

CHAPTER 6:

The Politics of Budgeting

A budget can be analyzed in three distinct ways: as policy, as politics, and as influencing outcomes. Budgets are more than authorizations to spend money. They reflect decisions on policy issues, such as the level of taxation, the relative balance between how much businesses and individuals should pay to support government, and what new programs government should engage in and which it should reduce or terminate. In Ohio, the state budget also makes changes in hundreds of permanent state laws affecting many different subjects and titles of the Ohio Revised Code. These policy changes are made as a result of deliberations on the state budget rather than through the work of subject matter committees and the regular legislative process.

The government determines fiscal and non-fiscal policy that evolves through the budget process on the basis of three kinds of considerations: program, financial, and political. Individual state agencies and their constituencies develop programs and present proposals to solve perceived societal problems. These program ideas are then subjected to financial analysis within state agencies by a central budget office and by legislative fiscal analysts. The third consideration, the political component, is equally important in policy development.

The governor employs specialists to help gauge the politics of program and fiscal decisions. The legislative process is almost exclusively a political one. All budget decisions are made within the framework of executive politics, legislative politics, and interest group politics. No study of the budget process is complete without considering how politics affect fiscal decision-making.

Budget as Policy

What Is Public Policy?

Public policy is the term applied to all governmental laws and rules that prescribe individual behavior. State public policy determines what portion of a college education a student should pay and what portion is justifiably supported by general taxpayers. It determines how long a child must remain in school and what that child must be taught. It even determines when a child becomes an adult. Some public policy is set by the legislature, with a gubernatorial sign-off, through the enactment of

statutes. Much policy is set through the formal adoption of regulations by executive agencies. A good deal results from interpretations of the Ohio Constitution, statutes, and regulations by the judiciary. Determining and implementing public policy is a constitutive feature of politics.

Who Are the Public Policy Decisionmakers?

Participation in the public policy debate is an activity limited to a small number of people inside and outside state government. Inside participants, often called decisionmakers, include all of the state's elected officials in the three branches of government, the appointed governing bodies of state boards and commissions and institutions of higher education, and appointed executive and judicial branch agency directors. Always critical to inside policymaking are the government employees who remain from one administration to the next, although more commonly they can be major impediments to change.

Public Policy Stakeholders

Outside participants include a host of paid and unpaid advocates and other persons with a stake in the outcome of public policy debate. These individuals populate the corridors of the Ohio Statehouse on a regular basis. Although they are not exactly stakeholders, public opinion makers, such as the press and electronic media representatives, make up another significant group of persons who influence public policy. Of particular importance are the media members permanently stationed at the Statehouse to cover activities and events.

Political Framework

Critical to affecting public policy is the structure within which the political debate takes place. This structure includes political players and their personalities, skills, and backgrounds, as well as its institutions and cultural traditions and customs. It also includes the political framework within which decisions are made. In Ohio, the relative importance of local government, the public's distrust of state government, the power of the press, the governor's victory margin, the fragmentation of the executive branch, the lack of policy focus and the phenomenon of "issueless politics," and the state's fiscal and social conservatism establish the framework for state budgeting in Ohio.

Importance of Local Government

State government in Ohio has never been considered a very important provider of governmental services. It has been viewed more as a conduit for providing funds to counties, cities, villages, townships, school districts, and special districts that will be responsible for the actual delivery of governmental services. Such a system helps explain why the vast majority of the state's General Revenue Fund budget is distributed in the form of subsidies to local taxing districts. This fact is underlined by the revealing statistic that local tax collections of \$21.8 billion in 2014 were almost as high as state government tax receipts of \$27.0 billion that year, of which \$16.9 billion was, in turn, distributed to local taxing districts through grants and in general revenue sharing.¹ However, state revenue distributions have diminished in recent years because of the significant cuts imposed on local government throughout the Kasich Administration, particularly the severe budget balancing measures taken during the FY 2012-2013 biennium.

Public Attitude

State government and politicians are viewed by the public and, perhaps more importantly, by the press and other opinion leaders, with distrust. This lack of trust, while perhaps less than that for the federal government and its officials, is nonetheless quite significant. Quite regularly, this distrust is justified by the regular eruption of scandals involving misuse of public funds and trust. The first administration of Governor James Rhodes ended in 1971 with the indictment of the state treasurer and other state officials, and with criminal accusations levied against the governor. The voters then replaced all statewide Republican-elected officials with Democrats. Governor Richard Celeste's Democrat administration (1983–1991) was beset with cabinet officials accused, and one even convicted, of criminal misconduct. Republican Governor George Voinovich's administration (1991–1998) began with two appointees resigning amidst charges of conflict of interest and ended with charges of political favoritism leveled against the governor regarding campaign finance irregularities and in the awarding of state contracts to his brother. His chief of staff was indicted for accepting bribes while in office.

Republican Governor Bob Taft (1999–2007) became the first Ohio governor to be indicted, and then convicted, on criminal charges when he pled no contest to several misdemeanor charges for failure to report certain gifts. His former chief of staff was also convicted of ethics violations in a widening “Coingate” scandal that centered on coin dealer Thomas Noe, a Republican political appointee and prominent fundraiser. In “Coingate,” Noe was found guilty of theft, money laundering, forgery, and corrupt activity related to his management of Bureau of Workers’ Compensation investments in high-risk, unconventional vehicles. He was sentenced to 18 years in state prison in addition to a 27-month federal sentence for violating campaign contribution laws. A couple of years later, Democrat Attorney General Marc Dann (2007–2008) was forced to resign when a sexual harassment scandal tainted his office. Scandal also touched the office of Democrat Treasurer of State Kevin Boyce (2009–2011) when a key staff member was indicted, and later convicted, of felony charges. Although the administrations of governors Strickland and Kasich were relatively scandal-free, this lurid political legacy remains an important factor in public distrust of state government. Contributing to the distrust have been numerous periodic scandals involving state legislators. Most notable was the abrupt resignation of Republican House Speaker Cliff Rosenberger in April 2018, following the announcement of a federal investigation for possible extortion, bribery, and Travel Act violations.

Role of the Press

Ohio has a highly competitive news media. Although intra-city newspaper competition no longer exists, major city dailies, especially in Cleveland and Columbus, compete with one another to reach the statewide market. Part of this rivalry is reflected in a competition for exposés of state government corruption. All of the major newspapers have investigative reporters who, over the years, have exposed numerous instances of fraud and abuse of public office.² Scandals and general news coverage appear to have as significant an influence on Ohio voting behavior as the issues.

Margin of Victory

Another constraint on what the governor can successfully accomplish, particularly in the administration's initial budget, will be the margin of victory. Governor James Rhodes defeated Governor John Gilligan by an infinitesimal number of votes and spent most of 1975 to 1977 fighting budget issues with legislative Democrats who foresaw the possibility of regaining the governorship after his first

term. It was only after his re-election that he was able to successfully adopt a leadership stance in budget matters, but once again, the economy intervened, and he left office after a bitter fight to keep the budget in balance. Governors with wide margins of victory and high public approval ratings will have more success in advancing their budget agendas. The relationship between margin of victory and ease of agenda was the case with the first budgets of both Governors Bob Taft and Ted Strickland. Conversely, Governor John Kasich was narrowly elected in 2010, but he managed to achieve significant successes in his first budget. However, the public viewed at least part of his legislative success as an overreach when it overwhelmingly repealed Senate Bill 5 of the 129th General Assembly, a bill that would have ended collective bargaining for public workers, in November 2011.

Executive Branch Fragmentation

Four separately elected state officials, the Attorney General, Auditor of State, Secretary of State, and Treasurer of State, provide legal support, government audits, electoral process regulation, and money management. Although the governor reviews the budgets for these elected officials and the state judiciary for form, each official is free to propose and advocate for his own appropriations request, regardless of what the governor might prefer.

Primary and secondary education policy development and administration reside in a combined elected and appointed State Board of Education and its appointed Superintendent of Public Instruction. This structure enhances its independence. Numerous other independent boards and commissions have spending that is outside the governor's direct control. The independently elected officials and independent boards and commissions represent a significant portion of state General Revenue Fund spending.

