

Woodrow Wilson's lasting impact on the development of federal budget practice and
theory

By

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This thesis explores the legitimacy of the academic field of public administration and the sub-field of public budgeting. The intellectual foundations for each, established largely by the early writings of Woodrow Wilson, are analyzed in order to better understand the ways Wilson influenced and impaired the development of theory and practice of public budgeting at the federal level of American government. The thesis is divided into three parts. The first segment addresses the theoretical frameworks and research methods used throughout. The second segment discusses the impact of Wilson on the founding, growth, and development of public budget theory and practice within the academic institutions of public administration and budgeting. The final segment provides findings and recommendations based on the research. An opportunity emerges for scholars willing to reconsider popular institutional beliefs regarding the legislative and executive branches' roles when budgeting at the federal level of government.

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CHAPTER I

INTRODUCTION

The United States Constitution places the responsibility of budgeting for the nation in the legislative branch of government. Article I, Section 9, Clause 7, commonly referred to as the Appropriations Clause, stipulates that “No Money shall be drawn from the Treasury, but in Consequence of Appropriations made by Law; and a regular Statement and Account of the Receipts and Expenditures of all public Money shall be published from time to time.”

The Appropriations Clause directly sets forth the framework for federal spending. As the source of Congress’ power to spend, it is at the foundation of American constitutional order, assigning to Congress the role of final arbiter of the use of public funds and providing the institution with a mechanism to control or limit spending by the federal government (Kepplinger, 2005; Stith, 1988). The federal budget process also establishes indirectly a “peripheral” structure within national governance. In appropriating funds, legislators do much more than simply set aside particular amounts of money; they reflect the personality and priorities of the nation and define the character, extent, and scope of authorized activities. The process represents the normative arena in which questions of “what ought to be” are debated; it is the most important power of Congress and is usually the most important political process of any year (Stith, 1988).

The obligations assigned to the legislative branch by the Constitution via the Appropriations Clause empower legislators to set forth comprehensive federal policy and priorities. As a result, the realms in which these obligations unfold have interested scholars of political science and public administration alike. Some have focused on the institution itself, bringing to life and reflecting upon the political processes that have led to the passage of federal budgets (see, e.g., Kettl, 2003; Kingdon, 2011; Nice, 2002; Rubin, 2010; Wildavsky, 1974; Wildavsky & Caiden, 2003; Yarrow, 2008). Others have looked to the future, proposing reforms that in their view make the process more effective and efficient (see, e.g., Joyce, 1993; Novick, Seckler-Hudson, 1953; Taylor, 1977; Willoughby & Melkers, 2000). The academic field of public administration has been overly focused on the latter, to its detriment, with multiple theoretical attempts to reform governmental budget processes over the years. Light (1997) describes such reform efforts as an endless tide of continual change.

This research addresses the ways that public administration and budgeting scholars have approached the study of public budgeting at the federal level. It does not concern itself with the mechanisms of the federal budget process, nor does it address the political institutions involved. The research instead addresses the history, growth, and development of the academic fields of public administration and budgeting, the principles involved, and the resulting institutions and associated preferences.

Institutional Framework

This research uses an institutional framework to examine the contributions of Woodrow Wilson's early writings to public administration and budgeting. This framework is based on three concepts. One, public administration and budgeting is best

understood through the study of its institutions. Two, institutions are based on precedent. Three, Woodrow Wilson was in an advantageous position to influence public administration and budgeting precedent.

More specifically, this research uses a “historical research” framework. According to Peters (2005), the basic, and deceptively simple, idea behind this framework is that choices made when an institution was being formed, or when principles were being initiated, have a continuing and largely determinate influence over subsequent principles far into the future (see, e.g., King, 1995; Pierson & Skocpol, 2002; Skocpol, 1992). The standard term for describing this argument is “path dependency” (King, 1995; Pierson, 2000), meaning that when an institution embarks upon a path there is an inertial tendency for those initial value choices to persist (Peters, 2005). That path may be altered, but it requires a good deal of pressure to produce change.

The roots of political science and public administration are said to be in the study of institutions (see, e.g., Amenta, 2005; Amenta & Ramsey, 2010; Frederickson & Smith, 2003; Peters, 2005). Under Frederickson and Smith’s “big tent theory of institutions,” public administration scholars have studied institutions from an array of conceptual frameworks. Management theorists, for example, study performance, outcomes, privatization, nonprofit organizations, and program evaluation; organizational design theorists study centralization, decentralization and devolution; structural theorists study associations between bureaucratic functioning and form of government, and; democratic control theorists study accountability, principle-agent relations, and rent seeking. Historical precedent played an important role in the development of each of these institutional approaches.

A long history of the framework's usage has developed as a result, with the purpose of the framework dependent on the era and topic being addressed. Peters (2005), for instance, distinguishes between old and new institutionalists. Old institutionalists developed a body of scholarship that emphasized the structural elements of government as well as historical and normative elements. New institutionalists, in contrast, not only want to reassert some of the virtues outlined in the works of the old institutionalists, but also wish to make a statement on the perceived failings of what became the conventional wisdom of political science, or in this case, public administration and budgeting.

This research uses a new institutionalist framework to illustrate the ways in which Woodrow Wilson served as the progenitor of the institutions of American public administration and budgeting. Wilson's early writings as a graduate student and his role as a scholar during the Progressive Era made him the leading predecessor of American public administration theory and practice. His original values, ideas, and concepts, as applied to the study and practice of American administration, were some of the first to indicate the direction of the field and guide popular thought.

Thus, understanding the institutional precedent established by Wilson for the study of public administration and budgeting is important if one wishes to understand their historical development, their modern practice, and the path taken to get there. In other words, institutions may be understood as existing within socially constructed realities, and Wilson's values factored greatly into developing public administration and budgeting's realities. According to Scott (2004), socially constructed realities are comprised of "cultural-cognitive, normative and regulative elements, that together with associated activities and resources, provide stability and meaning to social life" (p. 8).

Zucker (1977) refers to this as the ethnomethodological approach to institutionalism. He explains, “Reality, while socially constructed, is ‘experienced as an intersubjective world known-or-knowable-in-common-with others,’ which exists historically prior to the actors and furnishes the...structures which constrain action” (p. 727-28). Understood this way, institutions are part of culture and institutional rules, expectations, cultural beliefs, and cultural values passed from generation to generation (Scott, 1995; Zucker, 1977).

As a result, within institutional frameworks, the role precedent play in understanding our present reality is important. It is irresponsible to unknowingly accept these realities as is, but in the case of academicians and their respective fields of study, often times this is precisely the case. Doing so inherently presents problems. As Scott (2004) noted, “It is all too common that errors present at the origins prove difficult to correct. They seem to be built-in to the fabric of the enterprise. And, it takes considerable energy and, even, courage to confront them” (p. 19). Thus, this research challenges the institutional precedent established by Wilson as well as the socially constructed realities of the academic institutions of public administration and public budgeting. In doing so, the research addresses the ways that academicians have approached the study of public budgeting at the federal level; studies the history, growth, and path of public administration and budgeting’s development; analyzes the ways in which principles were advanced historically, and; critically addresses the resulting institutions and associated preferences of the field therein.

The Importance of Studying History

Surprisingly few public administration scholars devote energy to the importance of understanding historical context, preferring instead an ahistorical approach

(Raadschelders, 2010). This was not always the case. Early on, White (1926) wrote, “The student of administration must...concern himself with the history of the subject, and will gain a real appreciation of existing conditions and problems only as he becomes familiar with their background” (p. 463). Wren (1972) later added, “A study of the past contributes to a more logical, coherent picture of the present” (p. 4). North (1990) rationalized that “we cannot understand today’s choices...without tracing the incremental evolution of institutions” (p. 100).

Raadschelders (2010) argues the importance of understanding the history of public administration and provides three reasons to do so. First, the present is a product of past human action. Therefore, to understand why an academic field is studied a certain way, or why government operates the way it does, one must understand past human action. Second, social reality unfolds over time. Scholars, in contrast, can only understand social reality in the temporal sense, and doing so reflects only short-term thinking. Third, understanding American culture requires the study of political and administrative traditions.

This research project focuses heavily on the early guidance Woodrow Wilson provided to the growth and development of public administration and budgeting, arguing that his writings influenced the founding and framing of the field in ways unparalleled by others. While previous scholars have explained the importance of Wilson to historical research (see, e.g., Buehrig, 1973; Martin, 1988; Stillman II, 1973), it is also important to understand that he was not the only influence that contributed to the emergence of the field. Stivers (1995) explains, “In order to understand and meet contemporary challenges to the administrative state...we need a fuller sense of how a collection of perspectives

and theories about bureaucracy and its role in governance coalesced and evolved into the field of public administration. The field did not spring full-blown from Woodrow Wilson's (1887) brow.... We need to know more than we do about the sources of our ideas – about whom they (and we) serve” (p. 523). This research agrees with Stivers' assessment of Wilson's importance to public administration and, with Stivers' vision in mind, seeks to build a fuller sense of what is known of his importance to public budgeting, its principles, and its effects on modern practice at the federal level.

Because of this, it is essential that academicians know more than they do about the sources of their ideas – about whom they serve – through continual efforts towards understanding history and context. It is also necessary that in doing so, they question the accurateness of the historical reality accepted by most. Knowing that socially constructed realities exist within public administration and budgeting, that these realities exist within a dominant culture, and that said culture is made up of institutional rules, expectations, beliefs, and values that have been passed from generation to generation, this research suggests a need to question institutional reality and potentially reframe it. At times conceptual frames have to be built where none exist so that important truths can be seen. Historical analysis aids in this discovery.

Problem Statement

While the academic field of public administration has a wealth of research dedicated to reforming the theory and practice of public budgeting (see, e.g., Wildavsky 1961; Wildavsky & Caiden, 2004), no sustained research has been completed that addresses the constitutional function and significance of Congress' power of the purse on public administration or, more directly, the sub-field of public budgeting. Public

administration's lack of attention toward the institutional parameters defined by the Constitution is a serious shortcoming. As a result, public budgeting rarely looks to the Constitution to guide its way, even when the field is tasked with issues of federal governance, specifically the federal budget process.

The lack of scholarly attention given to obligations set forth by the Constitution is a result of the influence of early American public administration writers, especially Woodrow Wilson, and the resulting priorities of the public administration and Progressive movements. These early writers and movements directly influenced the theoretical development of both public administration and public budgeting.

As a result of this lack of attention, the legitimacy of public administration and public budgeting as fields of academic studies is routinely questioned. There is little research explaining how Congress' exclusive power of appropriation relates to the constitutional powers of the legislative and executive branches, nor has there been an effort to apply these findings to the study of public budgeting. No sustained research has considered the role that public administration may have in interpreting or enforcing the appropriations requirement, nor has consideration been given to the degree to which the role of public budgeting has factored into the diminishment of legislative obligations and the empowerment of the executive. Finally, there has been little sustained scholarship within public administration that addresses the implications that an applied theory of constitutionalism may have on the development of public administration or the sub-field of public budgeting, especially at the federal level.

Thesis Overview

This research critically addresses the application of budgeting theory at the federal level and the theoretical movement that accompanies it. No academic discipline or field of study has been more susceptible to reform movements – or more influential in guiding the theoretical discourse concerning budgeting in the public realm – than public administration, and more specifically, its sub-field of public budgeting. Thus, this research reviews the corresponding theoretical growth of public administration and public budgeting and asks why, for the most part, federal level budget reforms have failed to achieve their stated objectives through the years. The research suggests that reframing the dialogue to align with constitutional principles may provide a path forward for public budgeting theory and practice.

CHAPTER II

THEORETICAL FRAMEWORK

This research uses an institutional framework to examine current and historical administrative/budgeting theories and practices. It relies on historical analysis to uncover the administrative philosophy of Woodrow Wilson, and the critical method to assess the degree to which his influence framed the academic field in the decades that followed.

History's Role in Understanding Institutions

Within the academic disciplines of political science, public administration, and public budgeting, the term “institution” has numerous meanings. For the purposes of this research Ostrom’s general definition is used and built upon. Thus, institutions are shared concepts that exist in the minds of – and are used by – humans (Ostrom, 2007; Polski & Ostrom, 1999). With this general definition in mind and guiding us forward, a further understanding of institutionalism may be developed.

Peters (2005) offers four elements that contribute to the definition of what an institution is: institutions are in some way a structural feature of society and/or polity, they require some degree of stability over time, they must affect individual behavior, and there are shared values and meaning among members. Further, institutions may be formal (the legislature, the executive, the public bureaucracy, a legal framework) or informal (a network of interacting organizations, a shared set of norms). As a result,

institutions “transcend individuals to involve groups of individuals in some sort of patterned interactions that are predictable, based upon specified relationships among the actors” (Peters, 2005, p. 18). Accordingly, it is the duty of scholars to understand the actors and situations in order to analyze, predict, and explain behavior within institutional arrangements (Ostrom, 2007; Polski & Ostrom, 1999).

Institutions can also be understood as formal bounded frameworks of rules, roles, and identities (see, e.g., North, 1981; Shepsle, 1989; Shepsle & Weingast, 1987). These frameworks are socially constructed and organized according to formally assumed and supported rules and practices (March & Olsen, 1995). As a result, institutionalism values the logic of “appropriateness.” Appropriateness is based in large part on these formal bounded frameworks and the ways their patterns of roles, rules, practices, identities, and structures have corresponded over time (Burns & Flam, 1987).

The idea of appropriateness presents an opportunity for the study of public budgeting, especially as it applied at the federal level. Appropriateness is influenced by laws, constitutions, and other authenticated expressions of collective preferences (Frederickson & Smith, 2003). Theory development in public administration has been largely dependent on executive budgeting models – i.e. the field’s collective preference – but the effectiveness of such models have been brought into question when applied at the federal level. Two initial conclusions can be made from this observation. First, the appropriateness of executive budget models for the federal budget process, as developed within the disciplines of public administration and budgeting, has a poor track record. To some degree this record must be based on the ability (or inability) of Congress and the executive to agree to priorities. Secondly, there is a need to question further the

appropriateness of executive budget theories within the academic institutions of public administration and budgeting as they are applied to federal budgeting. While the dominant culture within academia supports executive budget models, the effectiveness of this preference has been questionable at best.

