriations.
Connecticut	Expenditures from certain Federal and private grants can be authorized by governor without legislative action.
Delaware	Expenditures from Federal grants, university funds, and special funds of most agencies, can ordinarily be made without legislative appropriation.
Florida	Some expenditures can be made without specific legislative appropriation. However, in recent years most have been included in general appropriations act.
Georgia	<u>None</u> ; lump-sums are appropriated.
Hawaii	In absence of legislative appropriations, agencies may make expenditures as approved by governor or director of finance.
Idaho	<u>None</u> ; in recent years legislature has made specific appropriations for these amounts.
Illinois	Expenditures from Federal trust funds and certain other special funds may be made without specific legislative appropriation.
Indiana	<u>None</u> ; legislature appropriates all expenditures from these funds.
Iowa	Wide variety of trust funds and special funds, from which expenditures may be made without specific legislative appropriation.
Kansas	<u>None.</u>
Kentucky	<u>None.</u>
Louisiana	Expenditures from Federal funds and other special funds may be made without specific legislative appropriation.

Table 29 (Continued)

**EXPENDITURES FROM SPECIAL FUNDS  
WITHOUT SPECIFIC LEGISLATIVE APPROPRIATIONS**

State	Type of expenditures
Maine	Expenditures from trust funds, and some income funds such as that of state university, may be made without specific legislative appropriation.
Maryland	Non-appropriated funds of state university are not subject to any legislative or executive control.
Massachusetts	Expenditures from most Federal grants, and some university funds, and special trust funds, may be made without specific legislative appropriation.
Michigan	Expenditures of Federal grants, income funds of state universities, and constitutionally-dedicated revenues may be made without annual appropriations.
Minnesota	Federal grants are handled under "open appropriation" authority, and university income is not subject to state budgetary control.
Mississippi	Expenditures of state highway department and certain other operations may be made without specific legislative appropriation.
Missouri	Expenditures from income funds of universities and some "agency" or "local" accounts do not require legislative appropriations.
Montana	<u>None</u> ; the governor may, however, increase appropriations when specifically authorized by the appropriations act.
Nebraska	<u>None</u> .
Nevada	<u>None</u> .
New Hampshire	Expenditures of non-matching Federal grants may be spent without specific legislative appropriation.
New Jersey	Expenditures may be made without specific legislative appropriation from Federal and private grants, and certain income funds of the state university.
New Mexico	Expenditures from Federal grants and special trust funds may be made without specific legislative appropriations.
New York	Expenditures may be made from college income funds, institutional funds, Federal funds, and bequest funds, without specific legislative appropriation.
North Carolina	Expenditures may be made from Federal funds, special university funds financed by receipts, etc., without specific legislative appropriation.
North Dakota	<u>Practically none</u> : the legislature was to appropriate expenditures from practically all special funds beginning with 1965 session.
Ohio	Expenditures are made from certain state university funds without specific legislative appropriations. State universities have many revolving funds for which appropriations are made in "blank."

Table 29 (Continued)

**EXPENDITURES FROM SPECIAL FUNDS  
WITHOUT SPECIFIC LEGISLATIVE APPROPRIATIONS**

State	Type of expenditures
Oklahoma	Expenditures from revolving funds, highway funds, land grant funds, trust and emergency funds, etc., may be made without specific legislative appropriation.
Oregon	Expenditures from special funds have been used by board of education without specific legislative appropriation.
Pennsylvania	Expenditures may be made from special funds without specific legislative appropriation.
Rhode Island	<u>None</u> ; only special funds are for state colleges, for which legislature makes lump-sum appropriations.
South Carolina	Expenditures may be made without specific legislative appropriation from Federal funds, and grants for specific purposes.
South Dakota	Expenditures may be made from special funds without specific legislative authorization.
Tennessee	Expenditures may be made without specific legislative appropriation from trust funds, enterprise funds, or working capital funds.
Texas	Expenditures may be made without specific legislative appropriation from certain trust funds, such as those for unemployment compensation, teacher and employee retirement payments, the state banking department, etc.
Utah	<u>None</u> .
Vermont	Expenditures may be made out of special funds without specific legislative appropriation for Federal grants or other receipts in excess of estimates (with approval of commissioner of administration), and special trust funds.
Virginia	<u>None</u> .
Washington	Expenditures may be made without specific legislative appropriation in the case of local funds for higher education; trust funds, such as for retirement and unemployment compensation; liquor control and toll bridge authority revolving funds.
West Virginia	Expenditures may be made without specific legislative appropriation in the case of Federal grants, income funds of state colleges, and special trust funds.
Wisconsin	<u>None</u> .
Wyoming	Expenditures from most special funds are made without specific legislative appropriation.

Table 30

CONTROLS OVER NON-APPROPRIATED EXPENDITURES  
OF SPECIAL FUNDS

Legislative control:

Arizona, Michigan, Texas

Little or no legislative control:

California, Colorado,<sup>a</sup> Connecticut, Delaware, Illinois, Iowa, Louisiana,<sup>a</sup> Massachusetts, Missouri, New Jersey,<sup>b</sup> New York, Ohio,<sup>c</sup> Oklahoma,<sup>d</sup> Pennsylvania, South Carolina, South Dakota, Washington, Wyoming

Specific non-legislative control:

Alaska,<sup>e</sup> Florida,<sup>f</sup> Hawaii,<sup>g</sup> Maine,<sup>h</sup> Maryland,<sup>i</sup> Minnesota,<sup>j</sup> Mississippi,<sup>k</sup> Vermont<sup>l</sup>