Issueless Politics

A study of Ohio politics prepared in the 1960s characterized the state's political affairs as "issueless."³ While Ohio politics has more closely mirrored its national counterpart over time, this characterization is still largely true. The lessons of electoral politics repeatedly demonstrate that promoting or supporting social issues in Ohio provides no political payoff for either state or local candidates for office. A winning strategy in Ohio is one which proposes no new or expanded taxes, cutbacks in human services spending, increasing support for education without raising taxes, promoting economic development and bringing in new jobs, and "cleaning up" politics.⁴ Typically, the governor and successful state legislators do not take office with a long list of policies they are committed to alter or enact. The biggest political criterion in determining the success of proposed public policy is whether it will impact the next election.

Policy Development

Orderly analytical research proceeding from hypothesis through analysis and on to conclusions and recommendations seldom finds practical application in Ohio, unless it is proposed through appropriate, usually bureaucratic, "insider" sources. In Ohio, the interplay of personalities and institutional forces has a much stronger influence than what is disparagingly viewed by many Ohio politicians as "academic research." Who proposes an idea, how and when it is proposed, whose support for it is sought and received, how it is advocated for and advanced, are all more vital to pursuing political

change in Ohio successfully. Those proposing policy change who fail to understand this fact of Ohio politics, including governors whose institutional role places them in ideal political leadership positions, are doomed to failure.

In Other States. Some states welcome ideas from outside the confines of their statehouse. They hire highly paid staff and consultants to develop public policy. For many years, New York state governors could turn to a private “think tank” of staff to come up with new ideas to solve the never-ending problems that plague a large state, and which in a federal system, allowed it to assume a leadership role. Henry Kissinger was one of many notables occupying positions in that elite corps when Nelson Rockefeller was Governor of New York. Other states rely on sophisticated legislative policy development staffs formed around specific problem areas such as privatization, economic development, human services, and education.

In Ohio. Ohio uses none of these approaches. It has largely abandoned the use of its legislative research staff for policy development. As it has become full-time and professional, the Legislative Service Commission, the General Assembly’s primary research arm, has become engaged nearly full time in the provision of bill-drafting services. They examine major issues periodically, but most often on a confidential basis and always from a strict policy-neutral stance. Higher education is often perceived as elitist, and consequently its research seldom reaches legislative or gubernatorial ears, and on the rare occasions that it does, its recommendations are rarely followed. One of the few regular, ongoing state-funded research entities in the executive branch is located in the Ohio Department of Taxation. This research unit has become the major driver of state tax policy, despite the employment of outside tax policy consultants over the years whose recommendations are judiciously ignored. Most executive public policy development emerges through the state budget process, with legislators relying primarily on interest groups and their advocates to provide them with the information they feel is necessary for policy development.

Ohio is not known as an innovative state in the public policy arena. In a state with issueless politics, there is little to be gained politically by being innovative or in advancing costly new proposals. To the extent that innovation does occur, it is in reaction to external forces rather than proactive public policy. Much of the state’s conservatism in public policy is a result of Ohio’s underlying fiscal conservatism and an unwillingness to raise taxes to pay for innovations. One relatively recent innovation, the Local Government Innovation Fund that was initially included in the FY 2012–2013 budget, actually developed out of a perceived need to balance the much more substantial cuts made in the budget to the Local Government Fund. Once the immediate crisis past, funding for the program was discontinued effective with the FY 2018–2019 budget. The lack of innovative policy is also related to the public’s relative inattention to state government, because all of the state’s education, health, and human services functions, except for the provision of state institutions as required by the Ohio Constitution, are performed by local units of government.

Fiscal and Social Conservatism

Ohio is a fiscally and socially conservative state. Government is slow to adopt new ways of solving old problems or to take on new problems for a solution. Ohio is a low-tax, low-service state. In this regard, it is somewhat more like southern states than northern industrial states of more similar size and wealth.

Statehouse Shifts to the Right

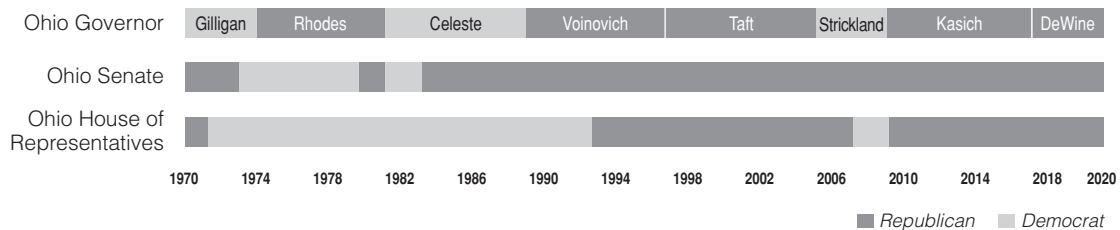
While the state is neither consistently Republican nor Democrat and has been considered a bellwether in national politics, at least until recently, it has gradually drifted to the right in state politics in the modern era. Voters have tended to alternate between Republicans and Democrats when it comes to gubernatorial races involving an “open seat.” However, Republicans have won 7 of the last 8 gubernatorial elections overall, having had notably more success when seeking re-election to the state’s highest office. On five separate occasions, a Republican governor has been re-elected to the office since the 1960s, while Governor Celeste is the only Democrat to be re-elected during that same timeframe. Three other Democrat governors served but a single term of office.

The Ohio legislature had been firmly in Republican hands from 1961 to 1973, when the Democrats won the House of Representatives. In 1975, when Democrats won control of the Senate, the legislature remained in Democrat hands until 1981. At that time, Republicans took control of the Senate, but subsequently lost it back to Democrats in 1983 before returning to reclaim it in 1985. The Republicans have held the majority in the Senate since that time. The legislature remained split until 1995, when Republicans successfully captured the House for the first time in 22 years. Democrats recaptured the House in 2009 but lost it again just two years later in 2011. As a result of more technologically sophisticated apportionment techniques, few seats have been competitive. Given the large Republican majorities that exist in both houses, it is unlikely that a party change will occur any time soon in either chamber until at least the next decennial legislative reapportionment. By that time, we will likely be looking at nearly four decades of uninterrupted Republican power in the upper chamber. A fairer reapportionment system requiring more “compact” districts that was adopted by constitutional amendment in 2015 may improve Democrat chances in the next decade. A similar constitutional amendment regarding the apportionment of congressional districts was approved by Ohio voters in 2018.

The rightward drift of Ohio state politics over the last two decades has had a significant impact on financial and social policy areas. Mandatory sentences for drug abuse and other felonies has been largely responsible for large increases in prison populations. Since FY 1990, justice and corrections funding has increased from just 1.2 percent of state-source expenditures in FY 1990 to 9.8 percent in the FY 2018–2019 biennium, although federal court action mandated some of this growth. Perhaps, not surprisingly, there have been recent efforts to reverse this trend through the recodification of criminal penalties. Other areas indicative of the rightward shift in Ohio politics are the weakening of gun control regulations and increased restrictions on abortion.

Figure 6-1 depicts the partisan control of the Statehouse in the modern era.

Figure 6-1: Partisan Control of Ohio Government



Executive-Legislative Contrasts

Of equal importance to the development of the state's budget policy is the political process within which budget decisions are made. Underlying the politics of budgeting are the distinguishing institutional characteristics of the executive and legislative branches of government that develop, negotiate, and promulgate the state's fiscal policies.

The dynamics of policymaking in Ohio are shaped by the different perspectives of these two very different branches of government which collaborate in its development. Understanding these differences is vital to understanding the budget as policy. The executive and legislative branches of government can best be understood by examining their contrasting features.

The characteristics attributed to the executive branch are those of the entrenched bureaucracy. The governor's office staff and other senior leadership in an administration share many of the same attributes as representatives of the legislative branch. Thus, often considerable tension can exist between executive leadership and the rank-and-file of an administrative agency, as well as between the chief executive and the legislative branch.