The concept of order must also be considered. Institutionalism sees organizations as “bounded social constructs of rules, roles, norms, and the expectations that constrain individual and group choice behavior” (Frederickson & Smith, 2003, p. 71). Beliefs, paradigms, codes, cultures, and knowledge that support rules and routines are all critical to understanding the meanings institutions provide (March & Olsen, 1989). It is not required that institutional theorists address order, but some do, particularly the structures that impose order.

If one looks at the historical development of institutions, one can identify the processes associated with institutional order. These processes tend to lack equilibria, take extended periods of time to develop, and result in suboptimal outcomes. According to Frederickson and Smith (2003), “theoretical attention to the inefficiencies of history involves a greater concern for the ways in which institutions learn from their experience; the possibilities that learning will produce adjustments that are slower or faster; and a concern for condition under which the sequential branches of history turn back upon each other and the conditions under which they diverge” (p. 73). Standard operating procedures, professions, and expertise in recalling history each contribute to institutional perspectives.

Purpose of the Study

This research reviews and analyzes the growth of the public administration movement and the corresponding theoretical development of public budgeting from the viewpoint of critical theory and the history of ideas. The research asks why, for the most part, budget reforms through the years have failed to achieve their stated objectives and what influence a lack of attention to constitutional principles and obligations has had in this failure. Thus, the purpose of this research is to begin a dialogue regarding the lack of attention given to the role of the U.S. Constitution in relation to the studies of public administration and public budgeting, specifically the gap in the literature concerning both constitutional obligations and the development of theory. In doing so, the research addresses reform efforts, their theoretical roots and perceived failures or accomplishments, and suggests that reframing the dialogue in constitutional principles may provide a path forward for public administration theory and practice.

Need for the Study

The long-standing lack of scholarly attention given to the legislative obligations set forth by the Constitution directly influences the theoretical development of both public administration and public budgeting. Creswell (2007) states, “the strongest and most scholarly rationale for a study...comes from the scholarly literature; a need exists to add to or fill a gap in the literature or to provide a voice for individuals not heard in the literature” (p. 102). Beyond dialogue and understanding, this research seeks to fill a void in existing literature concerning specific constitutional obligations and the development of theory.

The rationale for research like this is not the discovery of new elements, as in the study of natural sciences, but rather the heightening of awareness within political science, public administration, and public budgeting regarding the overlooked relationship between federal budgeting norms and theory development. By heightening awareness and creating dialogue, it is hoped that this research will lead to a better understanding of past theory development and improved practices for the future (Barritt, 1986).

Research Question

To what degree have the intellectual foundations established by the early writings of Woodrow Wilson for the academic field of public administration influenced or impaired the development of theory and practice of public budgeting at the federal level of American government?

Conclusion

An opportunity exists for the study of public budgeting, especially as it applied at the federal level. Theory development in public administration has been largely dependent on executive budgeting models – i.e. the field’s collective preference – but the effectiveness of such models have been brought into question when applied at the federal level. While the dominant culture within academia supports executive budget models, the effectiveness of this preference has been questionable at best. Because of this, this research uses an institutional framework to examine current and historical administrative/budgeting theories and practices. It relies on historical analysis to uncover the administrative philosophy of Woodrow Wilson, and the critical method to assess the degree to which his influence framed the academic field in the decades that followed.

CHAPTER III

RESEARCH METHOD

Research Design

This research uses a “historical research” framework. As was previously noted, the basic idea behind this framework is that choices made when an institution was being formed, or when principles were being initiated, have a continuing and largely determinate influence over subsequent principles far into the future (see, e.g., King, 1995; Peters, 2005; Pierson & Skocpol, 2002; Skocpol, 1992). Qualitative historical analysis is the historical research framework/methodological approach used herein to search for facts about the choices made when the academic institutions of public administration and budgeting were being formed. The method uses information to describe, analyze, and interpret the past. Procedurally, qualitative historical analysis uses (1) qualitative instead of quantitative measurement and (2) primary historical documents (primary data) or historians’ interpretations thereof (secondary data) (Moore, 1983; Thies, 2002; Wiersma, 1991).

The study of public administration and public budgeting is served well by historical research, especially because there is debate over what the normative function of both administration and budgeting ought to be. Issues facing public administration are often better understood – and probably better dealt with – if the historical perspective is known (Wiersma, 1991). The adage that those who are unfamiliar with the mistakes of

history are doomed to repeat them carries considerable weight, especially for those tasked with understanding the coinciding growth and development of public administration and budgeting (Wiersma, 1991).

Data Sources

To insure the credibility of the research project, qualitative historical analysis requires protocols based largely on the availability of “data.” In contrast to experimental research, where the researcher produces data, data for the historical method are in the form of historical sources, evidence, or artifacts (Danto, 2008; Rousmaniere, 2004). The most common source of data is the written document that has recorded some aspect of the past, such as books, newspapers, periodicals, chronicles, diaries, memoirs, memos, letters, minutes of organizational meetings, internal documents, transcripts of speeches, and so on (Thies, 2002; Wiersma, 1991).

Qualitative historical analysis distinguishes between primary and secondary data sources. Primary sources of information are the most sought after data and refer to the original source materials of an event or experience, including all first-hand evidence. For this research project, Woodrow Wilson’s Congressional Government, written in 1885, and “The Study of Administration,” a speech later published as a journal article in 1887, serves as primary sources. Other primary sources include documents associated with the Taft Commission on Economy and Efficiency, including the January 17, 1912 Message of the President of the United States on Economy and Efficiency in the Government Service and the June 27, 1912 Message from the President of the United States on the Need for a National Budget. The Interstate Commerce Act of 1887, the Federal Trade Commission Act of 1914, and the Budget and Accounting Act of 1921 are also

considered. The United States Constitution serves as a guide for the research's proposed recommendations.

Secondary sources of information refer to everything that has been written about an event or experience subsequent to that time. Secondary sources are at least once removed from a primary source and are prepared by someone other than the individuals (or group of individuals) who participated in the original observed event (Thies, 2002; Wiersma, 1991). This research relies heavily on readily available secondary data sources such as peer reviewed academic journal articles. Literature on the logic, intuition, and general views of public administration's founding era are particularly useful. Secondary works analyzing Wilson's Congressional Government and "The Study of Administration" are central to the arguments this research makes. Other articles, book chapters, and reports discussing the National Municipal League, the Bureau for Municipal Research, the Taft Commission, the Budget and Accounting Act of 1921, the Brownlow Committee, and the Hoover Commission are also of particular value.

Validity of Data Sources

In both qualitative and historical research, there is an important relationship between the researcher's goals, the specific problem or question being posed, the theoretical lens being applied, and the methodology used in collecting and analyzing data (Maxwell, 2005; Ruda, 2013). The validity of a study depends in large part on a combination of these factors, especially the internal and external reliability of the source materials being used. Wiersma (1991) provides important considerations in determining the overall validity of primary and secondary data:

“With written material, the status of the author in the context of the event is important. Was the author in a position to make a valid record of the event? Was the author an on-the-spot observer, if the document appears to be a primary source? Are factors such as time and place consistent with what is known about the event?” (p. 209).

External validity refers to the genuineness, authenticity, and reliability of an account of an event or experience. The measure appraises where, when, and by whom a document was produced (what is known about the actors, their interactions, and the situation they found themselves in); the historic, situational, and communication contexts of a document (what the events were leading up to the writing of a document); and the purpose for writing a document (what motivated the author to address the topic) (George, 1973; Larson, 2001; Thies, 2002; Wiersma, 1991). In appraising Wilson’s early writings and those by others that followed, this research pays special attention to the historical setting and situational context of the late nineteenth and early twentieth centuries. Wilson’s scholarly influences and motivations, the academic community’s attitudes on the role of legislative and executive powers, the Progressive movement, the early public administration movement, and the strong executive movement are among the external factors considered. The motivations behind the formation of the National Municipal League and Bureaus for Municipal Research, the drafting of the Taft Commission report, and the passage of the Budget and Accounting Act of 1921 are considered as well.

Internal validity refers to the meaning, accuracy, and trustworthiness of the content of a document (Wiersma, 1991). In determining the internal validity of a data source, the researcher must question the original author’s intentions, envisage whether he/she was predisposed to one position over others, and consider whether the original author was objective in his or her work. Wilson, again, holds particular importance to the

development of this research and its internal validity. While Wilson's goal of better government was well intentioned, his predisposition towards an empowered executive was hardly objective. Thus, in order for this research to be deemed internally valid, one must first acknowledge Wilson's desire to reshape the study of public administration in a certain way, and then recognize that the findings of both Congressional Government and "The Study of Administration" were predisposed towards the systematic enhancement of the executive. Subsequently, one must accept the willingness of ensuing public administration scholars to accept Wilson's principles for the first fifty years of the field's development and judge the objectiveness of those scholars accordingly.

Two items are especially critical to the internal validity of a document, selectivity and bias. Selectivity addresses how historians draw from some primary sources to the exclusion of others, and gauges the extent to which this practice produces a distorted account of historical events (Thies, 2002). The early development of public budgeting theory in schools of public administration provides a compelling example of selectivity. This example, while convenient, is also unfortunate. It represents a process that started from an initial state of small significance (Wilson's Congressional Government and "The Study of Administration") which then built upon itself in the writings of academicians throughout the Progressive and public administration movements. Thus, the issue of selectivity in the field of public administration may also be viewed as a complex chain of events that reinforced themselves to detrimental results.

To illustrate, theorists at the turn of the twentieth century were so devoted to the strong executive cause that alternative positions were minimized or excluded. Accordingly, theorists promoting the strong executive position emerged as the dominant

segment of academia. Documents such as Wilson's Congressional Government and "The Study of Administration" served as influential primary sources that contributed to and guided theory development for ensuing generations. Rather than reinvesting in the development of new theory or revising the normative principles of the field, public administration scholars chose to continue to advance the executive narrative as initially envisioned. Each effort in support of the executive budget reinforced the next. Soon, strong devotion to the idea was the accepted norm.

Public administration's devotion to the strong executive narrative can be viewed in hindsight as having led to a range of irrational outcomes. Most striking among these were public budgeting's consistent devotion to non-descriptive theories such as planning-programming-budgeting systems, cutback budgeting, or performance-based budgeting, all of which endured only briefly at the federal level. This research accepts as true the concept that public administration scholars have selectively endorsed certain theories over others and, in doing so, works to ensure the same mistakes are not made herein.

Bias tests the extent to which a researcher consciously or unconsciously uses one historian over others (Thies, 2002). Since a single document can seldom stand on its own, internal criticism involves considerable cross-referencing of several documents (Wiersma, 1991). Similar to the qualitative concept of data triangulation, the strategy of cross-referencing documents from multiple sources is used to build a plausible argument and to explain the significance of a particular theme (Creswell, 2009). Historical researchers then draw informed conclusions that build historical understanding by asking the same questions of multiple sources (Rury, 2006). As an example, Rubin's (1990) article, "Budget Theory and Budget Practice: How Good the Fit?" is drawn upon heavily

to describe the differences between normative and descriptive budget theories. While Rubin's work is highly regarded and often cited, the need still exists to cross-reference Rubin's views with those of others. As a result, additional authors (see, e.g., Meyers, 1996) are used so that further context may be provided.

A combination of problems with selectivity and bias is what Lustick (1996) describes as a worst-case scenario. Under this scenario, the researcher produces flawed research, historians with shared biases are purposefully selected as expert sources, and particular theoretical and conceptual predispositions are openly embraced. Resulting historical accounts are both misleading and tainted. In many ways, this research seeks to identify selectivity and bias within the existing volumes of public administration literature through the use of critical theory, especially concerning the development of public budgeting theory.

The Critical Perspective

For public administration scholars who accept the basic premises of contemporary Western culture, the intrinsic systems of modern American governance, or the principles of public administration and budgeting as they are, it is probably difficult to imagine why there is a need to readdress the basics. Moreover, if there is an actual need to question the basics, is the field of public administration equipped to handle such a charge? In response to this question, Stout (2012) argues public administration is not only capable of addressing such a query but responsible for doing so. In so doing, Stout argues scholars should focus on the theoretical questions of scientific methods and search for alternative ways of knowing as the basis for the field's theory and practice.

The field of public administration has a record of looking inward. In the past it has invested attention to problems of epistemology, or the study of knowledge and justified belief, in shaping administrative study (see, e.g., Adams, 1992; Box, 1992; Houston & Delevan, 1990, 1994; Raadschelders 1999, 2000; White, 1986). The field has similarly devoted attention to the problems of practice (see, e.g., Farmer 2010; Hummel, 1991, 1998; Schmidt 1993). Furthermore, a growing number of public administration theorists have addressed ontology, or the study of the nature and relations of being, and view it as the most fundamental basis for claims about all aspects of governance (see, e.g., Catlaw 2007; Catlaw & Jordan 2009; Evans 2000; Evans & Wamsley 1999; Farmer 2002; Howe 2006; Hummel 2002; King & Kensen 2002; King & Zanetti 2005; McSwite 2006; Mingus 2000; Murray 2000; Stivers 2002a, 2002b; Stout 2007, 2010a, 2010b; Stout & Salm 2011; Wamsley 1996).

The issue of ontology is enduring with public administration. Different ontologies imply particular political forms that undergird public administration theory and practice (Stout, 2012). Because no consensus exists regarding what the ontological framework for public administration should be, a need persists among scholars and practitioners to reflect on what ontology best fits their experiences, beliefs, and hopes for the future. The critical perspective provides a framework for addressing these ontological choices.

As was previously noted, Peters' (2005) "new institutionalism" not only works to reassert some of the virtues outlined in the findings of the old institutionalists, but also desires to make a statement on the perceived failings of what became the conventional wisdom of political science, or in this case, public administration and budgeting. For

new institutionalists, the critical perspective provides an approach for better uncovering the perceived failings within the conventional wisdom of academic disciplines. The method embraces a multidisciplinary knowledge base with the implicit goal of advancing the emancipatory function of knowledge (Leonardo, 2004). It is oriented toward critiquing, challenging, and potentially changing society as a whole, and stands in contrast to traditional theory oriented only toward the understanding or explaining of phenomena. It can be used broadly and inclusively, with significant differences in approach based on the discipline and setting in which it is used. According to Box (2005):

“A primary characteristic of critical theory is the idea that social systems change over time because of built-in tensions, or contradictions, between how they are and how they could be...The current ‘basic structure,’ or status quo, is the surface reality ‘given’ to us by sense perception. It is the surface reality that is most frequently studied by scientists and scholars and accepted as ‘the way it is’” (p. 16-17).

