

Leading the Way to Better Budgeting

By W. Bartley Hildreth

Based on the norm of annual budgets and a current estimate of about 87,500 governmental units in the U.S. alone (in 1930 there were more than 175,000 reported governmental units), a conservative 100-year estimate is that there have been more than 9 million governmental budgets adopted in America. If one assumes that there is only one fiscal officer who prepares each of these budgets, then that means that there have been 9 million budget “authors” and a similar number of chief executives. Based on the assumption that it takes on average five votes for a local government to adopt the budget, there have been more than 45 million budget reviewers involved in these budget transactions. These are staggering numbers.

Given the number of budgets that have been prepared and adopted over the last 100 years, the practice of budgeting should be fairly evolved by now. Indeed, evidence indicates that there have been significant improvements in budgeting, and GFOA has been a key agent in this development. It is safe to assert that almost without exception every governmental unit over the last 100 years has adopted the minimum legal instrument to allow the raising of funds and their expenditure. Even today, however, some local governments, often the small ones (such as Midwestern townships), meet only the minimum legal standard. Beyond that minimum standard, there is wide variance in budgeting practices among local governments. The vast majority prepare a budget document that contains more than is legally required but less than is professionally warranted.

Fortunately, budget professionals can gauge their budgeting practices and documents against the long line of best practices, guidelines, suggestions, and illustrations provided by GFOA. This article provides a brief overview of the evolution of public budgeting in the United States and the role GFOA has played in the development of budgeting practices.

BUDGET REFORM THROUGH THE YEARS

Budgeting has evolved to reflect the changing needs of government and its citizens. As the 20th century opened, muckraking journalist Lincoln Steffens published *The Shame of the Cities*—a collection of his magazine essays decrying the corruption of cities. He chastised political and business leaders for their collusion in handling public funds.

In 1907, amidst the Tammany Hall machine period, New York City became the first city to implement an executive budget. Part of the credit goes to the political machine’s support for reform-minded Herman Metz to serve as city comptroller. In a 1909 speech to the American Statistical Association, Metz identified seven “cardinal defects” that he found four years earlier in the city’s budget:¹

- “First – Its basis was bluff – not facts statistically presented.
- Second – Its statistics were unicolumnar, or bi-columnar at best.
- Third – Its classification did not fit the work to be done.
- Fourth – Its allowances were not segregated by function.
- Fifth – Its hearings were farces.

Sixth – Its pledges were broken.

Seventh – Its victims were blissfully ignorant.”

Overcoming these defects meant reining in the departments and asserting executive control. Therefore, the city established procedures to guard against “bluff” by requiring departments to use uniform budget forms that rested on each department head examining the data prior to its submission to a central bureau. This central office, known as the Bureau of Municipal Investigation and Statistics, employed 28 staff members whose responsibilities included an on-site review of each department’s budget situation. The bureau printed copies of the budget document and distributed them to outside groups, and it reformed budget classifications—decision units or cost center in today’s lexicon—to present details for each business unit.

To Metz, the lack of segregation of functions permitted the movement of funds from one function to another (e.g., the use of police allocations for health services) without official approval. Appropriation controls were the answer. The city revised its approach to budget hearings, yet Metz noted that more was needed. He cited the need for central budget monitoring throughout the year. Metz did not directly address what was done, or planned, to deal with his last point about budget “victims” being “blissfully ignorant,” other than to note the value of making department heads check their submissions and submit to public hearings on their tentative budgets, all to promote the “light of publicity.”

Budget reform in New York City is often attributed to the work of the Bureau of Municipal Research. Reform-minded business leaders created this independent body in 1906 and backed it with a quarter of a million dollars devoted to government efficiency and budget reform. Less attention is given to the political leaders, including urban “boss” political machines who embraced the drive for executive control. Comptroller Metz shared credit with the bureau, saying: “For nearly four years we have worked together in such a way that each of us can take full credit ... [but] ... the bureau can no more take credit away from the present administration” The record reveals that budget reformers worked with political machine leaders to achieve an agreed-upon budget objective: executive budget control

The early 1900s was a period of fiscal reform. One indicator was the creation of independent bureaus of municipal research in various cities, with budget reform high on the agenda. Even the New York bureau expanded its focus to promote executive budget reform at the state level.

Another reform emerged out of the destruction wrought by a devastating hurricane. The commission form of government was created to provide Galveston, Texas, with an effective way of directing city affairs. Each of the elected commissioners was assigned a department to manage, with one heading the newly created department of finance. This action solidified the role of finance as a city department.