Repetitive vs. Creative

While the executive branch of government tends to be repetitive, the legislative branch thrives on creativity and the generation of new ideas. Much of bureaucracy is concerned with repeating processes and activities handed down by others, while legislators are oriented toward change. To a legislator, nothing is static; everything has the potential for improvement. To a bureaucrat, the most disruptive event may be a change to a regulation or form. This dynamic tends to make budgetary politics especially confrontational. Agencies tend to resist legislative tampering with their programs, the institution of new proposals, or the substitution of a new approach to one advocated by the governor or one of his agencies.

Permanent vs. Temporary

The executive bureaucracy views itself as permanent and continuing. It can outlast any administration or legislature. The legislature, on the other hand, has a two-year life, essentially existing in a constant state of flux. As long as the bureaucracy views the legislature as only temporary, it knows it need not be overly concerned with legislative intent about agency spending in a biennial budget. A new legislature will review that spending to help make decisions on the ensuing budget. Experience has shown that agencies can be successful simply by exercising institutional patience. The existence of a permanent, experienced, and continuous legislative fiscal staff tends to dampen this effect, as does the fact that membership on legislative finance committees always includes a number of the most senior legislators who themselves have an institutional memory. Much of the concern about the effects of term limits involves the loss of legislative institutional memory and its balancing effect on the sense of transience in the legislative branch.

Lateral vs. Scalar

The legislative branch functions on the basis of lateral relationships, while the bureaucracy has a highly formalized scalar hierarchy. The 132 men and women legislators are peers who interact in

a very loose symbiotic relationship. There are constant shifts of allegiances, as new coalitions are formed on each issue. Under term limits, the legislative leadership has only the most rudimentary powers of compulsion to move rank-and-file members. The leadership of one party has almost no influence over the legislators of the other party, and senators and representatives have little or no real influence over each other.

In contrast, the bureaucracy is comforted by its reliance on a well-established hierarchy, enabling it to defer inquiries “up the ladder,” often to the frustration of legislators. The executive hierarchy requires both lower-echelon technical experts and higher-echelon political appointees in order to provide information needed by legislators in their decision-making.

Unilateral vs. Collective

There is only one executive position on any issue on which the governor has taken a stand. Deviance from that stance occurs at the peril of the affected state agency. Thus, any attempt to influence the executive must be exerted before a stand is taken. The exception is when an independent elected official, agency, board, or commission is involved, or when, for political strategy reasons, the executive has approved agency deviance from the announced position. While a collective body tends to waiver, and pressures can be brought to bear on individual legislators to adopt an agency position, the single-mindedness and steadfastness of the executive tends to surround an issue with an aura of truth and righteousness. In a collective body, almost everyone has his or her own priority, where once the governor submits a balanced budget, the executive can steadfastly insist that it is sacrosanct without much risk of agency contradiction.

Political vs. Process

The legislative branch is a completely political branch of government, whereas the bulk of the executive branch is made up of process-oriented bureaucrats. The administrative process, with its formal and informal rules, becomes a bulwark to defend against the onslaught of “politicians.” For a bureaucrat, the organization itself is worth protecting, with its participants bound together toward achieving a common mission. There is nothing similar binding the collective body of legislators.

Political and administrative solutions to problems are usually quite different. It is not unusual to find administrators laboring over budgetary calculations to bring the desired amount down to the exact dollar, only to find the legislature rounding off their request to the nearest hundred thousand when making appropriations. To administrators, it can appear that all of their labors have been for naught, while for politicians, reaching an appropriate compromise number is usually a process of balancing whole numbers with concerns such as what the share of the pie will be for each major function of government. Or, in another example, the legislature may decide it is politically sound to set a ceiling on state spending and return excess tax collections to the taxpayers in the form of an income tax credit. The tax department’s bureaucracy might fight that decision solely because of the administrative headaches such a policy would present to them.

Planning vs. Procrastination

While legislators focus their thoughts on finding short-term solutions or “putting out fires,” the executive branch concerns itself with the long-term effects of policy decisions and plans for long-range

outcomes. This difference is often reflected in legislative fiscal decisions not to embark on a new program or activity but to instead institute a pilot or demonstration project.

Individual vs. Organizational Loyalty

Legislative loyalty is geared more toward the legislative leadership and one's political party than toward the institution of the legislature, except when the executive or judicial branches attempt to interfere with how the legislature manages its business. State employees are instead more loyal to the organization than to their political superiors, including the governor. The interests of the agency and its mission are of foremost importance to bureaucrats, who can be regularly observed to report on the dire consequences that will befall their agency, and also to their customers, not their director or the governor, if their budget is cut. Legislators, with their individual loyalty bias, may favor one agency over another, not because of agreement with its mission and operations, but because of a relationship with the agency head or his or her ability to interact favorably with the legislature. Or, in another example, the chair of the finance committee may very well be persuaded by the chair of another standing committee as to what an agency's appropriation should be, and that may override other organizational considerations.

Public Opinion vs. Agency Opinion

Legislators are generally more concerned with public opinion than the administrative branch. They often rely on public opinion polls, the news media, and constituent surveys in decision-making, including decisions about the allocation of resources. Legislators are concerned that the government serves the public. This concern naturally leads to an interest in the public will, although discovering this will in a pluralistic society is not an easy task. To some extent, this attentiveness is a manifestation of the desire to be re-elected. Governors do not stand for re-election every two years, as House members do, giving them greater freedom, and because of the protection offered by the civil service system, executive staff can become quite insulated from the public they serve.

Executive-Legislative Politics

The institutional contrasts between the branches are a critical ingredient in executive-legislative budget politics. Until the mid-1960s, when the state's part-time "citizen" legislature turned toward becoming a full-time "professional" legislature, the executive branch dominated Ohio politics. The legislature enhanced its relative power significantly through judicious use of the appropriations power and was also aided by the fragmentation of the executive branch where large spending areas are outside of the governor's direct control. In 1973, it created its own independent and professional bipartisan fiscal staff, which was later made a part of the Legislative Service Commission, and eliminated its reliance on the governor for all data related to appropriations decisions. From that point forward, legislators have used the state budget as the primary instrument of legislative policy development.

The budget has provided the vehicle for achieving what the writers of the state's constitution envisioned in equal branches of government. However, there remains a continuous struggle for supremacy in the budget arena as well as in public policy, which is as much determined by executive-legislative politics as by the public policy debate. Critical to understanding the budget process is an understanding of executive-legislative budget politics.

The Games Agencies Play

Appointed agency directors and the bureaucracy that supports them are committed to the services and programs their agencies provide. To be successful in achieving their goals, they must have an adequate budget to support them. Thus, agencies must compete with one another for limited funds. They use a variety of strategies to increase their budgets. First, they must gain the support of the Office of Budget and Management and the governor's office; then they must argue their case to ensure that the governor's budget request on their behalf is not cut; and, finally, they must cajole the legislature to increase their appropriations either indirectly through constituent groups or directly in the case of independent agencies not bound to support the governor's budget request. The politics of agency budgeting can be brutal and, at times, devious.

The mind of a bureaucrat is nothing if it is not ingenious. Each budget session offers fiscal analysts and decisionmakers the challenge of exposing new strategies devised by avid agency promoters. While it would be impossible to provide an exhaustive listing of all of the strategies used during agency budget presentations, the following examples of strategies actually used in prior budget sessions in Ohio are illustrative and underline the importance of carefully questioning and analyzing each request.

Strategy 1: Disguising the Purpose of Expenditure

Obtaining all of the detailed information needed to make studied, rational budget allocation decisions during the crunch of budget preparation and adoption is very difficult. Sometimes the accounting system does not readily provide that information. For example, "public relations" does not have an accounting code. That is why finding out what an agency spends for this purpose requires a separate report and then complete reliance on that report. Verifying outside the state's accounting system is next to impossible. Skillful agencies can use this fact to disguise certain kinds of spending. It has been widely reported that the federal budget for the covert operations of the Central Intelligence Agency has for many years been hidden in the appropriations acts of several large federal agencies.