Box’s use of the term “social system” presents an obstacle. There is no social system per se that this research seeks to test. Instead, the academic environment in which the field of public administration resides, i.e. the institution of public administration, is challenged. Therefore, using Box’s definition, the social system addressed by this research can be identified as the academic field of public administration, the sub-field of public budgeting, and the academicians, practitioners, and traditions associated with each.

Two rather imprecise meanings are associated with the critical perspective. Historically, the critical perspective has often been used to refer to a school of thought that encompasses a wide-ranging reference to a method of self-conscious critique aimed at change and emancipation through enlightenment (Geuss, 1981; Giroux, 1983; Zanetti & Carr, 1997). The critical perspective may also be understood as a form of thought

characterized by a particular process of critique, the origins of which claim various allegiances (Zanetti & Carr, 1997). According to Zannetti and Carr (1997):

“The critical perspective is informed by historical realism, an approach that views ‘reality’ as shaped by social, political, cultural, economic, ethnic, and gender considerations that have ossified over time and are now (mistakenly) assumed to be fixed. These structures have become a kind of virtual reality, but if uncovered, they can be changed. A critical perspective seeks restitution for historical wrongs and emancipation for the individuals that are trapped in these ossified societal structures. There is a ‘moral tilt’ toward revelation and the erosion of ignorance...The critical perspective requires a ‘transformative intellectual’ to act as advocate and activist, a mediator between the dominant and subordinate segments of society” (p. 220).

The critical approach is historically associated with the collective body of work that emerged from scholars at the “Frankfurt School,” founded in 1923 at the University of Frankfurt. Theorists such as Theodor Adorno, Leo Lowenthal, Walter Benjamin, Franz Neumann, Eric Fromm, and Herbert Marcuse all called Frankfurt home. Later critical theorists included Max Horkheimer, who attempted to distinguish between traditional theory and critical theory, and Jürgen Habermas, whose theory of communicative action related a better understanding of rationality to administrative action (Denhardt, 1981; Sossin, 1993; Zanetti & Carr, 1997). Today, the critical perspective is rooted in Hegelian philosophy, specifically G. W. F. Hegel’s view of history as the unfolding of reason and the freedom which reason implies (Hegel, 1967).

According to Denhardt (1981):

“...the existing ‘facts’ of social life are seen as passing phases in the evolution of freedom and therefore more important for what they conceal than for what they reveal, since that which exist in the present is seen as limiting the evolution of freedom and therefore viewed negatively. The task of social theory becomes one of unmasking the false appearances generated in the present in order to permit expanded freedom in the future. It is through the act of critique that this is accomplished” (p. 629).

Theory is important in a field like public administration, even though the field itself is applied, practical, and interdisciplinary (Frederickson & Smith, 2003).

Ultimately, the critical perspective has been given limited attention by public administration and budgeting scholars, its use being marginal at best. Although multidisciplinary, its adoption would seem to be a natural fit, especially for a field of study that is regularly answering questions of legitimacy and routinely tasked to look inward. However this has not been the case.

A critical approach to public administration and budgeting would emphasize the conditions of power and dependence within the academy that characterize contemporary public budgeting praxis. Such an approach would allow us to rethink issues relevant to the field and would permit a more dynamic understanding of the power relations that are present (Denhardt, 1993). For instance, the way public budgeting developed has resulted in a largely homogenous academic community, either unwilling to change or unaware of the contradictions budget theory places upon itself when used at the federal level.

Among the most important of these contradictions rests a singular focus on normative approaches to theory, many of which aggrandize the significance and value of an energized and empowered executive (see, e.g., Cleveland, 1915; Joyce & Reischauer, 1997; Pitsvada, 1988; Willoughby, 1918). Critical reasoning seeks to emancipate these asymmetric power relations through authentic discourse so that truth claims can be tested and refined.

While the critical perspective is oriented toward critiquing, challenging, and potentially changing society as a whole, this is not the desired outcome for the purposes of this research. Instead, the emancipatory function is valued herein. According to

Denhardt (1993), such an approach would reveal certain contradictions inherent in hierarchical organizations – in this case, the academic study of public administration and budgeting – by specifying the ways in which current relationships of power and dependence result in alienation and estrangement. This research suggests that a more direct attempt to improve budgeting praxis at the federal level is needed and uses the critical perspective to expose contradictions inherent in the scholarship to date.

Summary of the Method

This research addresses the ways that public administration and budgeting scholars have approached the study of public budgeting at the federal level. It does not concern itself with the mechanisms of the federal budget process, nor does it address the political institutions involved. The research instead addresses the history, growth, and development of the academic fields of public administration and budgeting, the principles involved, and the resulting institutions and associated preferences.

This research uses an institutional framework to examine current and historical administrative/budgeting theories and practices. It relies on historical analysis to uncover the administrative philosophy of Woodrow Wilson, and the critical perspective to assess the degree to which his influence framed the academic field in the decades that followed.

More specifically, this research uses a “historical research” framework. The basic idea behind this framework is that choices made when an institution was being formed, or when principles were being initiated, have a continuing and largely determinate influence over subsequent principles far into the future. Thus, this research reviews the corresponding theoretical growth of public administration and public budgeting and asks why, for the most part, federal level budget reforms have failed to achieve their stated

objectives through the years. Qualitative historical analysis is the historical research framework/methodological approach used herein to search for facts about the choices made when the academic institutions of public administration and budgeting was being formed.

Finally, a critical perspective is used to compliment Peters' (2005) concept of new institutionalism. New institutionalism not only works to reassert some of the virtues outlined in the findings of the old institutionalists, but also wishes to make a statement on the perceived failings of what became the conventional wisdom of political science, or in this case, public administration and budgeting. The critical perspective, when coupled with new institutionalism, provides an outlet to address the conventional wisdom of academic disciplines while also uncovering their apparent failings.

CHAPTER IV

WOODROW WILSON AND THE FOUNDING OF PUBLIC ADMINISTRATION

The academic field of American public administration developed in the late nineteenth century as a branch of American political science. To the few scholars and practitioners who existed at the time, the new field was simply referred to as the “study of administration” (Altshuler, 1973; Buehrig, 1973).

The graduate school works of Woodrow Wilson established the early model for public administration. In hindsight, his approach to the development of the field was simple. In *Congressional Government* (1885a), Wilson identified problems rooted in the legislative branch of government. He argued that Congress had become too powerful, all to the detriment of American government, politics, and administration. Next, in “*The Study of Administration*” (1887), Wilson addressed the aforementioned problem of congressional dominance. He began by identifying a need for a new field devoted to the study of American public administration. Wilson then reasoned that a central tenant of the new academy should be devoted to identifying ways of energizing and empowering the federal executive.

This section addresses Woodrow Wilson’s profound effect on the growth and development of public administration and consequently, public budgeting. The section first considers Wilson’s academic development, his mentors, and the heavy influence of European authors that influenced his later works. The section then reviews and addresses

Congressional Government, written in 1885, and “The Study of Administration,” completed in 1887.

Woodrow Wilson

Woodrow Wilson’s academic study of government and administration formally began at Johns Hopkins University (1883-85). Prior to his time at Johns Hopkins, Wilson had studied politics as an undergraduate at Princeton from 1875 to 1879, and law at the University of Virginia from 1879 to 1881. British history and biography monopolized Wilson’s intellectual studies while an undergraduate and law student. English conservatives and Manchestrians like Bagehot, Burke, Gladstone, Cobden, and Bright served as Wilson’s intellectual heroes. Wilson cited them frequently in his student essays (Buehrig, 1973; Stillmann II, 1973).

Wilson’s focus shifted away from British authors and towards German thinkers once he began his graduate studies at Johns Hopkins. Assisting in this transition were the Johann Bluntschli papers, newly acquired by the university. Bluntschli was a nineteenth century Swiss jurist, politician, and writer on international law whose 1866 book *Das moderne Kriegsrecht* (“The Modern Law of War”) was the foundation of the codification of the laws of war that were enacted at the Hague conferences of 1899 and 1907. To fully utilize this resource, Wilson taught himself German in order to read and understand the collection in his studies (Martin, 1988).

Johns Hopkins had only opened in November of 1877 and so was still very new at the time of Wilson’s enrollment in 1883. In 1881, the university appointed its first two full-time graduate social science professors, Richard T. Ely and Herbert B. Adams. Both professors had earned their Ph.D.’s at the University of Heidelberg in Germany only a

year earlier. They were engrossed in continental history, politics, and economic scholarship. They were also intensely committed to making Johns Hopkins a top-ranking social science research facility (Stillman II, 1973).

Wilson's inspiration to pursue the subject of public administration began with a course on administration, which he took from Richard Ely, effectively exposing Wilson to the subject for the first time. The course only lasted a few weeks and was essentially an introductory bibliographical survey of the major European writings in the field, principally works by German authors (Martin, 1988; Stillman II, 1973). Wilson (1885b) would later write of Dr. Ely's February 27, 1885 lecture:

“...Dr. Ely read a brief paper upon Administration, prefacing the reading of it by calling attention to two points of interest in French administrative practice: namely (1) That over each administrative dept., large or small, a single officer is placed who is held strictly responsible for the workings of his dept., though he is often assisted by a council of advice. (2) Courts for the enforcement of administrative laws. In his paper, Dr. Ely dwelt upon the importance of administrative study; upon the special necessity for it in this country, in view of the fact that our administration is the worst in the world; and upon the strange apathy which has hitherto reigned in the U.S. with regard to questions of this nature” (p. 303).

Another influence on Wilson's thinking while at Johns Hopkins was Herbert A. Adams. Adams' burning interest was the development of the germ theory of politics. According to this theory, American political institutions were the result of a slow, organic growth process. Adams argued that “primordial cells of the body politic,” such as the village organization the Angles and Saxons brought to England from Germany in the fifth century A.D., later developed into more complex modern institutions. Adams' germ theory of politics, easily transferable to the American experience, reinforced Wilson's growing conservative evolutionary view of society. Adams put his students to work examining the minute details of the governments of the thirteen colonies in order to

discover the developmental process of emerging American institutions. Through this historical approach, Wilson gained valuable context to apply to his emerging views on American public administration and its place in modern government (see, e.g., Stillman II, 1973).

Together, Ely and Adams exposed Wilson to the concept of European public administration and to its potential in America. Ely maintained that American public administration was the worst in the world. He argued there was an unanswered need for administrative study in America and that indifference towards the issue among academic circles only made the problem worse. Adams' historical "germ theory" approach provided a framework to address America's administrative apathy through evolutionary terms. Wilson rooted his views of late nineteenth century American governance in the lessons of Ely and Adams, wisely embracing the topic and seeing opportunity. Because public administration was largely absent outside of Europe, a special need existed for its advancement in places like the United States.

Congressional Government (1885)

While Wilson was still a second-year graduate student at Johns Hopkins, *Congressional Government* (1885) was published. Wilson patterned *Congressional Government* after Walter Bagehot's (1873) new and revised edition of *The English Constitution*. Bagehot was a businessman, essayist, and journalist who served as *The Economist's* editor-in-chief from 1861 to 1877. Over the course of his career he wrote extensively on the topics of government, economics, and literature. In *The English Constitution* he explored Parliament and the monarchy, provided a realistic account of the functioning of British government, and sought to examine the British political system as a

“living reality” and “organic whole” (Bagehot, 1873; see also, Buehrig, 1973; Stillman II, 1973). Wilson’s adopted approach in *Congressional Government* was much like Bagehot’s in *The English Constitution* in that Wilson distinguished between a “literary theory” of the Constitution and its actual operation in practice. Comparative in approach, Wilson described practical features of the American federal system in relation to the British system.

Wilson’s chief aim for *Congressional Government* was to make clear the actual conditions of Congress in the late nineteenth century, fearing that the 1787 Constitution was the form of government rather than the reality (Wilson, 1887). To illustrate this concern, Wilson wished to contrast the American Congress with its British Parliament counterpart with the intent of making as plain as possible the actual conditions of federal administration (Wilson, 1885a; see also Stillman II, 1973). Via this comparative approach, Wilson concluded that the central features of the U.S. Constitution – such as the balance of powers among the three branches of government – had fundamentally been altered for the worse (Stillman II, 1973).

Three central themes surface in *Congressional Government*. First, Wilson was concerned that Congress had emerged as the center of national power, eclipsing both the judiciary and executive branches. Seeing this, Wilson argued the balances described in the Constitution were for the most part only ideal, and that, for all practical purposes, Congress was effectively predominant over its coordinate branches. Second, Wilson saw great flaws in the Congressional committee system. Standing committees, Wilson argued, were fiscally irresponsible, guilty of secret activities, fundamentally undemocratic, responsible to no one except their constituents, and culpable of

fragmenting party discipline and executive leadership. Although Wilson viewed the committee system as likely corrupt, he acknowledged their centrality to the determination of national policy. Finally, Wilson was wary of the ability to trust Congress and hold it accountable, fearing that congressional dominance parceled out power too widely, confusing responsibility. Wilson looked to the business community for guidance, advocating that “power and strict accountability” reside in a strong public executive as it did in the private sector (Stillman II, 1973).

These three themes – a Congress too powerful, the irresponsibility of standing committees, and the lack of accountability by political institutions to the American populace – guided Wilson’s writing in *Congressional Government*. He was historical and comparative in approach, his chief aim being to illustrate the notion that power placed in Congress is in fact misplaced. The themes, the chief aim of the document, and the comparative approach all had profound and far-reaching influence on the study of both public administration and public budgeting, and all carried over to “*The Study of Administration*” (Buehrig, 1973; Stillman II, 1973).