At the federal level, President Taft convened the Commission on Economy and Efficiency, which produced a 1912 report entitled “The Need for a National Budget.” This report defined a budget as “a collection of documents assembled by an officer who is at the head of or is responsible for the administration and submitted to the legislative branch of the Government.”

After some delay, the Budget and Accounting Act of 1921 finally established the executive budget under the president.

Later, President Truman appointed former President Hoover to head a commission tasked with executive branch reform. In 1949, the commission coined the term “performance budget” in calling for a change in budgetary focus.² In the line-item approach to budgeting, the focus is on the inputs—monetary amounts and items purchased. The Hoover Commission envisioned a budget that would instead focus on functions, activities, costs, and accomplishments.

A performance budgeting reform movement soon blossomed, with MFOA advancing the cause. In 1950, MFOA created the Committee on Performance Budget and Unit Cost Accounting with a broad mandate (see Exhibit 1) to discover, report, and develop materials that would serve as a benchmark for “this rapidly developing field.” The committee sponsored workshops at the 1953 and 1954 annual conferences that resulted in reports detailing performance budget reforms in Los Angeles, New Orleans, and San Diego. The committee also sponsored five performance budgeting reports in the MFOA accounting publication series in 1954 alone.

Over the years, various budget reforms have sought to assist in steering the direction of an organization and its members, not just controlling expenditures. Proficiency in measuring the cost of units and then programs presaged development of a parallel effort to measure benefits. Intellectually, the advent of cost-benefit analysis tied to program budgeting makes it easier to compare competing programs designed to achieve the same goal. In reality, this level of sophistication exceeded practical demands and political calculus, especially in its early incarnations.

Another reform relied on a management by objectives approach to budgeting, with organizations linking employee ownership of work objectives to committed resources. Resource scarcity called for more attention to macro-level concerns, while respecting the need for unit competition and program goals. Zero-based budgeting offered a way to make these connections, but the process complexity belied results that seldom imperiled the base budget. More recently, results-based budgeting has emphasized accountability for achieving desired outcomes—a return to the performance budgeting focus of the 1950s.

GFOA AND PUBLIC BUDGETING

GFOA has a long history of advancing the practice of public sector budgeting by conducting surveys of current practice, publishing guides and other illustrations of practice, providing training programs, issuing policy statements, establishing a budget recognition program, and taking the leadership in creating a generic framework for public budgeting. Exhibit 2 describes the basics of each program and a way to assess its impact.³ The following sections review each program in detail.

Surveys of Current Practice. As early as the late 1800s, large cities recognized the need to compile statistics on their finances and economies. Boston, in 1897, is considered the first city to establish a municipal statistics department.⁴ In 1899, the U.S. Department of Labor issued the first report on the financial statistics of cities (with 30,000 people or more). In 1902, the U.S. Census Bureau assumed the function. The need for comparative statistics on local finances

prompted states to create central agencies for the collection, review, and approval (in some cases) of local budgets. This data collection effort then allowed the publication of comparative reviews of local revenues, expenditures, and debt.

Early on, MFOA responded to this hunger for comparative data to inform policy and practice. In 1935, A.M. Hillhouse relied upon a survey of 300 cities to generate the report, “New Sources of Municipal Revenue.” A series of data reports followed. For example, in 1945, Hillhouse authored the study *Where Cities Get Their Money*, which was subsequently updated at least twice. From this early beginning GFOA has continued to publish comparative data on topics ranging from revenue trends and budget practices to technology utilization, but generally has used such data in the context of a larger descriptive study of budget practices.

Guides, Handbooks, and Illustrations. GFOA has excelled as a publisher of guides, handbooks, and illustrations of current practice. These publications allow governments to confirm the value of their practices or to learn and modify them based on the work of others. Starting in the 1940s, MFOA published an accounting series that provided details on topics such as timekeeping and payroll procedures, municipal budget procedures, performance budgeting (in general, and for several particular city services), and unit cost accounting, among others. Special bulletins in the 1950s were devoted to topics including multi-year budgeting, the relationship between the operating and capital budgets, and the budgeting process.