In one case, the governor hid an entire agency, the Organized Crime Prevention Council, from the legislature by not requesting a separate appropriation for it. Non-appropriated federal moneys financed it. Its existence accidentally came to the attention of the legislature when, as required by law, it was forced to ask the Controlling Board to approve a consulting contract that exceeded \$10,000 annually. The Controlling Board so strenuously disapproved of the agency's existence without specific legislative authorization that during the subsequent biennium they would not approve the contract to hire its director. Even so, the agency continued to exist into the following biennium, which probably illustrates the futility of legislative oversight if the executive is strongly committed.

Strategy 2: A Foot in the Door

When the Ohio Fire Academy was first approved for construction, written testimony from the administering agency assured the legislature that operating costs would be borne by tuition charges on the localities whose firemen used the facility. Relying on this promise, legislators authorized construction. However, even before the facility was completed, the administering agency began to complain that its budget was not large enough to support its operation. Although the state statute required payment of tuition, advocates argued that since they did not participate in that legislative decision, the state should assume all operating costs. Had they been party to the statutory discussions, they

argued, they would never have agreed to the charging of tuition. The legislature succumbed and repealed the tuition charge.

Strategy 3: Replacing Lost Federal Funds

Since budgeting is prospective, and since Ohio's biennial budget spans three federal fiscal years, it is often difficult to predict federal funding. Thus, an agency that fears its federal funds are threatened can argue for state replacement funding for a popular federal program. However, what happens when the federal funds are not later cut? In 1973, the state's economic development department made the case for state funds to replace lost federal funds for community action programs. When the federal funds continued to flow, the agency tried to convince the Controlling Board that the state funds were always intended to supplement, not supplant, federal funds. Since there is no judicially binding record of legislative intent kept on appropriations matters, proving otherwise was difficult.

Strategy 4: Hold Your Tongue

An agency proposing a questionable expenditure or programmatic change is wise not to call undue attention to it. The scriptural adage, "seek and ye shall find" is true as far as it goes, but how can an analyst know what questions to ask if no information or data is available to raise the question? When legislators accidentally discovered that after several hearings on the budget requests of independent state occupational licensing boards the governor planned to move those agencies from rent-free housing in a state-owned building and force them to raise their fees to pay rent, the legislators were furious. They claimed that the governor deliberately withheld this information from them while assuring them that there would be no additional operating costs associated with the new state building. Openness often requires volunteering information, but at the same time, it is often difficult to determine just what to share.

Strategy 5: Eat Humble Pie

Admitting one's mistakes can often salvage an appropriations request, but the lengths to which an agency might have to go are often quite surprising. At one budget hearing, a state agency humbly announced that it had unfortunately wasted taxpayer resources on the preparation of a useless state-wide plan, but, with equal humility and a lot of bravado, added that by spending another million dollars evaluating the plan, most of the money wasted could be "salvaged." The agency received its extra million dollars.

Strategy 6: Mix Apples and Oranges

Changing the way that expenditures or revenues are reported from fiscal period to fiscal period distorts the historical picture. Since decisionmakers tend to be concerned about the percentage of spending growth, a change in how moneys are accounted for in an ensuing budget period can make an otherwise large increase appear smaller. This discrepancy can occur with respect to some items when an appropriation is made to the Controlling Board but later redistributed to state agencies. When this has occurred on several occasions with regard to a compensation adjustment, the real growth in salaries and wages in an individual agency is never shown. However, there are other ways that expenditure increases can be disguised within the framework of the state's accounting system.

Strategy 7: Expose the Fat

Legislators are always reluctant to reach into an agency's specific line items to cut appropriations for fear that they do not know how the consequences of doing so may turn back to bite them. That reluctance is why they often ask the agency to help by preparing lists of areas it would cut if its budget were reduced by a given dollar amount or percent. The Office of Budget and Management typically makes the same types of requests. However, a skillful agency will offer up the most politically desirable programs for reduction, recognizing that they will later be able to muster strong clientele group support to reverse the decision.

The development department proposed a major funding increase during the FY 1990–1991 budget for its community development and housing programs. To support this increase, the department recommended a significant reduction in its popular Industrial Plant Inducement Fund account. The General Assembly went along with this change in priority, albeit somewhat reluctantly, but just a few months later, the department complained that it was already oversubscribed with requests from businesses for support from the Industrial Plant Inducement Fund. Under pressure from the Ohio Manufacturers' Association, the legislature rode to the rescue by supplying the department with the needed funding increase for this popular program.

Strategy 8: Fixed Costs

Decisionmakers are often presented with an interesting dilemma. When enrollment-driven programs are expanding, more money is requested to fund the expansion. At the same time, when enrollments go down, lawmakers are presented with the argument that costs will not go down, because there are fixed expenses that must be maintained no matter what the caseload size. This argument has succeeded in support of both primary and secondary education and higher education spending as well as human services administration costs.

Strategy 9: Use a Catchy Name

Naming programs and subsidy or special purpose appropriation line items can themselves be an advantageous budget strategy. Ohio has a program called "War Orphans Scholarships" to which far more money is appropriated each biennium than can be spent. For many years, when the legislature was looking for budget cuts, this appropriation was regularly identified as having surplus funds but never cut, because no one wanted to be accused of cutting scholarships that benefit war orphans. In fact, most "orphans" benefitting from this program are not really orphans of wars in the traditional sense. They include children of certain disabled or deceased veterans and the Ohio National Guard, as well as some national guard members themselves. If the program were more aptly named something like "tuition replacement," it might have been funded more appropriately. Instead, the program proved so sacrosanct that in 2013 a War Orphans Scholarship Reserve Fund was created to protect any unused appropriations for use in meeting scholarship obligations in excess of appropriations made in a future fiscal year.

Strategy 10: Games with the Bottom Line

The legislature cuts non-General Revenue Fund (non-GRF) line items during the operating budget debate to bring down the all funds' bottom line. This maneuver gives the legislature a chance to ap-

pear tough on spending during the heat of budget consideration. Months later, those non-GRF funds can be quietly restored through a Controlling Board request to increase appropriation authority. Because few people scrutinize total adjusted appropriations after the fact, no one's feet are held to the fire for wasteful spending.

Miscellaneous Agency Strategies

Other strategies have been used with varying success in the politics of agency budgeting. Agencies sometimes:

- Request that money not spent in the previous biennium, and thus "saved," be appropriated in the ensuing biennium as a reward for efficiency.
- Show growth compared to prior appropriations rather than prior expenditures when the latter is lower.
- Discredit or demonstrate irrelevance of unfavorable data about agency performance.
- Suggest that how the outcome was approached is far more important than whether it was actually achieved.
- Request a study to determine why an agency did not achieve a promised outcome.
- Stall in providing information or answering questions in the hope that the issue will be forgotten during the press of other business.
- Flood decisionmakers with more data than they will ever be able to analyze or absorb.
- Provide requested data in raw form in the hope that time and resources will not allow for proper organization and analysis.
- Be overly optimistic about enrollment growth or other factors that will result in larger formula-driven appropriations.
- Shift the blame to poor information, to inadequate data, to another state agency, or to the federal government.
- If funding for a particular program is rejected, the request for it can be repackaged and retitled in the hope that it will then elicit a favorable response.
- When a full-blown program will not be approved, either a "one-time, non-recurring" project, a study leading to the development of a program, planning funds, or "phase-one" funds may be sought in the hope that the initial expenditure can be expanded later. This strategy, which is a variation of the "foot-in-the-door strategy," is sometimes referred to as the "camel's nose in the tent."

Agency budget strategies are important in the budget process because, despite continuous process improvements, it is still basically a political process. There are still very few objective standards against which fiscal analysts can measure budget requests. The central budget agency and the legislature are, for the most part, captive to the information sources of the agencies seeking funds. Yet, difficult decisions about the allocation of funds must somehow be made. In this regard, legislative politics plays an important role.

