

# [American bureaucracy and its budgetary decisions](https://assignbuster.com/american-bureaucracy-and-its-budgetary-decisions/)

[Environment](https://assignbuster.com/essay-subjects/environment/), [Nature](https://assignbuster.com/essay-subjects/environment/nature/)

A Budget is a management tool that is an expression of planned expenditures and revenues. " Budgets serve many important functions in government.

In one sense, budgets are contracts annually agreed on by the executive and legislative branches that allow executive agencies and departments to raise and spend public funds in specified ways for the coming fiscal year, as stated by Stillman in " The American Bureaucracy" He also says that budgets impose a mutual set of legal obligations between the elected and appointed officers of public organizations with regard to taxation and expenditure policies, therefore, is a legal contract that provides a vehicle for fiscal controls over subordinate units of government by the politically elected representatives of the people.

Budgetary decisions are made, according to Rubin in her book The Politics of Public Budgeting, by envisioning governments as " not merely technical managerial documents" but rather " they are also intrinsically and irreducibly political. " Her ideas are similar to that of general budget concepts over balancing expenditures and revenues, but differ in fundamental ways according to Stillman.

The open environments within which budgets are developed, the variety of actors involved, the constraints imposed as well as the emphasis on publicaccountability, give budgets special and distinctive features in the public sector. " The differences between microbudgeting and macrobudgeting are just what their prefaces imply. " On the one hand there are a number budget actors, who have all individual motivations, who strategize to get what they want from the budget. The focus on the actors and their strategies is called microbudgeting.

They do not bargain with one another over the budget. They are assigned budget roles by the budget process, the issues they examine are often framed by the budget process, and the timing and coordination of their decisions are often regulated by the budget process, according to Rubin. She goes on to say that actors are not free to come to budget agreements alone. They are bound by the environmental constraints.

There are decisions that they are not permitted to make because they are either against the law, the courts disagree, or previous decision makers have bound their hands. Budgetary decision making has to account not just for budgetary actors but also for budget process and theenvironment. This more top-down and systematic perspective on budgeting is called macrobudgeting. " Budget strategies are affected by environment, budget process, and individual strategies, all of which influence the outcomes.

The level of certainty of funding influences strategies as well. " Attention will focus on what is available now, and going after whatever it is, whether it is what you want or not, because what you really want may never show up and hence is not worth waiting for. " The effect of different strategies on the outcomes is hard to gauge. It seems obvious, however, that strategies that ignore the process or the environment are doomed tofailure. Budget actors have to figure out where the flexibility is before they can influence how that flexibility will be used. Strategies that try to bypass superiors or fool legislators generally do not work; strategies that involve careful documentation of need and appear to savemoneyare generally more successful. "

There are four phases of a budget cycle; environment, process, individual strategies, and outcomes. In this causal model, or schema, the environment, budget process, and individuals" strategies all affect the outcomes. " The environment influences budgetary outcomes directly and indirectly, through process and individual strategies. The environment influences outcomes directly, without going through either budget process or individual strategies, when it imposes emergencies that reorder priorities. "

The environment influences the budget process in several ways, including the level of resources available, the format of the budget, and the degree of centralization of decision making. " Environment in the sense of the results of prior decisions may also influence process. " " Changes in process take place in response to individuals, committees, and branches of government jockeying for power; in response to changes in the environment from rich to lean, or vice versa; in response to changes in the power of interest groups; and in response to scandals or excesses of various kinds. "