The 1960s were an especially rich decade, punctuated by the publication of the classic twin volumes by Lennox L. Moak and Kathryn W. Killian: *Manual of Techniques for the Preparation, Consideration, Adoption, and Administration of Operating Budgets* (1963, republished in 1973), and *A Manual of Suggested Practice for the Preparation and Adoption of Capital Programs and Capital Budgets by Local Governments* (1964, republished in 1974). These books followed a unique format; for each element of the budget process, the authors stated its objective, assessed current practice based on the survey of city practices, and discussed the desired practice. Forecasting revenues and expenditures in the 1960s, a period of growth and inflation, was of great interest to finance officials. In response, MFOA published in 1965 a study by A.M. Hillhouse and S. Kenneth Howard (later to become a very prominent state budget official) entitled *Revenue Estimating by Cities*. In 1972, MFOA collaborated with The Urban Institute for a book that detailed a model for forecasting local government spending.

Highlighting the 1970s was an extensive flow of federal financial assistance directed at state and local governments, principally federal general revenue sharing and a wide assortment of targeted grants, including HUD 701 planning grants. MFOA received a grant, in conjunction with the Institute of Government at the University of Georgia and the accounting firm Peat Marwick, to produce a series of handbooks and guides as the Small Cities Financial Management Project.⁵ Philip Rosenberg was the project director and C. Wayne Stallings was the principal contributor. Issued in orange, three-ring binders—to convey that the material was to be used, not put on a shelf like a bound book—were two budget handbooks, one on operating budgets and the other on capital improvement programming.⁶ Two spiral-bound books were included, one of which was particularly influential—*Is Your City Heading For Financial Difficulty: A Guidebook For Small Cities And Other Governmental Units* (1978). This book identified a series of financial and social-economic ratios that finance staff could use to gauge a community’s fiscal stress.⁷ Soon,

with the advent of microcomputers and the development of the first spreadsheet program (Visicalc, for those of us old enough to remember the thrill of the first one), these ratios became standard practice in budgeting. All of these Small Cities Financial Management Project publications were widely disseminated and put to use in governments, large and small.

A veritable flood of studies and reports relevant to government finance emerged from the HUD 701 program. In response, MFOA inventoried the documents and commissioned state-of-the-art essays, resulting in a 690-page behemoth, *State and Local Government Finance and Financial Management: A Compendium of Current Research* (1978). After stripping out the bulky inventory part, a private publisher published the scholarly essays separately for classroom adoption. The inventory itself was valuable because it gave readers details on how to get hard-to-find documents. In those pre-Internet days, it was difficult to track down specialized studies and reports.

Before the Distinguished Budget Presentation Awards Program started with the submission of 1984 budgets, MFOA published several compilations that highlighted effective budgetary presentations, financial systems that work, and operating and capital budget blueprints. After a decade of running the Program, GFOA produced two books on budget award illustrations and examples.

Performance measurement has been a continuing topic of interest to MFOA/GFOA. The Committee on Performance Budgeting and Unit Cost Accounting sponsored publications on the topic starting in 1954. Other publications followed over the years, including *Program Performance Budgeting: An Effective Public Management System for Evaluating Municipal Services* (1976) and *Performance Auditing in Local Government* (1984). Performance measurement gained momentum in the 1990s, and GFOA was at the forefront of providing professional guidance. As the Governmental Accounting Standards Board announced its foray into this area, GFOA stood fast on its concern that accounting was different than budgeting. Still, GFOA sought to help government finance officers do performance measurement. In 1997, GFOA published *Implementing Performance Measurement in Government: Illustrations and Resources*. This book provided the results from a survey of practice, with descriptions and excerpts from the best practices. In 2002, GFOA launched the Performance Management Initiatives to assist governments in understanding and utilizing performance management.

New technology provided alternative ways of providing relevant material to government finance officials. In 2000, the entire past decade of *Government Finance Review* was published on CD-ROM for easy search and location. In 2001, GFOA produced in CD format an extensive collection entitled *Best Practices in Public Budgeting: Narratives and Illustrations*. Distributive broadcasting through satellite conferencing allowed GFOA to conduct a 2000 training session on budgeting for high performing organizations, and, in 2002, a session on performance measurement and budget reform.

In recent years, two major series of booklets have illustrated GFOA's focus on budgeting. The pocket-sized Elected Official's Guide series started in 1984 with one on government finance in general and, later, on the important issue of setting fund balance policy. In the 1990s, this series expanded, covering topics such as performance measurement, multi-year budgeting, and policies

on fund balance and net assets using the new accounting standards known as GASB 34. What set these booklets apart was the question and answer format and the non-technical language. While oriented for busy elected officials, others found the material of great value. Within the last five years, GFOA created the Budgeting Series, with titles on such topics revenue analysis and forecasting, decision tools for budgetary analysis, priority-setting models for public budgeting, and the design and implementation of financial policies.

