Mention government budgeting to most folks and the reaction is likely to be a snore. Budgets are notoriously capital “B” boring - reams and reams of tedious numbers ladled onto pages and pages of bureaucratic jargon. Only an accountant could understand it. Only a politician would want to.

But this popular view misses much that’s important about the public budgeting process. In fact, today’s gargantuan state budgets are much more than banal accounting statements; they are that to be sure. But budgets are also public laws that codify public priorities. In one famous academic postulate, budgets are public policies with the price tags prominently attached. They are financial roadmaps to the values and goals that a government holds most dear.

Sometimes budgets are produced amid great conflict. Other times conflict is minimal. This year, for example, Gov. Tom Ridge’s budget sailed through the General Assembly with only minor glitches. The governor's most serious problem came not from Democrats, but from House Republicans. Ridge’s budgets have been passed quickly and easily, thanks to record surpluses and his party’s control over the legislature. Ridge has been the most fortunate governor in modern Pennsylvania history, because no other could boast about record surpluses and compliant legislative leaders for their entire gubernatorial tenures. But early passage and easy budgets have not always been the rule in Pennsylvania. As recently as 1991, for instance, a budget battle over $3 billion in new taxes produced an impasse that delayed final passage 35 days after the constitutional deadline of July 1st. But it was the 1970s and 1980s that are most remembered. These decades produced several budget battles, now renowned for high drama, colorful characters, and exasperating moments.

The case of 1977 was seminal. No singular budget episode in modern times could possibly top it. Gov. Milton Shapp had proposed a $5.4 billion budget package. To balance it, he suggested the sales tax be increased from 6 percent to 7 percent, or alternatively that the local wage tax be increased by 200 percent. During the course of the debate over a six-month period, 13 different budget proposals were made. Feelings were so bitter in the state House that 20 legislators engaged in a fight on the floor of the House. The final budget vote was not taken until late August, after thousands of state employees had not been paid and welfare checks had ceased to be delivered.

Things did not get much better for Gov. Shapp the following year, his final year in office. Shapp used his line-item veto power to axe $72 million from the budget passed by the legislature, only to have his line-item veto overwhelmingly overridden by the General Assembly, the first time in Pennsylvania history that a line-item veto was overridden.

Alas, Pennsylvania's budget process is now a rather tame affair. It is 10 years since a protracted budget struggle has taken place. Yet, several decades of history provides us with some sharp insights and useful generalizations about the Pennsylvania budget process.
Governors Usually Win - With few exceptions, the Pennsylvania legislature adopts most of what the governor recommends. The Pennsylvania governor has extraordinary power in the budget process, given the ability to line-item veto or reduce the appropriation itself. Typically, the latter two years of a governor's tenure produces more legislative initiatives. This year was no exception, but the budget as adopted this June was still basically the governor's budget.

Budgets Are Incremental - Almost 95 percent of the budget continues programs already in existence, with small percentage increases. Past budgets tend to determine future budgets. Change is slow and sporadic. This is particularly true after the first two years of any new gubernatorial administration. With new program initiatives largely exhausted, most budgets have modest increases or small new programs attached to them.

Surplus Budgets Trump Deficit Budgets Every Time - Spending is always more fun than taxing. Legislators find that spending boosts their political support while taxing erodes it. Consequently, they hate to tax, but love to spend. Most of the fiscal crises, delayed budgets, and legislative stalemates have come when legislators had to face either raising taxes or spending cuts. During the 1983 budget crisis (in the middle of the 1982-83 recession), state welfare checks were locked in vaults while Republican Gov. Dick Thornburgh and the General Assembly argued about a state budget. Large deficits are usually the root cause of protracted budget struggles.

Minority Party Impotence – Minority parties have little influence over budgets. When one party controls the Governor's Office and both houses of the legislature, it privately agrees on the budget and removes the minority party from any role in the decision-making. Typically, the minority party is reduced to criticizing some features of the budget or quixotically proposing budget changes. In the end, however, most minority party members confront a harsh dilemma: Either they hold their noses and vote for the final budget product, or they bear the politically damaging accusation that they failed to support the schools, the poor, or some other needy group.

The Legislative Charade is Still theFeaturedAct - Great fanfare is paid to the debates that take place in the state legislature during budget deliberation. But democracy in action it isn’t. Insiders immediately recognize the debates and the amendments that get added to the budget as little more than a tribute to the time-honored tradition of allowing legislators to have a voice in the budget game. The real game, however, is not played out in the various legislative chambers, but in the secret conferences that are held in the majority party's offices. No sooner are scores of amendments added to the budget on the floor then they are stripped out of the budget in the secret meetings, much more quickly and quietly than they were added in the first place. The process does allow for individual legislators to issues press releases and boast about their legislative successes – successes that rarely end up in the final passage budget.

Can we sum up all of this in some useful way? Is there some overarching theme or abiding moral that emerges from close examination of the budget process? Probably not!

Public budgeting itself mirrors much of political life today – a highly ritualized public process masking a thoroughly pragmatic private process. Almost everyone is affected by the budget – but few affect the budget. It is leadership-driven and elite-dominated, but so is most of modern politics.
More than any other document budgets reveal the winners and losers in the great policy debates that occur in any society. Budgets tell you who pays and who gets paid. When you want to know what matters and what does not, look to budget expenditures. Follow the money! Our politicians do.

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Politically Uncorrected™ is published twice monthly. Dr. G. Terry Madonna is a Professor of Public Affairs at Franklin & Marshall College, and Dr. Michael Young is a former Professor of Politics and Public Affairs at Penn State University and Managing Partner at Michael Young Strategic Research. The opinions expressed in this article are solely those of the authors and do not necessarily reflect the opinions of any institution or organization with which they are affiliated. This article may be used in whole or part only with appropriate attribution. Copyright © 2001 Terry Madonna and Michael Young.