The Study of Administration (1887)

Only a year after the completion of *Congressional Government*, on the evening of November 3, 1886, Wilson was presented the opportunity to address the subject of administration at Cornell University. At the invitation of Cornell University President Charles K. Adams, Wilson was asked to speak before the newly organized Historical and Political Science Association in Ithaca, New York. The speech would eventually be published in the *Political Science Quarterly* in June, 1887 (Stillman II, 1973). The article’s title: “*The Study of Administration.*”

“The Study of Administration” is best understood as a response to concerns Wilson raised in Congressional Government (Stillmann II, 1973). To address these concerns, Wilson identified the constitutional distinction between legislative and executive institutions – the separation of powers – as the foundation for the new academic study of public administration. On this foundation, Wilson placed five pillars central to the development of the field. First, Wilson established public administration as a self-aware academic field worthy of study by calling for more intellectual resources for the management of the state. Second, Wilson established the politics-administration dichotomy, arguing that administrative questions were not political questions and that a separation of politics from administration was needed. Third, Wilson argued that the object of public administration as a field of study was to improve the performance of public administrative activities through the application of scientific modes of analysis. Fourth, Wilson advocated the need for increased efficiency through the use of business-like practices and attitudes toward daily operations, thus establishing the view that administration was a field of business. Finally, Wilson marked the importance of the 1883 Pendleton Act by echoing the need for an effective and trained civil service.

Public Administration is a Self-Aware Field Worth Studying

Wilson made clear the need for a new, self-aware field of study dedicated to American administration. He advocated the bringing of more intellectual resources to bear in the management of the state by calling for a new era of bureaucracy to administer independently from the elected branches of government, guided by a science of administration informed by experts. According to Wilson (1887):

“...no practical science is ever studied where there is no need to know it. The very fact, therefore, that the eminently practical science of administration is finding its way into college courses in this country would prove that this country needs to know more about administration, were such proof of the fact required to make out a case. It need not be said, however, that we do not look into college programmes for proof of this fact. It is a thing almost taken for granted among us, that the present movement called civil service reform must, after the accomplishment of its first purpose, expand into efforts to improve, not the personnel only, but also the organization and methods of our government offices: because it is plain that their organization and methods need improvement only less than their personnel. It is the object of administrative study to discover; first, what government can properly and successfully do, and, secondly, how it can do these proper things with the utmost possible efficiency and at the least possible cost either of money or of energy. On both these points there is obviously much need of light among us; and only careful study can supply that light” (p. 197).

Wilson’s call for a self-aware study of administration encouraged the incorporation of themes originally formulated in Congressional Government, among them the desire for the U.S. to know more about administration and for the personnel, organization, and methods of administration to improve. In Wilson’s view, the benefits associated with advancing public administration would be most efficiently realized by the advancement of an energized and empowered executive. By rescuing executive methods from confusion, setting them upon foundations of stable principles, centralizing political authority, and providing unambiguous responsibilities for government officials, the field would be better able to prepare individuals to manage the state (Stillman II, 1973).

Politics Should Be Separated from Administration

The relationship between politics and administration has been an important topic in the development of public administration as a field of academic study. Early in the field’s development, public administration was viewed as distinct and separate from politics, more analogous to business and business methods than to anything political (Gordon, 1992). The politics-administration dichotomy, as the relationship has come to

be known, posits a clear distinction between the activities of the political realm and those that belong in the administrative, bureaucratic, and ideally non-partisan domain.

According to Demir and Nyhan (2008), the central premise of the concept suggests that public administration is somehow distinct from politics:

“...there is a hierarchical (superior-subordinate) relationship between the two. As construed by the dichotomy, politics is about policymaking, a set of activities that involve explicit value choices. On the other hand, public administration is an instrument used for translating formulated policies into concrete results through the application of specialized knowledge and skills – that is, bureaucratic expertise” (p. 81).

Wilson, who refers to the separation of politics from administration as a “distinction of high authority” (1887, p. 210), is credited with establishing the early concept of the dichotomy (see, e.g., Rosenbloom, 2008). In “The Study of Administration,” Wilson wrote that administration “is removed from the hurry and strife of politics.... Administrative questions are not political questions. Although politics sets the tasks for administration, it should not be suffered to manipulate its offices” (1887, p. 209-10). By his own admission however, it was not Wilson who formulated the distinction first. Instead, the honor goes to his theoretical forebear:

“Bluntschli...bids us separate administration alike from politics and from law. Politics, he says, is state activity ‘in things great and universal,’ while ‘administration, on the other hand,’ is ‘the activity of the state in individual and small things. Politics is thus the special province of the statesman, administration of the technical official.’ ‘Policy does nothing without the aid of administration;’ but administration is not therefore politics. But we do not require German authority for this position; this discrimination between administration and politics is now, happily, too obvious to need further discussion” (Wilson, 1887, p. 210-211).

The dichotomy has had tremendous influence on the institutional development and intellectual identity of public administration (see, e.g., Demir & Nyhan, 2008; Mosher, 1982; Roberts, 1994; Waldo, 2007). The concept of the dichotomy was widely

accepted in the early years of the field, based not only on the writings of Wilson but also on the first textbooks in the field. Frank J. Goodnow's appropriately titled *Politics and Administration* was published in 1900. According to Goodnow, the bureaucracy should impartially and nonpolitically administer the programs enacted by the legislative branch, subject only to judicial interpretation. Politics, said Goodnow, has to do with the policies or expressions of the state will, while administration has to do with the execution of these policies. The constitutional distinction between legislative and executive institutions provided the basis for Goodnow's distinction. The legislative branch expressed the will of the state and formed policy; the executive branch administered those policies impartially and in a non-partisan manner (Gordon, 1992; Henry, 1975, 2007). The dichotomy was further reinforced by Leonard D. White's *Introduction to the Study of Public Administration* (1926). Nearly forty years after Wilson's "The Study of Administration," White captured the conventional wisdom of administrative theory. Politics and administration were separate; management could be studied scientifically to discover the best methods of operation; public administration was capable of becoming a value-free science, and politically neutral administration should be focused on attainment of economy and efficiency in government, and nothing more (Gordon, 1992).

The Application of Scientific Principles to the Study of Administration

Wilson's "The Study of Administration" helped to establish a belief within the field that there existed permanent principles that, if they could only be discovered and applied, would transform performance and administrative tasks (Milakovich & Gordon, 2004). For Wilson (1887), "one rule of good administration for all governments alike" (p. 218) was not only desirable, but also attainable. Thus, the object of administrative

study would be to discover what government can properly and successfully do, in the most efficient way possible, and at the least cost.

The works of Max Weber, Frederick Taylor, Henri Fayol, F.W. Willoughy, and the team of Luther Gulick and Lyndall Urwick reflect Wilson's interest in universal scientific principles. For instance, Taylor's theory of "scientific management" was initially designed to assist private-sector managers in adapting to the need for new production practices in the emerging industrial economy. In *Principles of Scientific Management* (1911), Taylor developed four underlying values based on previous time and motion studies. The first value was efficiency in production; second was rationality in work procedures; third was productivity; and fourth was profit (Gordon, 1992). Taylor's scientific principles for private industry – call for centralized management, hierarchical organization, and belief in "one best way" to do any particular task – marked the beginning of the managerial tradition in organization theory.

Additional examples of overlap between Wilson and those calling for scientific/managerial principles can be found in Weber, who advocated a model embracing the division of labor, functional specialization, hierarchy, formal frameworks of rules and procedures, and professionalization, as well as Gulick and Urwick (1937), who set forth further principles of administration in their development of the acronym POSDCORB – planning, organizing, staffing, directing, coordinating, reporting, and budgeting.

The Field of Administration is a Field of Business

Wilson saw that government was undergoing noteworthy change and advocated the need for increased efficiency through the use of business-like practices and attitudes

toward daily operations. In doing so, he establishing the view that administration was a field of business and should adopt business practices. According to Wilson (1887):

“The field of administration is a field of business. It is removed from the hurry and strife of politics; it at most points stands apart even from the debatable ground of constitutional study. It is a part of political life only as the methods of the counting-house are a part of the life of society; only as machinery is part of the manufactured product. But it is, at the same time, raised very far above the dull level of mere technical detail by the fact that through its greater principles it is directly connected with the lasting maxims of political wisdom, the permanent truths of political progress” (p. 209-10).

Seeing few if any conflicts between government and business ideals, Wilson and later public administration scholars and practitioners used the call for business-like practices as a catchall for other goals. For instance, through business practices administration could be separated from the politics of public life. Principles could be applied that work in the private sector as well as in public settings. A strong executive could be the locus of centralized and consolidated power. The business of government would be “less unbusinesslike,” its organization strengthened and purified, and its burdens crowned with dutifulness (Wilson, 1887).

The Need for an Effective and Trained Civil Service

Wilson marked the importance of the 1883 Pendleton Civil Service Reform Act by echoing the need for an effective and trained civil service. According to Wilson (1887):

“It is for this reason that we must regard civil-service reform in its present stages as but a prelude to a fuller administrative reform. We are now rectifying methods of appointment; we must go on to adjust executive functions more fitly and to prescribe better methods of executive organization and action. Civil-service reform is thus but a moral preparation for what is to follow. It is clearing the moral atmosphere of official life by establishing the sanctity of public office as a public trust, and, by making the service unpartisan, it is opening the way for

making it businesslike. By sweetening its motives it is rendering it capable of improving its methods of work” (p. 210).

“The Study of Administration” marked the beginning of a training movement designed to stock managers with better personnel. The new academic study of public administration would provide the curriculum for these training schools. The object of administrative study, in regards to a fully formed civil service, was to “rescue executive methods from the confusion and costliness of empirical experiment and set them upon foundations laid deep in stable principle” (Wilson, 1887, p. 210).

Conclusion

Congressional Government and “The Study of Administration” provided the emerging field of public administration important boundaries with which to frame itself. Congressional Government pointed out the perceived faults of the legislative branch of Wilson’s time. Congress was too powerful; standing committees were irresponsible; political institutions were not accountable to the American people; and perhaps most importantly, Wilson believed that power placed in Congress was in fact misplaced. Taken together, these themes have had profound and far-reaching influence on the study of both public administration and public budgeting. To see Congressional Government only as a precursor to “The Study of Administration” is to see it only partially. Congressional Government represents a metamorphosis for that period in terms of the ways we think of governance.

“The Study of Administration” is best understood as a response to concerns Wilson raised in Congressional Government (Stillmann II, 1973). To address these concerns, Wilson identified the constitutional distinction between legislative and

executive institutions (separation of powers) as the foundation for the new academic study of public administration. On this foundation, Wilson placed five pillars central to the development of the field. First, Wilson established public administration as a self-aware academic field worthy of study. He then established the politics-administration dichotomy, advocated for universal and scientific principles, and called for increased efficiency through the use of business-like practices. Wilson concluded by calling for an effective and trained civil service.

Since Congressional Government and “The Study of Administration,” generations of public administration students, practitioners, and scholars have taken the ideas Wilson developed to be fundamental to the field of study. Many scholars took up Wilson’s work where he left off. For fifty years after he wrote, the dominant theme of writings on public administration was the pursuit of principles which, when applied sensibly, would produce ‘efficient’ administration, energize and empower the executive, and lessen the negative impacts of legislative dominance (Altshuler, 1973). These concepts were taken as the fundamental orientation of the field, thus framing the study for decades to come.

CHAPTER V

THE PROGRESSIVE REFORM ERA

As the academic field of public administration was developing as a branch of political science in the late nineteenth century, a corresponding political movement was developing among reformers. The Progressive movement, as it came to be known, shared many of the same principles and goals of public administration. As public administration established itself in the lecture halls of academia, the Progressive movement materialized in the pages of muckraker journalists and in the creation of newly fashioned civic reform groups. While public administrators dealt with issues of theory formation and principle development, Progressive reformers were on the ground in urban industrial areas, dealing with the diverse challenges presented by a migrating workforce and a government ill equipped to handle those challenges.

America in the nineteenth century was transforming from an agrarian to industrial economy. Americans were migrating to cities to find work, forcing families to overcome great challenges in new surroundings. Proximity to the workplace became important for workers. Most families did not have access to alternative forms of transportation, so areas around industrial centers became densely populated with many people walking to and from work. The consequences of concentrated living were many. Concentrated housing made land prices rise; rents grew and forced multiple families to cohabitate in single units; crime rose; sanitation problems emerged; separating drinking water from

waste water proved difficult; eventually disease followed. For rural, migrant, and working families looking to take part in the emerging industrial economy of the early twentieth century, the urban core was a difficult and dangerous place (see, e.g., Kelly & Rivenbark, 2003).

Civic reform groups emerged in cities like New York, Chicago, and Boston charged with addressing the physical, social, and economic ills plaguing communities. New methods were needed to address public problems, but administrative and budget systems were underdeveloped at best. According to Kelly and Rivenbark (2003):

“There were reform groups for child labor, education, sanitation, housing, health, and parks and playgrounds...Perplexing problems caused by prosperity and growth were not ameliorated by the economic forces that gave rise to them...City government grew out of necessity, out of recognition that if government did not solve these problems, the economic viability of the city would be threatened. Cities taxed property and used the revenues to deal with the consequences of city life. But like the federal government in the early twentieth century, their approach to revenues and expenditures was ad hoc, spending what they had for what they needed, and providing some rudimentary accounting for expenditures at the end of the year” (p. 21).

While civic reform groups emerged, political machines formed as well. In American cities like Boston, Chicago, Cleveland, Kansas City, New York City, Philadelphia, and St. Louis, rapid growth under inefficient governments allowed for political machines and patronage hiring to flourish. Political machines were effective in a number of ways. They were talented in terms of getting people to the polls during elections; they organized and were home to community meetings; they sponsored special events; and they encouraged more people to be politically active through political parties. But the leaders of these political machines were not motivated by altruism. A return on investment was almost always expected in the form of support for the party on Election

Day. Corruption led to a criminal element, and rewards were exchanged for votes (see, e.g., Babunakis, 1976; Kelly & Rivenbark, 2003; Tyler & Willand, 1997).

The progressive reform movement emerged in part as responses to the issues facing urban industrial areas and urban political machines that had formed around the influx of formerly rural laborers. A groundswell of opposition to the machines eventually materialized. Muckraker journalists and good government reformers each played a role. Within large cities, the reporting of muckrakers exposed the corruption, ineptitude, and incompetence of government officials and administrators. Middle-class and business interests united during this period to form coalitions against urban political machines and patronage hiring (see, e.g., Babunakis, 1976; Kelly & Rivenbark, 2003; Tyler & Willand, 1997). Good government reformers took on issues concerning poverty, affordable housing, and improved sanitation. Both muckrakers and good government reformers, each under the Progressive tent, sought to take back government from the political machines. Upon doing so, they wished to turn it over to a newly trained, non-political civil service who would practice the "science" of public administration that Woodrow Wilson envisioned (Wilson, 1887; see also Kelly & Rivenbark, 2003).