Several comprehensive texts became standards in the classroom, as well as on the shelves of practicing managers. Edward A. Lehan's *Simplified Government Budgeting* (1981) is an elegant approach to budgeting. John E. Petersen and Dennis R. Strachota's *Local Government Finance: Concepts and Practices* (1991) contained chapters on each of the major topics by prominent scholars.

The apex of GFOA's budget publications is, of course, the product of the National Advisory Council on State and Local Budgeting, namely the *Recommended Budget Practices: A Framework for Improving State and Local Budgeting* (1998).

Training Programs. A professional organization helps its members, and others, by providing specialized training and networking opportunities. Since 1977, MFOA/GFOA has held annual meetings in cities all across North America. These multi-day conferences provide numerous general and concurrent sessions on budgetary topics. Presenters include international speakers, technical experts, and professionals with exemplary practices to share with their counterparts. In the last few decades, GFOA has also developed specialized budget workshops at sites around the country.

Public Policy Statements and Recommended Practices. GFOA members have expressed their collective views on important budgetary issues through public policy statements and recommended practices. For example, GFOA adopted a public policy statement opposing GASB as the appropriate forum for dealing with performance measurement principles. The Committee on Governmental Budgeting and Management has initiated recommended practices such as addressing the appropriate level of the fund balance and endorsing the results of the National Advisory Council on State and Local Budgeting. Exhibit 3 lists the current policy statements and recommended practices.

Budget Awards Program. A major contribution of GFOA to the advancement of public budgeting has been the Distinguished Budget Presentation Awards Program. A demanding set of criteria serves as a checklist for budget officials to use in improving the use and understanding of the budget document. The budget criteria were revised in 1994 to include several mandatory features, and new program requirements were added in 2003. This program does not focus on budget allocation preferences or outcomes, but rather the style of presentation contained in the budget document itself.

The award is a source of positive public relations and other benefits for the Jurisdictions that receive it. Fitch Ratings says receiving the award increases the confidence of investors and bond rating analysts in the budget document.⁸ Whether or not this translates into a lower cost of

capital is less material than the perception among finance officers that it is better to be safe than sorry.

Participation in the Budget Awards program has grown by more than 12 percent, compounded annually, since its initiation in 1984. As shown in Exhibit 4, there were 113 submissions in 1984 compared to 1,027 in 2004. Despite this growth, participation represents a very small subset of all governmental units in North America. Still, many university professors use the budget criteria to orient future public administrators to the key features of a public budget.

NACSLB Budget Framework. GFOA initiated the process that codified commonly accepted budget practices. In February 1990, the Committee on Governmental Budgeting and Management issued a call for improving government budgeting. This led to GFOA hosting a national symposium on budgeting in January 1993 called “National Budget Symposium: New Directions in State and Local Budgeting.” Twenty-six representatives from all the major state and local government interest groups accepted the invitation to attend the symposium. The stated goal of the symposium was to discuss the “problems besetting state and local budgeting” and to see what the groups might do to improve the situation.

The specific questions addressed during the symposium were: What problems exist with the way budgeting is done? What constitutes good practice? What are the advantages and disadvantages of alternative approaches to guidelines? While the first two questions generated a high degree of consensus, the last one was less clear.⁹ As session facilitator, this author developed the matrix in Exhibit 5 to frame the range of options from voluntary to mandatory budget guidelines. The group could only agree that they were generally receptive to further discussion of the issues. GFOA also sought to assuage any fear that it would serve as anything other than the group’s staff arm.

Building on the positive results from the symposium, the GFOA Executive Board invited these and other associations to serve on the National Task Force on State and Local Budgeting. This inter-organizational group accepted the charge of forming an approach for improving sub-national budgeting. Ultimately, the National Advisory Council on State and Local Budgeting was established, comprised of 25 members representing nearly all the major associations of state and local officials and their finance professionals, as well as representatives from labor, industry, the media, citizens’ groups, and academia.

GFOA Executive Director Jeffrey L. Esser viewed the NACSLB as “a cooperative and self-directed initiative of practitioner groups aimed at developing and disseminating best practices in state and local budgeting.”¹⁰ Esser made it clear that the NACSLB would promulgate descriptive, rather than prescriptive, recommendations that would serve as models, not requirements. As one of the academic members, this author can attest to the vigorous discussion and revisions to every part of the document. Editing was important to get to the generic or universal wording that was not offensive to representatives of the various associations, unions, rating agencies, and scholars.

