



Power Up Representation

Budget Tools for State Legislative Excellence

A Comprehensive Budget: Turbocharge Transformation

Why do a comprehensive budget?

- Ownership: Legislators drive coalitions and outcomes, can make regular progress.
- Shared success: More members with more reasons to finish the budget on time.
- Meet goals: Managing the entire budget in one bill expands ways to reach and sustain budget goals and targets.
- Cleanup: Explore tradeoffs, overlap, and fragmentation.
- Collaboration: More opportunities for coalition building.
- Smart use of floor: The budget is the resource-allocation hub around which everything else revolves.
- Efficient government: Competition drives leaner provision of services. States closer to comprehensive budgets spend less as a share of personal income.

A comprehensive budget helps legislators drive change.

- A real budget: All spending and revenue levels and any changes in one bill.
- Committee expertise: Manage portfolios to build pieces of the budget.
- Committee and floor amendments: Review priorities across all areas.

Prevent Shutdowns: Focus on Finishing the Budget

Negotiating stopgaps distracts from completing the budget cycle.

- Low bar: Merely avoiding a shutdown is unfulfilling.
- Backroom deals: Votes are extracted more than earned.
- Allows waste: Minimizing interest group complaints lets bloat persist.

Automatic continuing appropriations are a game changer.

- Earning votes: Involved legislators writing better policy.
- No disruptions: Programs continue while new appropriations are finalized.
- Budgeting continues: Many reasons for new appropriations, especially in full budget.
- Efficiency: Bottom-up legislating promotes more efficient government as more good ideas can be incorporated.
- No shutdowns: WI/RI for generations, NC since 2016, KS enacted 2025, on agenda in other states and in Congress.

Medium-term Balance: Stable and Predictable Budget Targets

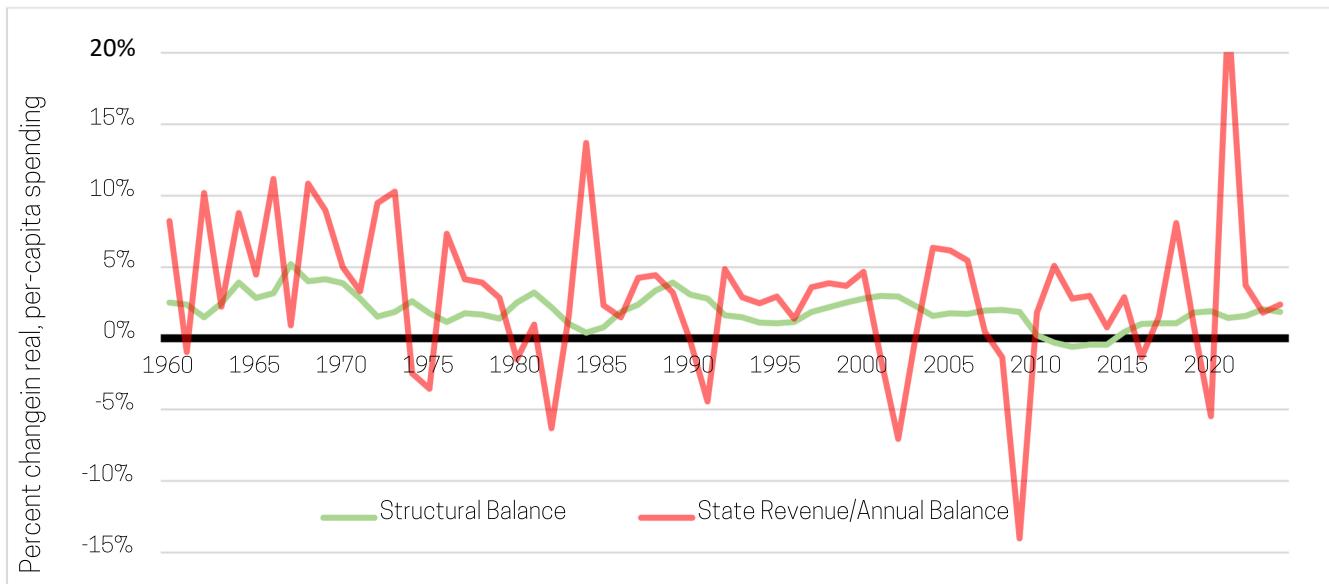
Annual balance: Simple idea, poor outcomes

- Volatile revenue: Uncertain, unstable spending and revenue rules (Fig. 1, red).
- Overspending in good times: Pressure for tax hikes when bad times arrive.
- Less economic growth: Uncertainty premium discourages investment.
- Less federalism: States vulnerable to federal bailouts with enduring strings.
- Weakens legislature: Governor has more capacity to advocate for preferences.

Structural balance: Near-term stability, long-term responsibility

- Save for rainy day: Revenue exceeding spending growth trend set aside for use during downturns or emergencies.
- Stable/predictable: Growing spending with rolling average of GDP growth smooths out business cycle noise to focus legislatures on the signals of trends (Fig. 1, green). A deficit brake can keep spending and revenue trends together.
- Boost federalism: Helps state officials and congressional delegation reject string-laden bailouts, protect from federal overreach and dysfunction.

Figure 1: Budget stability supports predictable policy



Governor's Budget Request: Before the State of the State Speech

Giving the speech first promotes pageantry, polarization, and politics of personality.

- Ungrounded: Legislators, press, and public lack forward-looking substance, limited to relitigating past and fixating on personal successes and failures.
- Governor's PR advantages: No anchor to proposals and management objectives.

Submitting the budget request first improves policy discourse.

- Better speech: Governor must heed the priorities of legislators, press, and public.
- Legislator/press/public engagement: More scope to discuss governor's proposals.