Legislative Budget Politics

Legislative Functions

Legislative politics is best understood in the context of the functions of legislators. Not necessarily in order of importance, these include: the making of public policy, including fiscal policy; serving their constituencies; overseeing the results of past legislation; overseeing the executive branch of government; and seeking re-election. All of these functions come together in the appropriations process. Also, the legislature serves as a training ground for those seeking higher office. Virtually, every successful candidate for governor, other statewide office in Ohio, or the U.S. Senate or House of Representatives has a background that includes service in the state legislature.

During budget deliberations, legislators have the opportunity to express themselves on both fiscal and non-fiscal issues. Through the review of existing policies as well as agencies and their programs, legislators exercise their most effective oversight of the executive branch.

A legislator's vote on appropriations matters is almost always one of the items opponents review during election campaigns. During the appropriations process, legislators are beset with conflicting stories from agencies and advocates, and are themselves tested by the governor's representatives, the bureaucracy, and pressure groups that will do their utmost to see that their own interests are served. Legislators must undertake all this within the context of a very complex budget process that requires skillful negotiation in order to reach the consensus necessary to enact a budget. Achieving consensus on the state budget means reconciling urban, rural, and suburban interests, and the interests of vocal minority caucuses. Only the skills of the legislative leadership can muster the necessary coalition to pass a budget. Even this task has been made increasingly difficult by legislative term limits.

Partisan Influences

It had long been the practice in Ohio for the majority party to insist on a reasonable number of minority party votes before it will bring an appropriations bill to the floor of either chamber for a vote. This custom was partially because the majority party did not want to be accused of using its political muscle to overrun the minority in a politically evenly divided state, where elections are often won through cross-over voting, that is, when voters of one political party vote for a candidate in the opposite party. However, both political parties also have sufficiently large minority caucuses, or unified subgroups, that often make it difficult to obtain the necessary 50 votes in the House and 17 votes in the Senate required to enact a state budget by relying only on their members. Therefore, the minority party has sometimes been able to obtain a few of its fiscal priorities incorporated into the state budget as it was being developed in the finance committees. This pattern changed when the majority party chose to use its own clout to enact the state budgets for the FY 2004–2005 and FY 2006–2007 biennia. Republicans did not curry Democratic votes and limited effective participation in the development of both those budgets. The FY 2006–2007 budget was passed without Democratic votes. This deviance from historic patterns was reversed in the FY 2008–2009 budget, which was passed on a near unanimous vote, and to a significantly lesser extent in the FY 2010–2011 budget, but returned in the bitterly partisan FY 2012–2013 budget and in the three subsequent biennial budgets.

Cultural Influences

There is no single dominating cultural influence in Ohio. The most striking social difference is probably between its urban and rural areas. Appalachia, which covers the southeastern portion of the state, is primarily rural with a population descended from migrants from Scotland and Ireland, characterized by a “sturdy yeoman’s view of work, nature, justice, kinship, and fundamental religious belief.”⁵ The northern half of the state is more urban and industrial, originally settled by northern and western Europeans but with large numbers later arriving from Eastern Europe.

Influence of Minority Populations

According to the 2018 U.S. Census estimates, non-Hispanic, African-Americans account for 12.5 percent of the Ohio’s total population, up from 12.1 percent in 2010. The population is highly concentrated in urban metropolitan areas. The Cleveland metropolitan area is home to over one quarter of Ohio’s African-American population. Four out of 10 African-Americans in Ohio live in the state’s three largest cities of Cincinnati, Cleveland, and Columbus.

Hispanics only accounted for 3.8 percent of Ohio’s population in 2018, but this was up significantly from 2010, when Hispanics comprised 3.1 percent of the state total. Ohio’s Hispanic population has more than tripled since 1980. One out of every three Hispanic Ohioans lives in Cleveland, Columbus, Lorain, or Toledo.

Since 2010, Ohio’s Asian population has grown by 38.1 percent, faster than any other demographic group, increasing from 1.7 percent of the state’s total population to 2.3 percent in 2018. Most of the growth has occurred in Cuyahoga, Franklin, and Hamilton counties.⁶

Nine out of 10 Ohioans live in a metropolitan area. However, unlike other large states, Ohio is not dominated by one large major urban center. Half of all Ohioans live in the three largest metropolitan areas of Cincinnati, Cleveland, and Columbus. In the past 35 years, Ohio has become less urban and more suburban. Most major centers have become smaller and the population has become increasingly dispersed throughout and beyond metropolitan areas, although recent trends towards urban living appear to be emerging.

Political Implications

Fiscal and other significant policy decisions tend to divide the legislature into coalitions within the political parties. In the budget area, political divisions are less along political lines and more according to coalitions around common interests:

- The Ohio Legislative Black Caucus develops its own list of budget priorities, which includes special support for Central State University, the state’s historically black public university, in addition to critical health care needs and economic development concerns of the African-American community.
- The Ohio Democratic Women’s Caucus has a comprehensive agenda that supports programs impacting economic justice as well as women’s health and reproductive rights.
- Cleveland, Columbus, Cincinnati, and Toledo each develop budget priorities that will benefit their region, such as special appropriations for their regional universities and “community projects” in the capital appropriations bill.

It is the responsibility of the legislative leadership to balance all of these coalitions and their interests, as well as those of individual legislators, in order to enact a state budget.

Legislative Leadership

The influence of the four legislative leaders, particularly the two majority party leaders, the Speaker in the House of Representatives and the President in the Senate, is greatest at three critical points in the budget process: (1) when it is necessary to report the budget bill out of the finance committee; (2) when it is necessary to win approval of a majority of legislators to vote for the bill on the floor of the chamber; and (3) when it is necessary to obtain at least four of the six members of the budget conference committee to sign the committee report. For legislative leaders, who hold their posts only so long as they continue to have the confidence of the members who elected them, achieving this confidence in a highly individualistic body comprising peers is no mean feat. How this is achieved was discussed in more detail in Chapter 5.⁷

The state legislature and its fiscal policy had historically been dominated by legislators representing the southern, rural half of the state. From 1973 until recently, most of the state's legislative leaders came from southern Ohio. This usually accrued to the benefit of rural versus urban interests. A Clevelander had not held the top House or Senate post in more than 25 years until Democrat Armond Budish became House Speaker in 2009. Republican Larry Obhof, from Medina County in the Cleveland suburbs, became Senate President in 2017. Term limits have changed the dominance of regional politics and of the legislative leadership.

Term Limits

In 1992, Ohio followed a national trend and joined 14 other states whose voters have approved initiatives to limit the number of years a legislator may serve. All of these state legislative term limits were enacted between 1990 and 2000. In Ohio, legislators are limited to four House terms and two Senate terms, for a maximum of eight consecutive years in a legislative body. The motivation for the rapid spread of term limits has been the subject of considerable writing and speculation.⁸ Regardless of whether it was the product of generalized frustration with political institutions, concern over the "professionalization" of politics and a desire to return to the concept of a "citizen legislature," or a direct attempt to "throw the bums out" who had controlled legislative politics for decades, Ohio had a virtually brand-new legislature consisting of about 50 percent new members in the year 2000.⁹ High legislative turnover has continued every two years since then, although a number of term-limited representatives have successfully won Senate seats and vice-versa. The result is a more individualistic body without strong allegiances to legislative leadership.

Effects of Term Limits

One unexpected effect of term limits has been that senior legislative staff sometimes leave along with their legislators, making the remaining legislators more dependent on the executive branch for information. Legislators with short institutional memories are less able to counter the influences of strong interest groups or a bureaucracy with a much longer memory and superior informational resources to support their positions. Term-limited legislators are not able to occupy their seats long enough to gain the kind of specialized knowledge about the budget needed to act as independently

of the executive branch as they had previously.

Another important impact of term limits is that seniority no longer guarantees power, thus opening up other avenues for achieving legislative power. This diversity opens up the possibility that freshmen legislators will band together to select leaders or that delegations from large cities will conjoin to the same end. Certainly, budgetary politics has changed to the extent that legislators recognizing the short time they have to obtain funding for special programs and activities fight fiercely to gain their incorporation into each budget bill.