The NACSLB issued its draft report in December 1997, followed by GFOA publishing the report the next year as *Recommended Budget Practices: A Framework for Improving State and Local*

Budgeting (1998). There are four broad principles, each translated into several elements that represent achievable results. Each element contains one or more of the 59 recommended practices. GFOA supplemented the NACSLB product with actual examples drawn from a variety of governments, first produced in several CD-ROM versions and then posted on the Internet for easy access. Early indications are that the framework has been cemented into professional practice and academic adoption.

An interesting exercise is to compare the NACSLB principles against the 1909 cardinal defects of the New York City budget, as shown in Exhibit 6. The results confirm the consistency of issues and the potency of reform after all these years.

CONCLUSIONS

Over the past century, public budgeting has progressed from legislative dominance to executive dominance. Budgets have become more comprehensive in scope and coverage, which has generated a call for cogent, concise documents. Budget formats have evolved from a predominantly line-item orientation to a performance-based or outcome orientation. Documents prepared for technical, internal use have become more user-friendly. Transparency rules in both process and results. There is heightened political, economic, and social focus on fiscal policies and the results they produce. Changes such as these require intelligent design at each step in the process, and MFOA/GFOA has been at the forefront of this change effort. From how-to-do-it guides to scholarly texts, from surveys of current practice to designing the framework for future practice, from describing what is to stating what should be, from providing basic training to recognizing distinguished budgets, GFOA has been a key agent in advancing public budgeting.

While executive control is stronger than it was 100 years ago, budget reform is not finished. For example, in his 1909 speech, New York City's comptroller noted his failure on one matter: "For two years we have been asked to print side by side with the tentative budget of proposed allowances the requests which we have disallowed. Unquestionably, this is statistical information which in time will come to be a requisite of proper budget-making." Now after almost 100 years, we know that he missed it by millions—millions of budgets, millions of budget authors, and millions of budget reviewers.

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Exhibit 1
COMMITTEE ON PERFORMANCE BUDGETING AND UNIT COST ACCOUNTING
(1950)

1. Discover present-day procedures of units of government in states, provinces, and municipalities.
2. Report the present experiences and trend toward wider use of performance budgets and cost accounting in the field of government.
3. Develop new methods applicable to governmental units.
4. Determine and recommend use and limitations by public bodies.
5. Correlate, as far as practicable, its work with the work of the National Committee on Governmental Accounting.
6. Cooperate in every way possible with the American Public Works Association's Committee on Performance Budgeting and Unit Cost Accounting.

Source: MFOA, Accounting Publication Series No. 11-1 (February 1954).

Exhibit 2
ASSESSING BUDGET PROGRAMS

Program	Conditions	Impact
Surveys of current practice	Collect, analyze, and report comparative data on current practice	Inform policy and practice
Guides, handbooks, and illustrations	Compile examples and describe current state of practice	Confirm value of or modify current practice
Training programs	Participate in annual conferences, workshops, state/provincial chapters	Enhance professional networks; improve personal skills and perspectives
Policy statements and recommended practices	State the group's preference on key issues	Sway policy and practice in desired ways
Distinguished Budget Presentation Awards program	Prescribe expected and mandatory elements in budget document	Improve use and understanding of budget
National Advisory Council on State and Local Budgeting	Codify best practices	Influence policy, practice, and pedagogical materials

Exhibit 3
PUBLIC POLICY STATEMENTS AND RECOMMENDED PRACTICES

Public Policy Statements

- Retaining Budget to Actual Comparisons Within the Audited Financial Statements (1999)
- Performance Measurement and the Governmental Accounting Standards Board (2002)

Recommended Practices

- Economic Development Incentives (1990)
- Providing a Concise Summary of the Budget (1996)
- Setting of Government Charges and Fees (1996)
- Recommended Budget Practices of the National Advisory Council on State and Local Budgeting (NACSLB)(1998)
- Financial Forecasting in the Budget Preparation Process (1999)
- Relationship Between Budgetary and Financial Statement Information (1999)
- Use of Financial Status in the Budget Process (1999)
- Adoption of Financial Policies (2001)
- Appropriate Level of Unreserved Fund Balance in the General Fund (2002)
- Measuring the Cost of Government Services
- Performance Management: Using Performance Measurement for Decision Making (2002) - Updated Performance Measures (1994)
- Sustainability (2002)
- Establishment of Strategic Plans (2005)
- Business Preparedness and Continuity Guidelines (2005)
- Statistical/Supplemental Section of the Budget Document (2005)

