Especially in emergencies, such as accidents or other health emergencies, people are likely to obligate the money first and worry about where it will come from later. Governmental budgeting, too, may concentrate first on revenues and later on expenditures, or first on expenditures and later on income. Like individuals or families, during emergencies such as floods or hurricanes or wars, governments will commit the expenditures first and worry about where the money will come from later.

Governmental Budgeting

Public budgeting shares the characteristics of budgeting in general but differs from household and business budgeting in some key ways. First, in public budgeting, there are always people and organizations with different perspectives and different goals trying to get what they want out of the budget. In individual budgets, there may be only one person involved; and in family and business budgets, there may be only a limited number of actors and they may have similar views of what they want to achieve through the budget.

Second, public budgets are more open to the environment than budgets of families or businesses are. Not only are public budgets open to the economy but also to other levels of government, to citizens, to interest groups, to the press, and to politicians.

Third, budgets form a crucial link between citizen taxpayers and government officials. The document itself may be a key form of accountability. This function does not apply to businesses, families, or individuals.

Fourth, public budgeting is characterized by a variety of constraints, legal limits, perceived limits imposed by public opinion, rules and regulations about how to carry out the budget, and many more. Public budgeting is far more constrained in this sense than budgets of individuals or businesses.

Public budgeting has five particular characteristics that differentiate it from other kinds of budgeting. First, public budgeting is characterized by a variety of budgetary actors who often have different priorities and different levels of power over budget outcomes. These actors have to be regulated and orchestrated by the budget process. Second, in government there is a distinction between those who pay taxes and those who decide how money will be spent—the citizens and the elected politicians. Public officials can force citizens to pay taxes for expenditures they do not want, but citizens can vote politicians out of office. Third, the budget document is important as a means of public accountability. Fourth, public budgets are very vulnerable to the environment—to the economy, to changes in public opinion, to elections, to local contingencies such as natural disasters like floods, or political disasters such as the police bombing of MOVE headquarters in Philadelphia, which burned down part of a neighborhood. Fifth, public budgets are incredibly constrained. Although there is a built-in necessity to make budgets adaptable to contingencies, there are many elements of public budgets that are beyond the immediate control of those who draw up budgets.

A Variety of Actors

The first characteristic of public budgeting was the variety of actors involved in the budget and their frequently clashing motivations and goals. On a regular basis, bureau chiefs, executive budget officers, and chief executives are involved in the budget process, as are legislators, both on committees and as a whole group. Interest groups may be involved at intervals, sometimes for relatively long stretches of time, sometimes briefly. Sometimes citizens play a direct or indirect role in the budget process. Courts may play a role in budgets at any level of government at unpredictable intervals. When they do play a role in budgetary decisions, what are these actors trying to achieve?

Bureau Chiefs. Many students of budgeting assume that agency heads always want to expand their agencies, that their demands are almost limitless, and that it is up to other budget actors to curtail and limit their demands. The reasons given for that desire for expansion include prestige, more subordinates, more space, larger desks, more secretaries, and not incidentally, more salary. The argument presumes that agency heads judge their bureaucratic skills in terms of the satisfaction of their budget requests. Successful bureaucrats bring back the budget. Agency expansion is the measure of success.

Recent research has suggested that while some bureaucrats may be motivated by salaries, many feel that one of their major rewards is the opportunity to do good for people—to house the homeless, feed the hungry, find jobs for the unemployed, and send out checks to the disabled.[1] For these bureaucrats, efforts to expand agency budgets are the result of their belief in the programs they work for.

Recent research has also suggested that the bureaucracy has become more professional, which introduces the possibility of another motivation, the desire to do a good job, to do it right, to put in the best machinery that exists or build the biggest, toughest engineering project or the most complicated weapons.

The generalization that bureaucrats always press for budget increases appears to be too strong. Some agencies are much more aggressive in pushing for growth than others. Some are downright moribund. Sometimes agency heads refuse to expand when given the opportunity,[2] suggesting there are some countervailing values to growth. One of these countervailing values is agency autonomy. Administrators may prefer to maintain autonomy rather than increase the budget if it comes down to a choice between the two. A second countervailing value to growth is professionalism, the desire to get the job done, and do it quickly and right. Administrators generally prefer to hire employees who have the ability to get the job done, plus a little, spare amount of intelligence, motivation, and energy just in case they need to get some extra work done or do it fast in response to a political request.[3] Administrators may refuse to add employees if the proposed employees do not add to the agency's capacity to get things done. A third countervailing value is program loyalty. Expansion may be seen as undesirable if the new mission swamps the existing mission, if it appears contradictory to the existing mission, or if the program requires more money to carry out than is provided, forcing the agency to spend money designated for existing programs on new ones or do a poor job.

A fourth countervailing value is belief in the chain of command. Many, if not all, bureaucrats believe that their role is to carry out the policies of the chief executive and the legislature. If those policies mean cutting back budgets, agency heads cut back the agencies. Agency heads may be appointed precisely because they are willing to make cuts in their agencies.[4]

Bureaucrats, then, do not always try to expand their agencies' budgets. They have other, competing goals, which sometimes dominate. Also, their achievements can be measured by other than expanded budgets. They may go for some specific items in the budget without raising totals, or may try for changes in the wording of legislation. They may strive to get a statutory basis for the agency and security of funding. They may take as a goal providing more efficient and effective service, rather than expanded or more expensive service.

The Executive Budget Office. The traditional role of the budget office has been to scrutinize requests coming up from the agencies, to find waste and eliminate it, and to discourage most requests for new money. The executive budget office has been perceived as the naysayer, the protector of the public purse. Most staff members in the budget office are very conscious of the need to balance the budget, to avoid deficits, and to manage cash flow so that there is money on hand to pay bills. Hence they tend to be skeptical of requests for new money.

In recent years, however, there has been a change in the role of budget office. At the national level under President Ronald Reagan, budgeting became much more top-down, with the director of the Office of Management and Budget (OMB) proposing specific cuts and negotiating them directly with Congress, without much scrutiny of requests coming up from departments or bureaus. OMB became more involved in trying to accomplish the policy goals of the President through the budget.[5] At state levels too, there has been an evolution of budget staff from more technical to more political and more policy-related goals. When the governor is looking for new spending proposals these may come from his budget office.