A Progressive era campaign to reimagine the role of government also surfaced. Reformers believed a shift was needed towards a system protecting the public from "big business." The passage of the Act to Regulate Commerce, which created the Interstate Commerce Commission (ICC), was the signature accomplishment in this movement. The act gave the ICC the authority to investigate complaints against the railroads, giving the agency a dual (and sometimes contradictory) stated goal of "the proper dispatch of business and...the ends of justice" (as cited in Kelly, 2005, p. 93). A second act, the

Federal Trade Commission Act of 1914, regulated working hours and conditions, and protected consumers from unfair business practices. Prior to the passage of these acts, the system in place was largely one that focused on the creation of favorable conditions for private interests. Once passed, the federal courts were uncertain about the new administrative body that was an uncertain fit in the constitutional system as traditionally understood (Ely Jr., 2012). The role of government had changed and with big business in tow, the American labor movement grew and became institutionalized (Kelly, 2005).

The same Progressive reform movement that had facilitated the growth of civic reform groups, battled political machines, and given rise to organized labor was mirrored by an academic movement taking place in the field of public administration. The two movements shared similar concerns and goals. The new academic discipline provided fresh ideas for the reform movement based in science, supported by top academics, and promoted by practitioners and politicians alike. As an example, Taylor's scientific management squared nicely with the aims of the public administration movement, urban reformers, and progressives. Taylor emphasized efficiency, objective analysis of administrative or management practices, and a "one best way" to perform any single task. The philosophy was appealing to apolitical reformers, as his methods promised improved management efficiency through applied scientific principles (Kelly & Rivenbark, 2003; Tyler & Willand, 1997).

Academia's call for a stronger executive also appealed to progressive era reformers, especially as the capacity to tax and spend developed at all levels of government. As city governments grew, new programs also grew, but American cities at the time were unaccustomed to collecting revenues and accounting for the new services

being distributed. Strengthening executive accountability was the agreed upon solution. The idea first gained support at the municipal level, where little central oversight existed of departmental spending. Legislative dominance forced departments to bargain with city council members locally (Tyer & Willand, 1997). In order for the proposed good government reforms to take place, academic and Progressive era reformers agreed: the executive must be energized and empowered at all levels of governance.

CHAPTER VI

THE GROWTH AND DEVELOPMENT OF PUBLIC BUDGETING

The concept of public budgeting has been taken for granted by students of political science and public administration as something that has always been present, while in fact it has not (Rabin, 1990, 1997). Instead, the idea of a public budget is a relatively new concept, especially in America. For instance, no system of national budgeting existed during America's colonial period. Under the Articles of Confederation and even in the early years of the new Constitution, the newly formed government operated without a real process for allocating funds for the nation's operations. Budgets weren't even called budgets, but rather "books of estimates" (Hyde, 2002).

The colonial experience significantly influenced the writing of the Constitution and the formation of uniquely American political institutions. Being only years removed from centralized rule of the British monarch, constitutional framers were continuously apprehensive and agonized in their deliberations over the power of the executive. To ease their worries, the framers institutionalized a system of separated powers, divided the government into different branches, and placed within each distinct and independent areas of responsibility. In doing so, the framers obligated Congress the power to tax, spend, and budget for the nation's expenses.

The result of the founding period for the fledgling nation was mixed, at least in terms of budget procedures at the national level. The legislative branch dominated the early appropriations process. However, early books of estimates were produced irregularly because there was no framework in place for the planned allocation of funds, further contributing to the haphazard manner in which funds were distributed. At best, early budgeting was an ad hoc exercise, compilations of piecemeal appropriations reports passed by the legislature. At worst, it was nonexistent. Legislators spent funds based on what they had, applied funds to whatever was needed, and accounted for revenues and expenditures at the end of each year (Tyer & Willand, 1997). Overall, there was little perceived need for complex budget mechanisms anyway. Government expenditures were relatively insignificant, focused on expending surplus funds, and fixated on the operating needs of a considerably smaller federal government.

By the last decade of the nineteenth century, public budgeting was still seen simply as a valuation of receipts and expenditures, a public balance sheet, or a legislative act establishing and authorizing certain kinds and amounts of expenditures and taxation (Schiesl, 1977). In relation to its European relatives, the United States was the only nation without a system of budgeting in the late 1800s (Buck, 1929). This was no surprise, especially considering the tasks of national government were still few and far between, making an energetic executive hardly necessary in an appropriations process dominated by Congress. It was not until the latter half of the 1800s – nearly a century after the nation’s founding – that the concept of budgeting finally began to take shape (Fleischman & Marquette, 1986).

Public budgeting in America experienced an awakening of sorts at the beginning of the twentieth century. Coinciding with the dawn of the public administration and Progressive movements, budgeting earned the attention of early reformers looking to find ways to hold officials accountable by obligating more power and responsibility to the executive. Early innovations came from the state and municipal levels, particularly developments originating in New York City. The establishment of the National Municipal League in 1899 and the drafting of a model municipal corporation act signified the first efforts towards reform (Woodruff, 1908). With the founding of the New York Bureau of Municipal Research in 1906, the study of public budgeting theory and practice became relevant. Many Bureau founders and their contemporaries saw a need for reform. They believed that wasteful, ineffective government could not serve democracy well and placed the responsibility for good government on elected officials and the citizens who elected them (Dahlberg, 1966; Kelly, 2005).

This section addresses the development of the study and practice of American public budgeting in the late 1800s and early 1900s. The New York Bureau of Municipal Research, the Taft Commission on Economy and Efficiency, and the Budget and Accounting Act of 1921 are each addressed. The section concludes with a discussion of normative budget frames, most of which emerged as a result of the strong executive movement embraced in earlier reforms. Performance budgeting, planning-programming-budgeting systems, management-by-objectives, zero-based budgeting, cutback budgeting, and performance-based budgeting – all modern variations of budgeting – are each briefly examined.

New York Bureau of Municipal Research

The New York Bureau of Municipal Research played an important role in the development of the “good government” movement after the turn of the century. The Bureau was similar to the National Municipal League in that both were citizen organizations formed with the goal of reforming local government, or getting good individuals in government (Dahlberg, 1966). With good government reforms implemented, the Progressive movement in mind, and quality practitioners in place, the budget was conceived as a major weapon for instilling accountability into public institutions. Thus, the budget would serve multiple purposes: it would rest on popular control and publicize what actions the government was taking, it would allow citizens to be better informed and alert, and it would be a tool against invisible government and party bosses (Burkhead, 1956).

Five qualities characterized the New York Bureau for Municipal Research: it was nonpartisan, it was independent, it was committed to scientific methods of administration, it was patterned after the private sector, and it focused on efficiency and economy. Perhaps most importantly, the Bureau worked to establish the budget as a document of control and governmental accountability. To accomplish these goals, the Bureau advocated a plan for revenues and expenditures formulated at the beginning of each year, thus establishing the difference between end-of-year and beginning-of-year accounting in the public sector (Rivenbark & Kelly, 2006).

By 1916, twenty bureaus existed in the United States. The growth the bureaus enjoyed reflected the coinciding popularity of the public administration and Progressive movements. Each promoted scientific management, especially concepts that promoted

planning, specialization, quantitative measurement, and standardization – all of which were considered ingredients for efficiency. Collectively, reformers felt government needed to be deciphered and better understood, and the bureaus were uniquely positioned to address this task. According to Waldo (1948):

“The Bureau Movement was a part of Progressivism, and its leaders were leaders of Progressivism. They were tired of the simple moralism of the nineteenth century, although paradoxically they were themselves fired with the moral fervor of humanitarianism and secularized Christianity. They were stirred by the revelations of the Muckrakers, but despaired of reform by spontaneous combustion. They were sensitive to the appeals of and promise of science, and put a simple trust in discovery of facts as the way of science and as a sufficient mode for solution of human problems. They accepted – they urged – the new positive conception of government, and verged upon the idea of a planned and managed society. They hated ‘bad’ business, but found in business organization and procedure an acceptable prototype for public business. They detested politicians and were firm in the belief that citizens by and large were fundamentally pure at heart, desirous of efficient and economical government, and potentially rational enough to ‘reach up’ to and support a vigorous government, wide in its scope, complex in its problems, and utilizing a multitude of professional and scientific skills. They proposed to educate citizens to and assist them with this responsibility. They were ardent apostles of the ‘efficiency idea’ and leaders in the movement for ‘useful’ education. These last three notions – civic awareness and militancy, efficiency, and ‘useful’ education – together formed the core of the Efficient Citizenship movement. They caught the vision that ‘true democracy consists in intelligent cooperation between citizens and those elected or appointed to serve...’” (p. 32-33).

The New York Bureau of Municipal Research and the national bureaus that followed deserve attention. All were citizen organizations with the goal of reforming government. They valued the promise of science, a positive government, a planned and managed society, and the need for educated citizens. They advocated the absence of politics, the application of business values to public settings, and an empowered and energized executive in place of a legislature lacking in accountability. They sought a vigorous government centered in efficient practices that could only be accomplished through a trained and educated workforce.

The efforts of the Bureaus for Municipal Research, coupled with those of Progressive era reformers, found fertile ground in the emerging field of public administration, which provided a new discipline to teach students interested in administering public services. While much of the training was done at the campus homes of public administration programs, it was the original efforts of the Bureaus that produced the content being taught, especially in terms of public budgeting principles. These principles, developed by the Bureaus at the local level and taught in the classrooms of public administration, eventually found prominence at the national level in the findings and recommendations of the Taft Commission on Economy and Efficiency.

The Taft Commission on Economy and Efficiency

The Taft Commission on Economy and Efficiency was initiated by President William Taft in 1910 and lasted through 1913. The committee was chaired by Fredrick A. Cleveland and included W. F. Willoughby and F. J. Goodnow as members. The Commission's goal was to provide the tools necessary for a managerial presidency that would enable presidential control of the executive branch. To accomplish this goal, the report argued strenuously for a national budgeting system to serve the executive branch (Hyde, 2002).

The circumstances that preceded the Commission during the Taft Administration were less than ideal. The federal government ran deficits; expenditures mounted due to an expanding government; cost overruns occurred as a result of national expansion; graft and corruption in all levels of government were evident. The lessons of municipal government reformers, like those at the National Municipal League or the Bureaus of Municipal Research, contributed greatly to notion that something different needed to be

done, and that alternatives were available if only discovered. The Taft Commission on Economy and Efficiency reflected the sentiments of the National Municipal League and Bureaus of Municipal Research in the priorities it set for itself. According to Burkhead (1956):

“In December 1909 President Taft requested an appropriation of \$100,000 ‘...to enable the President to inquire into the methods of transacting the public business....’ This request was granted by the Congress on June 25, 1910, and immediately thereafter the President appointed the Commission on Economy and Efficiency....The Commission conceived its responsibility broadly and for two years undertook investigations of (1) the budget as an annual financial program, (2) the organization and activities of the federal government, (3) personnel problems, (4) financial records and accounts, and (5) business practices and procedure in the government (p.18).

By January 17, 1912, President Taft sent to Congress a message on Economy and Efficiency in the Government Service, which focused national attention on budgeting and sound fiscal management. By June 27, 1912, the report of the Commission on “The Need for a National Budget” was submitted to Congress. According to Burkhead (1956):

“These two documents were of greatest significance in the development of the budget system in the federal government and were of almost equal importance in the improvement of specific government management procedures. This was the first time in the history of the federal government that its organizational structure had been studied in detail, and the first time that detailed information had been assembled on the character of governmental expenditures. Of even greater significance was the fact that these documents represented an assumption of responsibility by the Chief Executive for financial planning and for the management of the ‘government's business,’ as it was then called” (p. 18-19).

Executive control of the federal budget was stressed throughout the Taft Commission’s “The Need for a National Budget” report. Among its findings, the report called for an assumption of responsibility by the executive branch for the budgeting, financial planning, and management of the administration of government. It also emphasized the importance of establishing a national budget system as an instrument of

executive power, control, and management (Burkhead, 1956; H. Doc. No. 62-458, 1912; Marini, 1992).

The Taft Commission's "The Need for a National Budget" report served a number of additional purposes as well. For the legislative branch, it was a blueprint for revised Congressional action. For the executive branch it was much more. Generally speaking, the executive budget would be a source of control, an instrument of management for the Chief Executive, and a basis for the administration of the federal bureaucracy.

Procedurally however, the Commission's report required a number of items. For instance, the executive budget was to be presented to Congress with a budget message attached stating the executive's policies and summary financial information; agencies would be required to submit annual reports for Congressional review and establish and maintain new comprehensive accounting systems, and; the Secretary of the Treasury would be asked to submit a consolidated financial report to Congress.

Overall, the Taft Commission on Economy and Efficiency's "The Need for a National Budget" report set forth a plan to make government responsive to public opinion and responsible for its acts, mostly by further empowering the executive. Perhaps more importantly, the report also became the foundation for the Budget and Accounting Act of 1921, which operationalized many of the report's recommendations, established an executive budget, and eventually became the foundation for present day budgeting at the federal level (Burkhead, 1956; Marini, 1992; Tyer & Willand, 1997).

The Budget and Accounting Act of 1921

The Budget and Accounting Act was passed on June 10, 1921, nearly a decade after President Taft sent to Congress his message on Economy and Efficiency in the

Government Service. The Act represented landmark legislation at the time of its passage. It established the framework for today's federal budgeting mechanisms, established an executive budget at the federal level, and now serves as the foundation for what we now know as modern budgeting (Hyde, 2002).

The Budget and Accounting Act of 1921 was passed in response to the consensus that developed in the early 1900s that a more centralized approach to financial policy and processes was needed (U.S. Senate Committee of the Budget, 1988). While the sweeping change brought on by the legislation mirrored what was already underway at the state and local levels of government, the act represented the most comprehensive, far-reaching attempt at budget reform in U. S. history (Cozzetto, Kweit, & Kweit, 1995). It represented the culmination of earlier reforms advocated by the National Municipal League, the New York Bureau of Municipal Research, and The Taft Commission. As such, it echoes the broad tone of reform present during the public administration and Progressive movements.