Last Term Behavior

As legislators approach their final term, two things occur that can impact the state's fiscal and non-fiscal policies. On the one hand, they can become more statesmanlike in their approach to issue development and voting, since they know they will not be returning to the legislature, unless they choose to run for a seat in the other chamber. On the other hand, they are also plotting their future. Many former lawmakers go on to work in executive agencies, institutions of higher education, local government political or administrative offices, interest groups, or in the public affairs offices of private companies.

Ethics and the Politics of Budgeting

Many citizens consider politics to be an immoral, dirty business. The politics of budgeting can be brutal. There is gamesmanship involved, and there are always winners and losers. The negotiations leading to final agreement, operated under rules of public openness, can be disquieting. The temptation always exists to use the budget for personal motivations, or even personal gain. However, the politics of budgeting is conducted within a framework of standards of ethical conduct that apply not only to decisionmakers but to analysts, interest groups, and all those involved in budgeting.

Standards for State Officials

The Ohio General Assembly has adopted standards of conduct for its members, particularly with respect to what is permissible conduct in relating to representatives of interest groups.¹⁰ The Joint Legislative Ethics Committee (JLEC) advises the General Assembly on financial disclosure, conflicts of interest, and other ethics matters. Legislative candidates and legislative staff fall under the committee's jurisdiction in addition to members of the legislature. Those attempting to influence legislation must register with JLEC's administrative office, the Office of the Legislative Inspector General. It requires lobbyists and their employers to maintain contact information and information on current engagements and terminations, file tri-annual Activity and Expenditure Reports, and re-register their engagements for subsequent lobbying cycles.

Each governor has issued executive orders to govern the conduct of administrative appointees. As ethics in government continues to receive prominent public attention, the executive orders become more and more restrictive. Executive branch appointees also fall under the purview of the Ohio Ethics Commission. State officials are prohibited from participating in decisions in which they or their relatives have an interest. There are financial disclosure provisions that require outside interests to

provide annual reports that apply to anyone in a decision-making capacity. Gifts over a certain small amount must be reported as well as anything of value that is received. Travel paid for by a third party must be reported. Executive officials are prohibited from holding employment relations that would impair their impartiality and cannot use their offices for private gain or for gain of another.

Universal Standards

Care must always be taken in the budget process to make certain that budget decisions are made on the basis of analysis, unbiased judgment, and the legitimate uses of political power. It is easy for budget analysts, executive officials, and those elected to public office to step over the line in their efforts to satisfy the multiple competing interests involved in the budget process. The National Association of State Budget Officers adopted the following standards of professional conduct in July 1992 to enhance the performance of everyone engaged in public budgeting:¹¹

- Honesty, integrity, commitment, fairness, respect for others, loyalty, democratic leadership, and respectability and fitness for public office.
- Pursuit of excellence and independent objective judgment.
- Personal and public accountability, and public office as a public trust.

The Importance of Advocacy¹²

Influencing the budget process is primarily a function of individuals acting through organized bodies alternatively known as interest or pressure groups. Since terms are limited to a maximum of eight years in a legislative body, capturing and processing information essential to making rational decisions on taxing and spending issues requires reliance on executive agencies, central budget agency staff, and legislative fiscal staff. The role interest groups play in budget development has increased significantly in recent years. It is important to understand how advocates employed by interest groups operate, and what strategies and techniques are commonly employed in successful lobbying.

In 1964, in an article written for *The Congress and America's Future*, Stephen Bailey wrote, "President James Madison would have contended that instead of being parasites on the body politic, interest groups are the benign viruses of vaccination. They itch a bit, but they preclude smallpox." Bailey itemized five services that interest groups perform in society:

First, interest groups articulate the demands, grievances, and creative ideas of the many publics which comprise a democratic order, and thereby often preclude festering pockets of social unrest and group frustration.

Second, they frequently provide busy legislators with expert opinions on highly complex matters.

Third, they are mutually suspicious watchdogs which sniff out each other's subtle opportunities and make these visible to preoccupied congressmen, executive officials, and the public at large.

Fourth, they serve as media for disseminating information about public issues to important segments of the community.

Fifth, they act as mediating devices within their own, often variegated membership, and help thereby to lower the temperature of social conflict.”

It is difficult to imagine enacting a budget in Ohio, or any public policy for that matter, without the aid of interest groups and their hired lobbyists. In 2017, the Joint Legislative Ethics Committee registered 1,850 employers and 1,565 legislative agents under state law.

Lobbyists represent an array of public and private interests. Among the most influential are separate business lobbies representing retail merchants and manufacturers; separate local government lobbies representing counties, cities, and townships; education lobbies separately representing teachers, school administrators, and school boards; an array of health and human services interests; large labor unions; and the construction industry. There are also organizations that represent large constituencies with a variety of interests. For example, the League of Women Voters is interested in social issues, education, and tax matters. Organizations representing multiple interests will have a general interest in the state’s budget, in tax issues, and also in numerous pieces of individual legislation affecting their members. These major interests develop their own agendas on either or both the revenue and spending side of the budget and are ever present should a proposal emerge that would be detrimental to their interests.

What Advocates Do

Besides large organized interest groups, some members of an organization hire their own advocates to look out for their own special interest. Thus, each of the state’s large counties has its own paid advocate, as do individual business firms, urban school districts, each separate state university, and several of the larger community colleges to name but a few. In addition, a number of major lobbying firms in Ohio represent clients across the spectrum of public policy issues and partisan concerns. They may have either Democrat or Republican leanings but are careful to serve both liberal and conservative causes. These independent “hired guns” are especially prominent in the state budget process, with significant resources to use in promoting their clients.

Clientele groups are a subset of interest groups, with the characteristic of representing clients of a particular state agency. Examples would be the Ohio Association of County Behavioral Health Authorities, the Ohio Association of County Boards Serving People with Development Disabilities, or the several associations representing hunting and fishing interests. Quite often, state agencies are bound to support the governor’s budget, but they do not agree with its level of funding or other provisions. It is not unusual for the agency to use its clientele groups to advocate to legislators on behalf of its budget request.

Large interest groups prepare publications to keep their members abreast of legislation of interest to them, including provisions of the state’s budget. These are a useful means of regularly informing members about activities in the General Assembly and also for developing grassroots support for positions taken by the organization.

Frequently, organizations develop legislative agendas and direct their attention toward gaining their passage while trying to block conflicting legislation or provisions in the budget. When an organization represents a diverse number of interests, the tendency is for the positions it takes to be moderate and endorse only those positions that can be supported by the vast majority of their members. This

pragmatism means that some members of an organized interest group may choose to do their own direct, or hired, advocacy for positions affecting them. For example, although the Association of County Commissioners represents all 88 counties, most large counties employ their own advocates to look out for their own special interests. Similarly, individual companies belonging to both the Ohio Manufacturers Association and the Ohio Chamber of Commerce may still employ their own advocate to watch out for their particular interests.

Advocacy can become quite complicated when considering the number of interests represented in the General Assembly. There have been occasions when the same advocate has represented parties interested in both furthering and defeating the same piece of legislation or the same budget provision. Members of associations can be in the position of opposing provisions supported by an association purporting to represent them. The pluralistic nature of society prompts the legislative process to become involved in resolving competitive interests and that the budget, or other legislative act, that emerges is always the result of a negotiated compromise.

Advocacy Techniques

Legislative advocates attempt to exert their influence at every stage of the budget process, from the time the agency is assembling information to put in its budget request, through Office of Budget and Management review, gubernatorial review, legislative hearings and floor actions, conference committee, and, at the end, when the governor is reviewing the appropriations bill for possible line-item vetoes prior to signature. Advocates employ tactics and strategies that are not unlike those of executive agencies, but finding lobbyists and agency representatives at odds with one another is not unusual.