Non-applicable (all expenditures appropriated):

Alabama, Georgia, Idaho, Indiana, Kansas, Kentucky, Montana, Nebraska, Nevada, North Dakota, Rhode Island, Utah, Virginia, Wisconsin

Information not available:

Arkansas, New Hampshire, New Mexico, North Carolina, Oregon, Tennessee, West Virginia

- a. Only control is through review in budget.
- b. Legislature exercises little control unless it establishes statutory control over spending language — not by placing dollar limits on amounts.
- c. Legislature has limited control over non-appropriated expenditures of certain revolving and other special funds.
- d. When expenditures from special funds are partially financed from general fund, the legislature may reduce the general fund portion. However, effectiveness of this method is dependent on accuracy of total information concerning special funds.
- e. Governor has authority to spend Federal or program receipts which are in excess of amounts contained in general appropriations bill.
- f. Non-appropriated expenditures are under supervision of budget commission, an executive body.
- g. Special fund agencies are under departments, heads of which are appointed by governor with consent of senate. Funds are subject to audit by state controller, although in some instances private auditing firms have been hired.
- h. Governor and council allocate expenditures from special funds.
- i. Control over special fund expenditures is exercised by governor and budget director.
- j. In case of "open appropriations" budgetary control is exercised by department of administration through quarterly allotment system.
- k. Special fund expenditures are allocated through allotment system, and are subject to same budgetary reporting as from general fund.
- l. In case of non-appropriated expenditures, control is exercised through such administrative measures as subjecting agencies involved to regular personnel, payroll, and purchasing controls.
- m. Legislature was to appropriate expenditures from practically all special funds, beginning with 1965 session.
- n. Legislature makes lump-sum appropriations.

Table 31

AUTHORITY RESPONSIBLE FOR ESTIMATING TAX REVENUES  
DEDICATED TO SPECIAL FUNDS

State budget office or other central authority:

Alabama, Arkansas, California, Georgia, Indiana, Iowa, Louisiana, Maine, Maryland,<sup>a</sup>  
Massachusetts, Michigan, Missouri,<sup>b</sup> New Mexico, New York,<sup>c</sup> North Carolina, Oklahoma,<sup>d</sup>  
Pennsylvania,<sup>e</sup> Texas,<sup>f</sup> Utah, West Virginia

Agency administering programs to which funds are dedicated:

Arizona, Hawaii, Idaho, Illinois, Mississippi, Nebraska, Rhode Island,<sup>g</sup> South Carolina,  
South Dakota, Wyoming

Central authority and administering agencies:

Alaska,<sup>h</sup> Colorado,<sup>i</sup> Connecticut,<sup>i</sup> Florida,<sup>i</sup> Kansas,<sup>i</sup> Minnesota,<sup>j</sup> Montana,<sup>i</sup> Nevada,<sup>h</sup>  
New Hampshire,<sup>i</sup> New Jersey,<sup>i</sup> North Dakota,<sup>i</sup> Ohio,<sup>i</sup> Tennessee,<sup>i</sup> Vermont,<sup>i</sup> Wisconsin

Other:

Kentucky,<sup>k</sup> Virginia,<sup>l</sup> Washington<sup>m</sup>

Information not available:

Delaware, Oregon

- a. Board of revenue estimates and a bureau of revenue estimates (latter under the state comptroller, an elected official).
- b. Budget office, with assistance of tax agencies.
- c. Department of taxation and finance reportedly provides continual flow of information to budget division.
- d. State board of equalization prepares estimates on basis of information furnished by state budget director and tax commission.
- e. Bureau of research and statistics of department of revenue.
- f. Comptroller of public accounts.
- g. No special fund is financed through taxes. Student fees and other special revenues of state colleges are estimated by their boards of trustees.
- h. Administering agencies, subject to review and approval by budget office and governor.
- i. Budget office and administering agency.
- j. Administering agencies, together with state department of administration.
- k. Estimates usually made by administering agencies; however, road fund revenue is estimated by state revenue departments.
- l. Officials of agencies administering funds; also officials responsible for collection of taxes such as state corporation commissions and director of division of motor vehicles.
- m. All taxes of importance which are dedicated to "special funds" (to special purposes), are estimated by one of the following: tax commission, central budget agency, department of licenses, department of highways, liquor control board, department of employment security, and department of labor and industries. With the exception of the department of employment security, the department of labor and industries, and the department of highways, none of the above-mentioned agencies administer the programs for which the taxes are dedicated.

Table 32

CONTROLS BY GOVERNOR OVER AGENCY PARTICIPATION  
IN FEDERAL AID PROGRAMS

Approval of governor required:

Alabama, California, Colorado, Connecticut, Hawaii, Kentucky, Massachusetts, Michigan, Minnesota, Nebraska, Nevada, New Hampshire, Oregon, Rhode Island, Tennessee, Texas, Virginia, Wisconsin

Approval of governor not required:

Arizona, Delaware, Georgia, Idaho, Illinois, Indiana, Iowa, Kansas, Louisiana, Missouri, Montana, New Mexico, North Dakota, Ohio, Oklahoma, Pennsylvania, South Dakota, Vermont

Other approval required:

Florida,<sup>a</sup> New York,<sup>b</sup> North Carolina,<sup>c</sup> South Carolina<sup>d</sup>

Situation varies:<sup>e</sup>

Remainder of states

- a. Approval of budget commission is required.
- b. Approval of both governor and legislature required.
- c. Approval of governor and budget commission required.
- d. Approval of state budget and control board is required.
- e. Approval of governor sometimes — but not always — required.