The background of the passage of the Budget and Accounting Act of 1921 is somewhat ironic. President Woodrow Wilson was given the opportunity to pass into law many of the principles he had previously laid out as a graduate student. For instance, in *Congressional Government* (1885), Wilson had pointed out the actual conditions of the legislative branch in the late nineteenth century. Congress was too powerful; standing committees were irresponsible; political institutions were not accountable to the American people. In *"The Study of Administration"* (1887), he offered a framework for enhancing the powers of the executive. As President, Wilson was in a position to come full circle by addressing and potentially signing legislation designed to counteract

unaccountability in Congress. He had identified what he saw as causes for concern, provided the seeds for theoretical and policy solutions, and now was in a position to enact comprehensive legislation addressing the very issues important to him. It was not to be for Wilson however. Although the push for reform peaked during Wilson's presidency with the Taft Commission's report in 1912, the act was signed into law by President Warren G. Harding as a result of former President Wilson's earlier political posturing.

According to Hyde (2002):

“Even in its infancy, a recurring theme of governmental budgeting was already apparent – the conflict between the legislative and executive branches over who would control the budgeting process – and Congress quickly rejected the Taft Commission Recommendations. After World War I, President Wilson rekindled the idea of an executive budget mechanism, but Congress proposed its own legislation, which Wilson promptly vetoed because of lack of control by the executive. Finally, in 1921, the Budget and Accounting Act was signed into law. It established a Bureau of the Budget (to be lodged in the Treasury Department), a formal budgeting mechanism to be controlled by the executive branch, and a General Accounting Office accountable to Congress. The political battle over the act itself was so bitter that the Congress would not agree to approve it until Wilson had left office” (p. 3).

The Taft Commission's report had argued persuasively for a national budgeting system to serve the executive branch. With the passage of the Budget and Accounting Act, the Commission's recommendations came to life. For the first time the president would be required to submit an annual budget for the entire federal government to the legislative branch. According to the United States Senate Committee on the Budget (1998):

“The Act codified the submission of the President's budget and created the Bureau of the Budget (the predecessor to the Office of Management and Budget (OMB)) to oversee the executive budget process. The Act also established the General Accounting Office (GAO) as the government's auditor, responsible only to Congress. The mission of GAO was to provide Congress with an independent audit of executive accounts and to report on violations of the fiscal statutes” (p. 7).

In addition to previously stated requirements, the act also consolidated the spending agencies in both the executive and legislative branches of government. The executive branch benefitted from the creation of the Bureau of the Budget, which was designed to review funding requests from government departments and assist the president in formulating the budget. The Bureau of the Budget would eventually be moved to the Executive Office of the President in 1939, and reorganized into the Office of Management and Budget in 1970 during the Nixon administration. The legislative branch benefitted from the creation of the General Accounting Office, designed to provide non-partisan audits and evaluations, as well as to serve as an investigative arm of Congress.

Finally, the Budget and Accounting Act of 1921 represents a conceptual shift in thinking about political institutions, their obligations, and the roles of each in the appropriations process. This shift not only altered the way that the federal appropriations process was to work, but also transformed permanently the way we look at budgeting at the federal level. At the center of this conceptual shift were significant challenges to the status quo obligations defined by the separation of powers within the Constitution. The new system enhanced the powers of the executive and gave the administrative branch the power to influence the federal budgeting process in ways that it had never before enjoyed. It also challenged the legislative branches long-standing power over the federal purse. According to Wildavsky and Caiden (2004):

“If Congress were to give the president the power to propose, it wanted also to ensure its power to dispose and then to oversee the executive budget process but checked the president in two ways. In 1920 the House, and the Senate in 1922, restored their former powers to the appropriations committees, thus providing an institutional counterweight to the centralized executive process. In addition,

Congress removed from the Treasury the power to audit and account for expenditures (where it had resided since 1789) and lodged it in a General Accounting Office (GAO) outside of the president's control" (p. 38-39).

The Budget and Accounting Act of 1921 implemented a national budgeting system to serve the executive branch. In doing so, it also opened up a series of new research questions and research program. Calls for executive control over the federal budget process presented the legislative branch with new concerns. Additional calls for the executive branch to assume responsibility for the financial planning and management of the administration of government presented red flags. Each would have to be better understood in order for government efficiencies to occur. Public administration theorists interested in the federal budgeting process now had a new environment in which to test their proposed reforms. The resulting research program was characterized by a wave of normative approaches embracing the executive branch's new role in the process.

The Emergence of Normative Budgeting

Two types of budget theory emerged from the public administration movement. Descriptive budget theory is based on close observations of trends, sequences of events, and public sector activities. Normative budget theory, in contrast, refers to a type of budgeting that encourages the development of governance solutions based on values or advice instead of observations. Normative budgeting promotes what "ought to be" as opposed to what is (Rubin, 1990).

Normative budget theory in America dates back to the late 1800s and early 1900s, roughly coinciding with the public administration and Progressive movements. Debates over the expanding role of budgets during that time played out in the National Municipal League and the Bureaus of Municipal Research. A theory of government emerged from

these debates that sought to apply the practical advice of reformers to the ways budgets related to the state. As has been noted in previous sections, the reform that gained the most traction was the executive budget.

Calls for an executive budget echoed Wilson's earlier essays in a very specific way: reformers preferred European models of administration. Budget reforms were based largely on the financial authority given to empowered executives in systems found in Europe, particularly England, Germany, and Switzerland. This was in no way incidental. According to Rubin (1990):

“[Reformers] wanted a stronger, more independent executive, more like the Prime Minister in a parliamentary form of government, and less role for parties and party caucuses; generally they sought a smaller role for legislators. Their concern for the growth of government spending often led them to recommend that the legislature in general, and Congress in particular, give up the option of increasing executive-branch recommendations of the executive. These proposals led to debate on the role of the budget process in a democracy” (p. 179).

Normative budget theories captured the academic and reform movements' underlying objectives of the time and compressed those goals into a synchronized research agenda. The agenda centered on expanding, energizing, and empowering the executive; it encouraged the centralization of power, control, and accountability in the executive, and; it called for finding, planning for, and responding to unmet needs of the state. Information would be more readily available to the public through their use, and funding for current and future needs could be proactively addressed upon the reform's adoption (Rubin, 1990). The President now had the ability to make budget decisions, plan and formulate policy, and review proposals. Normative budget frames, at least in theory, would assist the executive in doing so.

Performance Budgeting

Budget reforms have largely been reactions to the realities of the era they were produced. In the case of early performance budgeting measures, the Great Depression and the expansion of government that followed greatly affected the reform movement. America enjoyed prosperity following the First World War. Confidence in business, the private sector, and a self-regulating economy was high. However, the stock market crash of 1929 forced federal policymakers to reconsider their faith in laissez-faire approaches to growth. The political response to the depression was slow. President Hoover maintained that government should use a “wait-it-out” approach and that government had no business engaging in private economic matters.

The severity and duration of the Great Depression was devastating, and different sectors of the American workforce dealt with it differently. In rural areas, farmers and others in the labor pool had already experienced hard times, better equipping them to survive difficult economic periods while waiting for conditions to improve. Factory and migrant workers in urban areas were not as prepared. With so many citizens affected as a result of the poor economy, public opinion began to shift. The days of glorifying the wonders of the private sector were gone. In their place came a call for an active government with the ability to plan and react more effectively. The practice of public budgeting provided the executive an arena to react to a concerned public as well as plan and respond to the needs of the nation.

Franklin Delano Roosevelt was elected in November 1932. In response to public demands, Roosevelt made good on his campaign pledge to actively engage the federal government in the affairs of the private sector. The first hundred days under the

Roosevelt Administration were used to create social insurance and work programs, as well as to regulate banks, financial markets, and the work place (Kelly & Rivenbark, 2003).

Late in Roosevelt's first term he appointed a committee composed of Louis Brownlow, Charles Merriam, and Luther Gulick to study the management of the executive branch. The Brownlow Committee Report was issued in 1937. The economic circumstances of the time, as well as the difficulty Roosevelt had persuading Congress to act alone or to join in his efforts towards reform, necessitated the report. It argued for the importance of accountability and for a strong executive. The report concluded that all agencies should be held accountable, and that accountability ought to rest in the executive branch. For following administrations, it set a standard of expertise and neutrality that would be copied by future presidential committees on administrative reform (Kelly & Rivenbark, 2003). Although the Brownlow Committee Report is now seen as one of the more significant documents in public administration, at the time Congress rejected all of the proposals it contained.

President Harry Truman appointed the Commission on Organization of the Executive Branch of the Government, more commonly referred to as the Hoover Commission, in 1947. In 1949, the Commission forwarded its findings to Congress in a series of nineteen separate reports. 273 recommendations were made, among them a call for centralized executive control and decentralized administrative discretion over managerial functions like budgets, accounting, and financial management (GAO, 1997; Kelly & Rivenbark, 2003).

The Hoover Commission continued the earlier Brownlow Committee theme of reorganizing the executive branch to create a clear line of executive authority. Two important ideas emerged from the combined efforts of the Brownlow Committee and the Hoover Commission. First, the Brownlow Committee Report called for a budget process that linked inputs to outputs. Second, the Hoover Commission focused on the departmental level, probed how resource allocation decisions were made, and began to articulate how a system to link inputs to outputs might work (Kelly & Rivenbark, 2003).

With nineteen separate reports and 273 recommendations in place, the Hoover Commission's report did a number of things. For example, it defined financial accountability more expansively and linked it to the management function, thus elevating the profession of budgeting from accounting to management. It also recommended that the government adopt private sector techniques in making allocation decisions. The most important of the recommendations, however, was the articulation of the general concept that would eventually be known as "performance budgeting" (Kelly & Rivenbark, 2003).

Performance budgeting was said to provide a system of accounting for results. It prioritized the crafting of plans designed to measure and report the performance of agencies and departments under the executives view. It also required the development of strategies to achieve desired results. Allocations would be made to activities and projects that were successful in these tasks, largely based on the volume of work and the cost of resources required by all programs in question. More than anything, performance budgeting sought to enhance the capabilities of the federal executive. The executive, argued the advocates of performance budgeting, would be better able to manage the budget function as a result (GAO, 1997; Kelly & Rivenbark, 2003). More than anything

though, performance budgeting was the first in a pattern of normative budget theories in that it was short-lived and replaced by the next version of normative ingenuity.

Planning-Programming-Budgeting System

The next iteration of budgeting was the planning-programming-budgeting system (PPBS), or program budgeting, introduced during the Kennedy Administration. The Department of Defense first implemented PPBS in 1961 under the guidance of Secretary Robert McNamara. By 1964, President Lyndon Johnson's Task Force on Governmental Reorganization had recommended a scientific approach to policy analysis. The goal of the approach was to apply operations research and economic theory to programmatic inputs and outputs (Kelly & Rivenbark, 2003; see also GAO, 1997). By 1965, program budgeting had been mandated for all federal agencies.

Under program budgeting, three areas of administrative and operational activities were required in order to carry out administrative, departmental, or agency objectives. The first activity was the construction of the program format, which identified each organization's objectives, the programs needed to meet them, and the program elements through which the operations were carried out. The second activity was systems analysis. Here, resource and cost implications or program alternatives, their expected outputs, and their potential accomplishments were estimated, examined, and compared. Finally, program budgeting required the statistical reporting of accounting information related to the activities of the organization (Novick, 1970).

Proponents of program budgeting argued it was superior to performance budgeting because performance budgets were simply a process to convert inputs to outputs. In contrast, program budgeting provided a formal, systematic method to

improve resource allocation decisions, offered substitutable alternatives evaluated on program objectives, and led to higher quality budgetary decisions (GAO, 1997; Kelly & Rivenbark, 2003; Novick, 1970). Proponents, however, failed to consider how expensive policy analysis would be for program budgeting in terms of time, talent, and money. To begin, it required large amounts of creativity to develop new policies and test them out. While it was possible to test new policies without actually implementing them, it was too expensive to do so. Systems then had to be created that would link program elements to one another and to operational indicators. Next, comparisons of cost and effectiveness were made. Finally, alternatives were compared. While the concept was embraced, the reality proved to be too much. The time, effort, and cost required of PPBS were eventually deemed too expensive to be considered effective (Wildavsky, 1969).

Management-By-Objectives

The term “management-by-objectives” was first used in Drucker’s (1954) *The Practice of Management* as an approach for higher management officials to set goals and objectives that are common to the whole organization. President Richard Nixon embraced the system, encouraging its use while in office. Nixon’s overt goal for budget reform was greater executive control over agency functions. By 1970, the Committee on Government Reorganization and Reform, as well as the Advisory Council on Governmental Organization, reflected the Nixon Administration’s desire for greater executive control. The Council’s report recommended reorganizing the Bureau of the Budget (BOB) into the Office of Management and Budget (OMB), expanding the OMB’s size and scope, and maintaining the bureau’s sensitivity to executive priorities by

increasing the number of appointed officials relative to career officials (see, e.g., GAO, 1997; Kelly & Rivenbark, 2003).

President Nixon preferred the management-by-objectives system for multiple reasons. First, Nixon was looking for ways to accomplish his presidential agenda and hoped that the new system would be preferential to his objectives. MBO, Nixon expected, would guide the federal budget to reflect his policy preferences. Second, the management-by-objectives system offered a way to align the government's activities with the executive's objectives. Finally, management-by-objectives addressed the perceived management problem in the federal government (Kelly & Rivenbark, 2003).

Operationally, management-by-objectives required all government "managers" to set specific objectives to be achieved and encouraged them to continually ask what more could be done, and subsequently revise their initial plan. Flaws in the MBO system eventually emerged. What was supposed to be a system that allowed for growth and discussion between superiors and subordinates eventually devolved into cases of bosses pressuring subordinates to produce results. Interpersonal skills were critical to the success of MBO, but many managers lacked those skills. Ultimately, the management-by-objective system was short-lived, marred by the hyper-politicized environment produced by the Nixon administration and reminiscent of previous normative framework failures.

Zero-Based Budgeting

The basic concepts of zero-based budgets (ZBB) had their roots first at Texas Instruments and later with Jimmy Carter while he served as governor in Georgia. As

president, Carter brought the system with him and implemented it at the federal level. The distinctive hallmark of ZBB was its focus on the total budget request.