Some of the most proven strategies for effective advocacy include:

- Developing concrete proposals early enough to be used as marketing tools for policymakers, the media, and the public.
- Maintaining a continuing presence in the Statehouse, including meetings between the organization's head and individual legislators.
- Cultivating credibility by maintaining confidences and making certain that legislative supporters are not blindsided.
- Inviting lawmakers to meet and observe the people and places for which advocacy is taking place.
- Using every opportunity to testify and using constituents who know the situation firsthand as spokespersons.
- Enlisting known community leaders to make contact with their individual legislators.
- Maintaining focus on the organization's objectives and avoiding side debates on peripheral issues.
- Maintaining a constant information flow with colleagues to avoid missing a crucial timely detail.¹³

An especially interesting budget process advocacy technique involves the use of provisos or riders.

Use of Provisos and Riders

When advocates are unable to accomplish their objectives directly through a specific appropriation or bill, they will seek the insertion of a proviso or rider into the budget bill. Provisos are temporary language provisions that follow appropriations amounts in budget bills making some condition or stipulation on the appropriation. Riders are similar in that they are temporary language provisions,

but they are not directly related to the general subject matter. Like appropriations, they have only a two-year life, unless a shorter life is specified, and they serve several different purposes.

Provisos, Riders, and Legislative Intent. One purpose of a proviso or rider is to define legislative intent. In the federal government, as well as in many states, a statement of legislative intent prefaces individual pieces of legislation. These statements are intended to help the judiciary understand what the legislature expected if a court is called upon to interpret a statute as applied to an individual circumstance. However, the Legislative Service Commission has taken the position that statements of legislative intent have no force of law and are thus unable to bind the judiciary. Therefore, they cannot be inserted into bills. However, they do not enforce this interpretation when it comes to appropriations bill. In budget bills, they are used to direct the agency administering a line item as to what the legislature expects of it. Much of what follows an appropriation is a clear statement of legislative intent. Here are two examples from appropriations bills:

- In an appropriation for the Ohio Supercomputer Center, there was a proviso stating that “it is also intended that the center be made accessible to private industry as appropriate.”
- A proviso in an appropriation for Senior Community Services stated that the “service priority shall be given to low-income, frail, and cognitively impaired persons 60 years of age and over.”

In these two instances, it is clear that the effect of the proviso is the same even though the term “legislative intent” is not used. It is instructing the agency on what the legislature expects it to do in administering the appropriation, a form of micro-management. The expectation is that if the Office of Budget and Management, in the pre-audit process, has any question about the propriety of issuing a warrant for a particular expenditure, the statement will guide the staff conducting the pre-audit. It will also serve as guidance in a post-audit by the Auditor of State or in a subsequent judicial proceeding.

In the FY 1975–1976 biennial budget, the legislature actually included specific statements of intent based on performance in the appropriations to each of the cabinet agencies. These were intended to be used later to hold the agency to the performance promises they made to support their appropriations requests during legislative budget hearings. If an agency said it would serve X number of clients at Y dollars per client, then that is what the legislature inserted in provisos in the appropriations bill. Governor James Rhodes vetoed every one of those provisos, stating they would unduly limit his administration. No legislature has since tried to hold an agency accountable for its performance promises as part of the appropriations process.

Provisos to Restrict Spending. Numerous provisos in appropriations bills are intended to delimit agency spending. For example, in the FY 2004–2005 biennium, in the appropriation for Maintenance and Equipment to the state Department of Education, there was a provision that “up to \$25,000 may be expended in fiscal year 2004 for State Board of Education out-of-state travel.” This proviso ensured that the Ohio Department of Education would make an allocation to the State Board of Education to attend conferences out-of-state and could have been inserted through their efforts. However, it also had the effect of setting an upper limit on how much the board could spend for that purpose.

Provisos to Set-Aside Money. A frequent use of appropriations provisos is to set aside a portion of an existing appropriation and specify it as “set aside” for a specific use. These kinds of provisos are most frequently inserted at the behest of lobbyists as a means of gaining appropriation authority for their program or activity without having to increase overall appropriations levels. Examples of these provisos have included set-asides in the Travel and Tourism Grants line item appropriation to the

development department for specifically named outdoor dramas, the Cincinnati Film Commission, the International Center for the Preservation of Wild Animals, commonly known as The Wilds, and even for the United States Senior Open in Toledo. All of these are private enterprises or nonprofit corporations that could not constitutionally receive direct appropriations. By using a proviso in an existing appropriation, the dollars set aside can avoid constitutional problems.

Provisos are also used to make appropriations without specifying amounts, establish commissions, abolish programs, require reports, add staffing, support another state agency, and to set-aside or “notwithstanding” permanent law.

Provisos and Advocacy. Provisos afford advocates the opportunity to obtain appropriation authority without adding to the size of the state budget or coming up with additional revenues to support their spending proposals. For example, the Ohio Department of Education’s budget is huge. If the case is made that there is a connection between an education department line item and another purpose, it is possible to seek a language provision carving out a portion of that line item for that other purpose. Historically, there have been a number of set-asides for university teaching programs in specific education department line items. Astute lobbyists know how to use provisos to their advantage not only through dollar set-asides but by judicious application of the other ways provisos are used for their causes.

Rules of the Game

Unlike advocacy to influence budget outcomes in the executive branch, lobbying the appropriations process effectively requires an understanding of the legislative rules of the game. These are some of the legislative norms that help make the chaos of the legislative process work.

Performance of Obligations

Legislators rely upon the fulfillment of obligations, their own and those promised them by others including staff, other legislators, advocates, and administrators. If someone promises to do something, they will be expected to perform.

Impersonal

The legislative process attempts to be impersonal. Members try not to attack each other’s personal integrity or refer to unfortunate incidents in their lives, to bad press, or the biases and prejudices of other members. This code is carried through in their relationships with others as well.

Respect for Member Rights

Each legislator recognizes that he or she is equal to every other member and, therefore, will respect the rights of colleagues. If a member has become established as a champion of a given cause, other legislators will not try to overthrow that stance. If a member is the first to introduce a subject, it will usually be given priority should there be several bills on the same subject.

Openness in Opposition

If a member opposes the stance of another, it will usually be done openly rather than covertly. This transparency will afford the other member the opportunity to try to convince the opponent to change his mind.

Restraint in Opposition

Members know that legislation emerges only from compromise and, therefore, will seldom be too vehement about their stances. They try not to get boxed into corners from which they cannot escape.

Gracefulness in Defeat

In the legislature, there is always another day and another battle. Losing a skirmish or even a battle is part of the game, and there is always an adherence to the principle of graceful defeat.

Interpersonal Courtesy

In matters involving legislators as persons, there is a mutual distancing. While gossip is always rampant, it is not malicious, for each member knows of his or her own vulnerabilities. Anyone subject to frequent and continuous public scrutiny runs a risk, and thus members exhibit a good deal of interpersonal courtesy.

Privacy

There is a good deal of respect for each member's privacy. This principle applies equally to the relationships that a legislator has with lobbyists, members of the administration, and other actors in the legislative process.

Advance Notice

If members are going to change their stance, they respect the courtesy of providing other members with notice of this change.

Checking with Leadership

Leaders expect members to let them know what they need to know. Members develop a sense of when, and for what purposes, legislative leadership should be informed of what kinds of items. Observers of the legislative process know how frequently members will suggest, "You'd better check with leadership" or "I'll check with leadership and get back to you." This is usually not a "cop-out" but a sincere expression of the principle of letting the leadership know what is going on.

Seniority

Legislators with more seniority have more rights than junior members. They enjoy a host of advantages. They will get their telephone calls to agencies answered faster. They may have more experienced administrative and research staff. They will likely know how to get things done faster than members

with less seniority. Their views often receive more attention from leadership as well as from rank-and-file members. Term limits have had the effect of reducing the importance of seniority but to a much lesser degree than had been anticipated, especially when some members move from one chamber to the other.