Exhibit 4
DISTINGUISHED BUDGET AWARD PROGRAM

Fiscal Year Beginning	Submissions	Awarded	Success Rate
1984	113		
1985	206		
1986	292		
1987	333		
1988	391		
1989	498		
1990	533		
1991	552		
1992	635		
1993	692		
1994	720	653	90.69%
1995	771	685	88.85%
1996	829	734	88.54%
1997	877	777	88.60%
1998	881	807	91.60%
1999	921	863	93.70%
2000	926	867	93.63%
2001	959	874	91.14%
2002	1004	926	92.23%
2003	1027	970	94.45%

Source: GFOA

Exhibit 5
ESTABLISHING MINIMUM CRITERIA

ISSUE: If there is a minimal set of uniform criteria to apply to state and local budgeting and fiscal policy, then what form could the criteria take?

FORMS OF GUIDELINES	INCENTIVES AND PURPOSE	AN EXAMPLE OF ITS USE
Each jurisdiction sets its own guidelines	Flexibility beyond legal requirements	Existing situation
Professional practice defines guidelines	Flexibility to adapt as needed	Publications, conferences, and networking among interested professionals
Guidelines to gain special recognition from one industry segment	Voluntary, encourages good budget practices	GFOA's Distinguished Budget Presentation Awards program
Uniform guidelines developed by cooperating representatives of all segments affected by the results	Voluntary, serves as comparative benchmark, some market interest	Debt Disclosure Task Force – developed <i>Disclosure Guidelines for State and Local Government Securities</i>
Model uniform laws that incorporate guidelines	Voluntary but competitive pressure to adopt model law in order to promote uniformity and compatibility in significant components	Multistate Tax Commission – created to bring order to the taxation of multistate businesses
Authoritative standards as guidelines	Required for independent opinion and in seeking market access or other external benefits	Governmental Accounting Standards Board – promulgates generally accepted accounting principles (GAAP)
Regulatory system guidelines	Mandatory, to assess deviations from legal norms serving national interests	Securities and Exchange Commission – defines desired state of competition and to avoid fraud, manipulation, and deception in the market place

Exhibit 6 HISTORICAL COMPARISION	
1909 “Cardinal Defects” in New York City Budget	1997 National Recommended Practices (NACSLB)
Its victims were blissfully ignorant	Establish broad goals to guide government decision making (e.g., assess community needs and priorities; identify opportunities and challenges; develop and disseminate goals)
Its basis was “bluff; ” classifications did not fit the work to be done; allowances were not segregated by function	Develop approaches to achieve goals (i.e., adopt financial policies; develop budget plans; develop programs, services, and management strategies)
Its statistics were unicolunnar; hearings were farces	Develop a budget consistent with approaches to achieve goals (i.e., develop adoption and implementation process; evaluate fiscal options; make budget choices)
Its pledges were broken	Evaluate performance and make adjustments (i.e., monitor, measure and adjust as needed)

¹ Herman Metz, "The Statistical Basis of Budget-Making," *Publications of the American Statistical Association* 12, no. 89 (March, 1910): 67-83.

² Earlier, Ridley and Simon's *Measuring Municipal Services* (1943) focused on indicators of need, results, costs, effort, and performance.

³ A more complete listing of the historical MFOA/GFOA documents cited in this article is available from the author: bart.hildreth@wichita.edu

⁴ Spencer F. Baldwin, "Statistics in the Service of the Municipality," *Publications of the American Statistical Association* 14, no. 106 (June, 1914): 103-115.

⁵ A similar focus on budgeting in small governments was repeated in 1996 with books entitled: *The Operating Budget: A Guide for Smaller Governments*, and *Capital Improvement Programming: A Guide for Smaller Governments*.

⁶ This author's HUD 701 manual on capital budgeting was used as the source material for this book.

⁷ MFOA's book predated the International City/County Management Association's *The Financial Trend Monitoring System* (1980).

⁸ Fitch Ratings, "The 12 Habits of Highly Successful Finance Officers: Management's and Disclosure's Impact on Municipal Credit Ratings," November 2002.

⁹ See the "Report of Proceedings" (March 1993).

¹⁰ Jeffrey L. Esser, "National Advisory Council on State and Local Budgeting," *Government Finance Review* 12, no. 6 (December 1996): 3.