Zero-based budgets were implemented as a way to prioritize among different programs and to increase accountability (Legislative Research Commission, 2001). They required three basic elements: the identification of “decision units,” the analysis of decision units and formulation of “decision packages,” and the ranking of objectives. Zero-based budgets did not regard current spending levels as predictive in the next budget cycle. Rather than making incremental adjustments to what had been done in the previous budget year, zero-based budgets forced agencies to examine their activities anew each year while considering new ways to deliver benefits at the least cost. Existing activities were not immune from detailed scrutiny and were examined along with proposed new activities (GAO, 1997; Kelly & Rivenbark, 2003; Taylor, 1977).

The key flaw to the zero-based budgeting system was its rejection of past budgets as guides for future ones. According to Wildavsky (1981):

“To say that a budgetary process is ahistorical is to conclude that it increases the sources of error while decreasing the chances of correcting mistakes. If history is to be abolished, nothing is settled. Old quarrels become new conflicts. Both calculation and conflict increase exponentially, the former worsening selection, and the latter, correction of error. As the number of independent variables grows, because the past is assumed not to limit the future, ability to control the future declines. As mistrust grows with conflict, willingness to admit and, hence, to correct error diminishes” (p. 144).

Zero-based budgets rejected the budgetary bases of the past, thus subjecting every budget item to new scrutiny each and every budget cycle. They employed a bottom-up approach, started with a base budget of zero, and calculated the costs of running each program from scratch. The main advantage to ZBB resided in the extensive review the system required of each program. The most principle disadvantage was the effort and

time requirements imposed on budget-makers. For these reasons, ZBB had a short lifespan at the federal level and was eventually replaced by the principles associated with the Reagan Administration's cutback budgeting framework.

Cutback Budgeting

Cutback budgeting was the preferred budgeting frame of the Ronald Reagan Administration, which viewed many aspects of government spending as wasteful. This view was reinforced by the findings of the President's Private Sector Survey on Cost Control, more commonly known as the Grace Commission. The commission was made up of private sector individuals, including the commission's head and namesake, J. Peter Grace. The Grace Commission Report was presented to Congress in 1984. It showed examples of inefficiency, compared government unfavorably to the private sector, and claimed that personal income taxes collected by the government were wasteful. Corresponding with these findings, the Grace Commission Report helped bolster the idea that government as a whole was wasteful, consequently legitimizing Reagan's position that a weaker public sector would strengthen the private sector (Grace Commission Report, 1984; Kelly & Rivenbark, 2003).

Cutback budgeting reflected the perception among many top-ranking federal politicians that resource scarcity made it necessary for the federal government to terminate programs. This view created a need to curtail the activity of programs and required agency officials to confront tradeoffs between new demands and old programs. Mandatory spending (i.e., transfer payments to individuals) was separated from discretionary spending (i.e., spending for programs or services), but cuts were targeted at discretionary spending. As a result, the budget office was required to focus on cost

savings, examining the base budget for potential cuts. Rather than expanding existing programs whenever new public problems arose, programs and their advocates were instead placed in competition with each other for existing resources (see, e.g., Behn, 1985; Kelly & Rivenbark, 2003; Levine, 1978).

Until Reagan, cuts to spending levels were not seriously considered. Although Reagan had some success with the program, cutback budgeting eventually succumbed to its inherent flaws. For instance, reducing the total size of the budget required ceaseless effort on the part of policymakers. Information on where to cut and the development of incentives to make the cuts worthwhile were all prerequisites for any departments being asked to contribute to total reduction. Coordination of programs became a priority. Administrative agencies faced with cuts often added to the costs of certain programmatic proposals in order to avoid subtracting from other proposals, and in many cases, other agencies (Wildavsky, 1983).

The concept of cutback budgeting was a priority for Reagan. Cuts to spending levels were a difficult challenge, but due to a shifting tone within the public, policymakers of all stripes began to embrace the idea of a reduced role of government. As a result, many Reagan era beliefs about the role of government carried on into subsequent regimes. Although the Clinton Administration eventually replaced cutback budgeting in the 1990s, ensuing efforts towards reform echoed various aspects of Reagan's earlier call for a streamlined federal government.

Performance-Based Budgeting

The administration of President Bill Clinton rested its assumptions of government on the same Reagan era beliefs that government was too big and spent too much. Instead

of carrying forward the cutback budgeting system, Clinton looked to the states and found an old idea that was new again. A popular book titled *Reinventing Government*, published in 1993 and written by David Osborne and Ted Gaebler, captured the Clinton Administration's attention and reintroduced into the federal government the concept of performance budgeting.

The goal of Osborne and Gaebler's *Reinventing Government* (1993) was to make the federal government a responsive, results-driven organization. The National Performance Review (NPR), a Clinton Administration interagency task force to reform and streamline federal government functions, reflected the themes of *Reinventing Government*. Spearheaded by Vice President Al Gore, the NPR proposed that government excess could be cut by putting idle employees to work and asserted that government needed to act more like a business – taking chances, focusing on customers, and eliminating cumbersome administrative routines (Kelly & Rivenbark, 2003).

Although originally intended to be an overall reform system, the NPR clearly had a budget component, calling for a more analytical focus. In 1993, the Government Performance and Results Act (GPRA) was passed with the aim of systematically holding federal agencies accountable for achieving programmatic results and called for a link between service accomplishments (inputs) and program funding (outputs) (Wildavsky & Caiden, 2004). Much of the focus in extracting better government was centered on the budget process. Efforts at the federal level called for putting performance measures into practice so that the citizenry could receive more and better service by government. For instance, government performance (outputs) would be measured by agencies and public servants; strategic planning would be required to openly establish agency mission, goals

and objectives, and; quantifiable data would be required providing meaningful information on program performance (see, e.g., Joyce, 1993; Kelly & Rivenbark, 2003; Willoughby & Melkers, 2000).

Like its predecessors, performance-based budgeting also had its share of problems. Issues of goal setting emerged: specifying results-oriented goals proved to be difficult, annual goals were difficult to relate to long-term goals, and many agencies had difficulties defining what their results-oriented goals should be. Measuring outcomes posed problems as well: competing demands such as cost, customer satisfaction, service quality, and other stakeholder concerns were difficult to quantify (Wildavsky & Caiden, 2004). These deficiencies, while numerous, were not enough to completely supplant performance-based budgeting at the federal level.

Conclusion

Although the concept of public budgeting is relatively new to America, the recent history of policy implementation, theory development, and the implications of both towards practice are robust. Among the sub-fields of public administration, public budgeting was there in the beginning, having had a long and enduring life with no end in sight soon. That most theories of public budgeting have been normative, however, is something that must be further considered.

Wildavsky (1974) acknowledged the inherent nature of budgets to be normative in the sense that all promoted some values over others. Swedlow (2001) summarized Wildavsky's points:

“Normative theories of budgeting are omnipresent rather than rare. One cannot budget without them, because the question of who gets to make allocative decisions has to be answered with some principle, and those allocations have to

serve some values. American budgeting is no different....Our normative theory is that budgets should reflect the preferences of ways of life in proportion to their political representatives' relative presence and power in our government institutions. Our constitutional democratic theory of budgeting is the Answer to V.O. Key's question: 'On what basis shall it be decided to allocate X dollars to activity A instead of activity B?'" (p. 350).

Wildavsky's recognition of the intrinsic value-based nature of modern budget theories – to the detriment of descriptive theories – is critical to our understanding of the normative nature of public budgets at all levels of government today. Beyond this acknowledgement is the implied view that normative theories are counterproductive to the development of theory and to the field of study. Most importantly, this view holds that in aggregate, the embrace of value-laden normative theories are also damaging to the advancement of the cause of more effective governance, especially at the federal level.

The concern here is not over the fact that most public budgets or public budget theories have elements of normative principles within. There is indeed a place for them, particularly at the local level. Instead, the concern rests in the idea that the normative budgets the field of public administration has embraced and promoted are idealistic in nature, naïve, and ill equipped to address budgeting at the federal level. More prominently, the problem is not even that public budgeting theorists are unaware of this issue; they are. Instead, the problem is that collectively, theorists and academicians ignore it instead of addressing it.

Another aspect of the failure of normative research agendas must also be addressed. As has been previously stated, there is an inherent nature of budgets to be normative in the sense that all promote some values over others. The critical flaw to the study of budgeting at the federal level is the foundational value among public administration academicians that the central tenant of the academy should be finding

ways of energizing and empowering the executive. This value was identified in the early graduate school writings of Wilson, was embraced by later generations of scholars, has been instilled in new generations of public administration students, and dominates the theoretical paradigm still today. Most importantly, the value choice of executive enhance is chosen over recognition and further understanding of constitutionally mandated political institutions.

This reality represents the most significant factor in understanding the perceived success or failure of public budgeting frameworks when applied at the federal level. History has shown the ease at which normative, executive enhancing budget theories, produced in the schools of public administration, have failed routinely. These efforts failed to shift the focus of the federal budget process from its longstanding concentration on the items of government spending to the results of its programs (GAO, 1997). To blame this on the changing of administrations is to oversimplify. Instead, failure of theory at the federal level is due in large part to mismatched frameworks developed in earlier times and in different settings. Budgeting for municipalities, even large ones like the city of New York, is much different than budgeting for an entire nation. Yet those systems were exactly the ones that were embraced by academia. The desire for accountability in the executive was too great, the want for universal principles too real. The belief that what worked in private settings and in smaller municipalities must also work for the national government was too central to the public budgeting's core values to overcome.

As a result, the field of public administration and its sub-field of public budgeting have been misguided in their development of theory. Devotion to mis-founded theory

has been detrimental to the growth and practice of more efficient and effective governance at the federal level as well. The use of normative, executive enhancing budget models in the appropriations process serves as an unfortunate case in point.

CHAPTER VII

FINDINGS

This research addresses ways in which public administration and budgeting scholars have approached the study of public budgeting. More precisely, it addresses the application of budgeting theory at the federal level and the theoretical movement that accompanies it. It does not concern itself with the mechanisms of the federal budget process, nor does it address the political institutions involved, but instead addresses the history, growth, and development of the academic fields of public administration and budgeting, the principles involved, and the resulting institutions and associated preferences.

No academic institution or field of study has been more susceptible to reform movements – or more influential in guiding the theoretical discourse concerning budgeting in the public realm – than public administration, and more specifically, its sub-field of public budgeting. Thus, this research reviews the theoretical growth of public administration and public budgeting and finds that, for the most part, federal level budget reforms have failed to achieve their stated objectives through the years.

In terms of understanding the successes and failures of public budget theories when applied at the federal level, the most important finding resulting from the research relates to the concept of path-dependency. Woodrow Wilson's early writings as a graduate student and his role as a scholar during the Progressive Era made him the

leading predecessor of American public administration theory and practice. His original values, ideas, and concepts, as applied to the study and practice of American administration, were some of the first to indicate the direction of the field and guide popular thought. Thus, understanding the institutional precedent established by Wilson for the study of public administration and budgeting is important if one wishes to understand each institution's historical development, their modern practice, and the path taken to get there. This research, while not comprehensive, describes the path Wilson set forth for each field and the resultant dependent principles that developed.

The Path Dependent Development of the Academic Sub-Field of Public Budgeting

The initial research question for this project asked, "To what degree have the intellectual foundations established by the early writings of Woodrow Wilson for the academic field of public administration influenced or impaired the development of theory and practice of public budgeting at the federal level of American government?" Based on the writings included in this analysis, the answer is, "Greatly." The foundations established by the early works of Wilson have greatly influenced the development of theory and practice, and they have greatly impaired its application at the federal level.

The previous sections detail ways in which public administration's founding and path dependency impacted the theoretical growth of its sub-field, public budgeting. Prior to outlining recommendations for a revised framework for thinking about public budgeting in relation to the federal appropriations process, it is important to reflect on the reasons why such a framework is required. The ideas presented in the findings are not new and are, perhaps, self-evident. Taken together, however, the ideas raise questions about the standard current thinking about the academic field of public budgeting's role in

federal budgeting. Collectively, these findings tell the story of how both public administration and budgeting were “mis-founded.” By doing so, the reasons for the failure of public budgeting theories at the federal level become clearer.

The early writings of Woodrow Wilson shaped the development of public administration in profound and unmatched ways.

To understand why American public administration and budgeting developed the way each did, serious consideration must be given to the ways Wilson developed as a scholar and thinker. Using the historical research framework, this research finds that the choices made by Wilson during his studies as a graduate student later impacted the development of public administration and budgeting. These choices contributed to how the institution was formed, how principles were initiated, and have had a continuing and largely determinate influence over subsequent principles far into the future.

To begin, British and German writers influenced Wilson throughout his time as a student. Due to this, Wilson developed an early interest in European parliamentary systems, centralized structures of control, and frameworks that empowered public sector executives. Later, while at Johns Hopkins University, Wilson studied under the guidance of Richard T. Ely and Herbert B. Adams, both of whom had recently completed doctoral programs in Europe. Together, Drs. Ely and Adams exposed Wilson to the concept of European public administration and to its potential in America. The application of European administrative norms naturally fitted Wilson’s views for what would best serve American governance.

Combined, Wilson’s interest in European scholars, his tutelage as a student under European-educated professors, and his preexisting preference towards parliamentary

systems further prejudiced his views against the legislative branch, especially when considering the effectiveness of American political institutions. It was these personally held views, as well as the academic views later developed in *Congressional Government* and “*The Study of Administration*,” that carried the most weight during the formative years of American public administration. As the academic institution embarked upon its path towards growth and development, Wilson’s influence was vast. An inertial tendency for those initial value choices rooted themselves deeply in the socially constructed reality of those within the discipline and persisted. Later, these same views disproportionately skewed the development of public budgeting as well.

Wilson the Administrative Scholar

Wilson published *Congressional Government* in 1885, in which his chief aim was to make clear the actual conditions of Congress in the late nineteenth century, fearing that the 1787 Constitution was the “form of government rather than the reality.” Three central themes surfaced. First, Wilson identified problems rooted in the legislative branch of government and argued that Congress had become too powerful, all to the detriment of American government, politics, and administration. Wilson was also concerned that Congress had emerged as the center of national power, eclipsing both the judiciary and executive branches, becoming the center of national authority in American government. Second, Wilson saw great flaws in the Congressional committee system, particularly standing committees, which he viewed as fiscally irresponsible and fundamentally undemocratic, yet still central to the determination of national policy. Third, Wilson was wary of congressional trust and accountability, fearing that the

legislative branch's dominance parceled out power too widely and confused responsibility.