Apprenticeship

Even in the age of term limits, new members are expected to serve an apprenticeship, albeit a briefer one. They are expected to learn from their more senior colleagues. This apprenticeship model applies also to new members of committees, even though within the legislature they may hold seniority. The notion that one serves an apprenticeship before one is taken too seriously applies to others in the process as far as the legislature is concerned, including new advocates, new staff, and new agency directors.

Institutional Patriotism

After party affiliation, each member's next loyalty is to their own chamber and then to the legislature as an institution in dealings with the executive branch of government. Each chamber will believe that its version of the budget, or other legislation, is superior to that of the other chamber.

Influencing Fiscal Staff

Every treatise concerned with influencing public policy in the budgetary process will note the importance of developing a proactive agenda, as well as being prepared to react to proposals advanced during the process. To pursue a proactive agenda requires influencing both executive and legislative policymakers. Those wishing to influence the budget process will invest considerable time and effort in cultivating those staff persons who, in turn, are able to influence the decisionmakers. All successful advocates know the importance of staff, but the most successful ones have learned which staff to cultivate and the best ways to go about cultivating them.

Kinds of Useful Staff

For someone wishing to influence state fiscal policy, the most important staff in the executive branch are those working directly with the budget, including agency and Office of Budget and Management budget analysts. They are also the least accessible. The same is true of legislative staff working in the Legislative Service Commission; they are even more difficult to approach. Easier to access, and also important, are the policy staff in the governor's office, the House Speaker's office, the Senate President's office, and the partisan fiscal staff of the two finance committee chairs and other individual legislators. They are much more accessible because their role is to help their principals develop a feel for how particular proposals will be received by constituent groups. For them, advocates are a vital link to those constituents. While they may or may not understand a complicated fiscal position, they can be useful in securing access to fiscal staff where the position can be explained. They are probably the best source of information about the timing of when decisions are going to be made and about whom the most important contacts are concerning those decisions.

Some legislators permit their staff greater leeway than others. For example, when Republican Senator Stanley Aronoff was chair of the Senate Finance Committee, he preferred to have his fiscal staff deal directly with those seeking changes in appropriations or special amendments, and then let his staff report to him on their meetings with advocates. The most successful advocates feel comfortable working with partisan fiscal staff, trusting them to carry their messages to their principals.

The most successful advocates also know the value of cultivating relationships with support staff. Support staff know what letters, memos or other materials came into the decisionmaker's office, and whether the material is from a department director, Office of Budget and Management, the governor's office, or the office of a legislator. They are also the gatekeepers to the decisionmaker. This access means that if several people call for appointments, or simply leave telephone messages, support staff have a good deal of influence on which messages are returned and who receives an early appointment. Support staff can also be of assistance by letting advocates know when they are "in trouble" with the decisionmaker and why and help to smooth the problem out. They are invaluable sources of information about who else has been to see the decisionmaker and even what they discussed. They can help in selecting the best time and the best approach an advocate should make.

Staff-Advocate Relations

Fiscal staff can pave the way to influencing a decisionmaker. They can also pave the way to difficult-to-access legislative fiscal and Office of Budget and Management staff, who can provide valuable budget information before it becomes public. The virtue of gaining such information early is that (1) additional time is thus provided to develop data and analyses to counter or support one's position, (2) it affords one the opportunity to muster public support for or against a position, and (3) it lets one try to influence a decisionmaker before a position is formally taken or solidified. Being the first one to know what is going to be in the governor's budget, what is being planned for a substitute appropriations bill, or what kind of an amendment is going to be proposed is what separates the most successful advocates from the rest.

In addition to providing early information that can affect decision-making, fiscal staff can also be valuable in:

- Identifying who the opposition to an issue is and what arguments they are advancing.
- Describing the methodology they used in making estimates that could then be challenged.
- Providing help in determining the cost of proposals and in validating estimates.

Lobbying Reform

The effect of lobbying on legislators and the legislative process is a matter of significant public concern and attention. The public perception is that when legislators and lobbyists come together, advocates have their way with legislators to the detriment of the public interest. Ohio and other states have enacted legislation to tighten restrictions on these interactions by governing entertainment, gifts, and travel. Lobbyists are required to register if they plan to influence legislation or administrative agencies, and they must disclose their expenditures. The results have been mixed, and certainly have not diminished suspicion on the part of the public. The solution to the problems posed by lobbying are most appropriately addressed through strong adherence to standards of ethics by both advocates and those being lobbied.

Summary

The politics of budgeting is one component of the process, but it is not the only one. It cannot be overemphasized that political considerations are only one of three parts of a budget decision, with program and fiscal considerations weighing in on every decision. It is true that of the thousands of judgments to be made in finally adopting appropriations, one consideration may outweigh the others in individual cases but each case is considered separately, and all three elements weigh in on every decision to varying degrees. State budgeting in Ohio is policymaking in its highest form. All budget decision-making is governed by rules of ethical conduct and the personal integrity of those engaged in the process. Interest groups and their advocates play an important role in state budget making. Their influence is felt throughout the budget-development process in state agencies, the central budget agency, and the legislature. Nowhere is their influence more evident than during the appropriations process. Different advocates apply different approaches to influencing the process, and some are more successful than others. An increasingly critical issue is that their activities be conducted openly and in full view of the other participants in the budget process so that they do not exert undue influence over it.

Endnotes

- ¹ U.S. Department of Commerce, Bureau of the Census, *Census of Governments*, 2012, Finance Component, released December 16, 2014.
- ² For example, a lengthy series of articles on “phantom employees” and another on the awarding of state contracts without competitive bidding by the *Akron Beacon-Journal* contributed to the defeat of Governor John Gilligan in his bid for a second term of office.
- ³ John H. Fenton, “Issueless Politics in Ohio,” *Midwest Politics*, Holt, Reinhart and Winston, New York, 1966.
- ⁴ Richard G. Sheridan, *Governing Ohio: Administration & Judiciary*, Federation for Community Planning, Cleveland, Ohio, 1990, p. 53.
- ⁵ Kent Schwirian, “The Socio-Cultural Groups in Ohio,” *Outlook on Ohio: Prospects and Priorities in Public Policy*, edited by William O. Reichert and Steven O. Ludd, Commonwealth Books, Palisades Park, NJ, 1983, p. 34.
- ⁶ Doug Caruso and Danae King, “Growing Diversity: Ohio Sees Increase in Hispanic, Asian Residents,” *The Columbus Dispatch*, June 21, 2018.
- ⁷ See also Richard G. Sheridan, *Governing Ohio: The State Legislature*, Federation for Community Planning, Cleveland, Ohio, 1989, especially Chapter 3.
- ⁸ See for example, Gerald Benjamin and Michael J. Malgin, Center for Legislative Studies at the State University of New York, *Limiting Legislative Terms*, Congressional Quarterly Press, Washington, D.C., 1992.
- ⁹ The actual number of freshman legislators was less, but a large number of those listed as serving their second term only had a few months of prior legislative service, because they were appointed prior to the end of 2000 to fill out the terms of term-limited legislators who left the General Assembly before the official end of their terms. This enabled their replacements to run for election in the fall of 2000 as incumbents.
- ¹⁰ Chapter 102 of the Revised Code.
- ¹¹ Robert T. Golembiewski and Jack Rabin, Editors, *Public Budgeting and Finance, 4th Edition*, Marcel Dekker, Inc., New York, New York, 1997.

- ¹² Materials on this subject were published previously in different form in Richard G. Sheridan, *Governing Ohio: The State Legislature*, Federation for Community Planning (now The Center for Community Solutions), Cleveland, Ohio, 1989; and in Richard G. Sheridan, *State Budgeting Matters*, The Center for Community Planning (now the Center for Community Solutions), Issue 4, January 27, 2003, Issue 13, March 31, 2003, and Issue 15, April 14, 2003. An excellent source for more detailed information on influencing public policy can be found in Judith C. Meredith and Catherine M. Dunham, *Real Clout*, The Access Project, Boston, Massachusetts, 1999.
- ¹³ Nonprofit Sector Research Fund, *Effective Nonprofit Advocacy*, 1998.