“The Study of Administration” (1887) is best understood as a response to concerns Wilson raised about the legislative branch in Congressional Government. Central to Wilson's argument was the constitutional principle of separated powers as the foundation for the new academic study of public administration. On this foundation, Wilson placed five pillars central to the development of the field: the establishment of public administration as a self-aware field of study; the creation of the politics/administration dichotomy; the embrace of scientific modes of analysis; the view that public administration was a field of business, and the belief in the need for a trained and skilled civil service.

In the years after Congressional Government and “The Study of Administration” were published, Wilson developed a reputation as an administrative scholar. For the next nine years (1888-96), he served as a visiting part-time lecturer on administration at Johns Hopkins University. In those lectures, Wilson examined the comparative aspects of European political systems and described the existing instruments of administration.

Wilson's Importance to the Development of Public Administration and Budgeting

The contributions Wilson made as an academician to the development of public administration and budgeting also double as the primary causal forces that molded the field during its early growth. As a result, the importance of Wilson's early works to the development of public administration and budgeting is threefold.

First, the intellectual roots of public administration are found in the administrative philosophy Wilson developed during his years writing and lecturing. As a result, public

administration's origins can be said to reside in the things that contributed to Wilson's personal development and ideas. Among these items were his British and German intellectual heroes, his graduate studies at John Hopkins University, the university's two newly appointed graduate social science professors from the University of Heidelberg (Germany), and the comparative lectures likening European administrative concepts to those in America.

Second, Wilson's preferences for European parliamentary systems, centralized systems of control, and frameworks that empowered the administrative branch developed through his comparative studies. Wilson's goal was to better understand why public administration programs and techniques were adopted much sooner in Europe than in the United States, despite the many similarities of these countries. Believing that the American system was flawed without these attributes, Wilson began to make the case for their inclusion. His approach was clear. In *Congressional Government*, he pointed out the perceived flaws of legislative dominance; in "The Study of Administration," he charted a course towards an enhanced and empowered executive. In doing this, the seeds of the academic field of public administration were planted.

Third, Wilson's impact on the formation of public administration as a field of academic study and practice must be considered. For instance, public administration quickly grew to encompass principles such as management, organization, and leadership. These principles were all components of a larger effort to improve government, solve practical problems, and lessen the negative impacts of legislative dominance.

The growth and development of multiple movements overlapped and shared goals.

As Stivers' (1995) noted, Wilson's influence on the growth and development of public administration and budgeting was great, but not total. Coinciding with Wilson's early contributions was a collection of movements that captured diverse perspectives developed by likeminded reformers. Most prominent among these efforts was the Progressive movement. Correspondingly, the public administration academic movement and executive budget theoretical movement each had elements overlapping with Progressive reformers. All were ultimately aimed at facilitating improved governance.

The Progressive movement shared many of the same principles that the public administration movement embraced. Both looked to the private sector for best practices. Each embraced ideas such as non-partisan and efficient government administration, the separation of politics from administration, a trained civil service, and universal principles based in science. Likewise, a central tenant of the Progressive and public administration movements were the shared objective of empowering and enhancing the responsibilities of the executive, of which the executive budget movement provided a theoretical home.

The executive budget movement is reflected in the early efforts of the National Municipal League, the New York Bureau of Municipal Research, the Taft Commission on Economy and Efficiency, and the Budget and Accounting Act of 1921, the latter of which established the framework for today's federal budgeting mechanisms. The Budget and Accounting Act of 1921 codified significant changes to the appropriations process, established an executive budget at the federal level, and served as the foundation for what we now know as modern budgeting

Overall, the legacy of the public administration, Progressive, and executive budget movements is mixed. For instance, the establishment of a Civil Service system early in the reform era provided a means for more businesslike government. Because businesslike practices were encouraged in the public sector, machinelike efficiency became ideal. Even though the business sector was looked to for guidance, the business model still came up short. Complex organizations with complicated systems needed more than mere efficiency measures to guide their development. The business model, while beneficial to practice in some circumstances, could not be universally applied.

The idea of a public budget is a relatively new concept in America.

The idea of a public budget is a relatively new concept in America and the academic institution that serves it is young as well. A system for national budgeting did not exist during the colonial period. It was not until the early nineteenth century that serious thought was given to the budgeting process in America. The New York Bureau of Municipal Research played an important role in the development of new budget systems and the “good government” movement after the turn of the century. The bureau was nonpartisan, independent, committed to scientific methods of administration, patterned after the private sector, and focused on efficiency and economy. The promises of science, a planned and managed society, a positive government, the absence of politics, educated citizens, business values, and an empowered and energized executive inspired those within the bureau.

By the last decade of the nineteenth century, public budgeting was still seen simply as a valuation of receipts and expenditures, a public balance sheet, or a legislative act establishing and authorizing certain kinds and amount of expenditures. The efforts of

the Bureaus for Municipal Research during the Progressive era set out to change this. They were assisted by an emerging academic field of public administration that provided a new discipline to teach students interested in administering public services, especially new ideas of what budgets ought to accomplish. Via this partnership, the bureaus planted the seeds of new principles for training in public administration.

The seeds planted by public administration academicians and Bureau practitioners soon matured into the concepts that were embraced by national reformers. These concepts, devised and developed at the local level, were seen as fit for the federal government. The Taft Commission on Economy and Efficiency was initiated to incorporate the lessons of municipal reformers at the federal level. The Commission's recommendations later became the foundation for the Budget and Accounting Act of 1921, which established an executive budget at the national level in the United States and became the foundation for present day budgeting at the federal level.

The Budget and Accounting Act represented landmark legislation that established the framework of today's federal budgeting mechanisms. It represented the culmination of earlier works completed by the National Municipal League, the New York Bureau of Municipal Research, and The Taft Commission; it echoed the guidance of the Progressive Movement, the public administration movement, and the broad tone of reform present at the time; and it established a more centralized approach to federal budgeting by establishing formally the executive budget.

While the budget concept is relatively new in America, its wide acceptance among academicians and practitioners has accelerated its growth and development as a field. Theories are widely available, having come and gone rapidly over the past nine

decades. Reformers preaching the merits of executive control, accountability, financial planning, and management have won the day among their academic peers. In so doing, advocates speaking on the merits of constitutional order, separation of powers, and legislative obligations have suffered, their voices minimized in a competitive theoretical environment.

Normative budget models have been embraced by the academic community and promoted at all levels of government, but have failed at the federal level repeatedly.

The public administration movement was in large part a response to the perceived inadequacies of the nation's founders and the principles they established for the nation at the Constitutional Convention. By the time the late eighteenth hundreds had progressed into the early nineteenth hundreds, the idea of what government was and what it was expected to achieve had changed. The constitutional system for achieving these revised ends, however, remained the same. As a result, political scientists and public administration scholars both advanced the view that political institutions, administrative systems, and budget methods needed to change in order to advance forward.

An outcome of the principles outlined by Wilson in his early works, the growth and development of public administration as an academic discipline, and the Progressive and executive budget reform movements was the idea that public budgeting could be used to initiate system-wide change across the federal government's institutions. Theory needed to be advanced, however, to capitalize on the opportunity. Rubin (1990) identified two types of budget theory that emerged. Normative budget theory refers to a type of budgeting that encourages the development of governance solutions based on values (advice) instead of observations. Normative budgeting promotes what "ought to

be” as opposed to what is. Descriptive budget theory, in contrast, is based on close observations of trends, sequences of events, and public sector activities.

The reform that gained the most traction was the executive budget. Based on the normative belief among reformers that an empowered executive was needed, the reform echoed Wilson’s earlier essays in that it was largely based on the financial authority given to an empowered executive in systems found in Europe. Theory was developed to reflect this view. The program that emerged from the public administration movement centered on the need for the executive to be able to formulate policy and review proposals. Budget formats would be central to the executive’s ability to do either.

Normative Budget Frames at the Federal Level

Normative budget theories were formulated and advocated at all levels of American government throughout the twentieth century. Their success, however, has been questionable. Performance budgeting, implemented based on the recommendation of the Hoover Commission in 1949, recommended the government adopt private sector techniques in making allocation decisions. Performance budgeting was said to provide a system of accounting for results. Allocations could be made to activities and projects based on the volume of work and the cost of resources. The executive, argued the Commission, would be better able to managerially control the budget function as a result. Other normative based, executive enhancing budget have come and gone at the federal level. Among them were the Kennedy and Johnson Administration’s planning-programming-budgeting systems (PPBS), the Nixon Administration’s management-by-objectives (MBO), the Carter Administration’s zero-based budgeting (ZBB), the Reagan

Administration's cutback budgeting, and the Clinton Administration's performance-based budgeting (PBB).

Not all academicians within the fields of public administration and budgeting have been convinced of the effectiveness of normative budget models. The most prominent detractor was Wildavsky. Wildavsky acknowledged the inherent nature of budgets to be normative in the sense that all promoted some values over others. But he also concluded that "a normative theory of budgeting...is utopian in the fullest sense of the word; its accomplishment and acceptance would mean the end of conflict over the government's role in society" (1961, p. 184). Considering this, the failure of public administration to come up with a theory that effectively fits within the federal framework is troubling, so much so that one has to ask whether normative budget theories are best served by executive budgeting models. In addition, the lack of success of normative budget frameworks at the federal level would seem to indicate that factors beyond politics are at play. In other words, if a framework was seen as highly effective, it would surely endure from administration to administration. This has not been the case, however, and other factors must be considered.

The United States Constitution has guided theory development sparingly within the fields of public administration and budgeting.

The finding that is perhaps most central to understanding why federal budgeting frameworks typically struggle to be effective when deployed within the federal bureaucracy centers on the idea that public administration focused too heavily on principle development and not enough on adherence to constitutional parameters. Echoing Wilson, early public administration and budgeting academicians valued the goal

of executive empowerment. While established to achieve better, more ideal and efficient governance, this value also set forth over a century's worth of principle and theory development in the name of that cause. Left unaddressed was the interplay between public administration values and the constitutional principles that the federal government was legally bound to. As principles were being developed around the concept of executive accountability, principle development among public administration academicians based on the Constitution was sparse at best and systematically disincentivized.

The academic fields of public administration and public budgeting have legitimacy problems.

Like the idea of budgeting, public administration in America, both as a movement and as an academic field, is a relatively new and applied discipline. A popular approach to teaching public administration theory is to trace its development over time, putting different theories in their historical context. The historical research framework, as well as the associated ideas behind the framework, has been used routinely to illustrate the reasons behind the socially constructed realities within the study of administration. The field/institution of public administration may be explained as a series of ideas, each representing a step towards a complete theory of public administration. The standard term for describing this argument is "path dependency," meaning that when an institution embarks upon a path there is an inertial tendency for those initial value choices to persist. Choices made when an institution was being formed, or when principles were being initiated, have a continuing and largely determinate influence over subsequent principles

far into the future. As ideas have accumulated over time, they have helped build a sizeable reservoir of knowledge.

The study and development of American public administration is still a new phenomenon, only scarcely more than a century old. The field constantly adapts its theory and practice to the changing nature of socio-political and economic conditions and their effects on the operations of government. As a result, public administration as a field of study is not easy to classify. To better understand the field, it is important to discuss the theories and doctrines from the viewpoint of their impact on the development of the field, the rhetoric that justified their acceptance by the public, and the factors that shaped them over time (Holzer & Gabriellian, 2003). This research attempts to address this need for the academic sub-field of public budgeting.

Both public administration and public budgeting's developmental paths have been largely dependent on the academic institutions they call home. Within these institutions, theory leaders have had an uneven influence on paradigm development within the academy. In the case of public administration and budgeting, these paradigms have also had an impact on political systems and policy outcomes. As a result, it should be concerning to all the degree to which public administration and budgeting's paradigms influence the overall governance of the nation for a single, simple reason: the academic field of public administration has a well-documented and deserved legitimacy problem. This "identity crisis," as Waldo (1948) labeled it, triggered a search for answers, forcing academicians and practitioners to reflect upon key issues involving the evolution of the field. The idea was given a boost among scholars who were dissatisfied with previously dominant approaches identified and developed by the field. This line of argumentation is

in line with criticisms found in discussions on standard views of power, which concern decision-making or decisions to keep issues from appearing in scholarly networks.

Conclusion

This research is intended to expand on what is known of public administration and budgeting's intellectual foundations by offering a path-dependent argument. Because of this, it would fit this research's view that the principles that matter the most in understanding the theoretical paradigm in question would be those that have influenced systematic aspects of the academic field of public administration and budgeting. The type of progress made, the devotion given to a set of particular values over others, and the lack of progress achieved through theory concerning federal appropriations has been due chiefly to how public administration and budgeting academicians typically engaged in scientific inquiry over the years.

Administrative and budgeting theories today are products of yesterday, each involving beliefs, practices, interests, and values that evolved over time. Understanding this, the causal implications of the development of the field as well as the influences that led to the field being founded in the way that it was must be considered. Doing this sheds light on the reasons why some theories and practices work at certain levels of governance while others do not. Thus, the choices that are made as institutions are being formed have continuing and largely determinate influence over principles far into the future. In this case, the "institution" in question is the academic field of public administration, and more specifically, the sub-field of public budgeting.

Based on previous sections, a descriptive model can be formulated using the discoveries and conclusions discussed within this research's findings. The model is

dependent upon the path taken by the academic institutions of public administration and budgeting. For instance, the first finding describes Wilson's European influences during his academic development; subsequently describes those influences' effect on Wilson's writing of Congressional Government and "The Study of Administration," and; ultimately outlines those documents' effect on the establishment of precedents and principles developed during public administration's early period of growth. From here the role of movements (finding two) is examined. The Progressive, public administration, and executive budgeting movements overlapped both in terms of when they occurred and the values they advocated as well. Each mutually reinforced the next and contributed to the frame with which public administration and budgeting advanced, faulty or not. Budgeting in America further developed during this period as well (finding three). The executive budget became widely accepted at local levels and was applied at the federal level at the behest of federal commissions and legislation. Normative budgeting models followed (finding four), developed in the schools of public administration and applied at all levels of government to varying degrees of success. Culminating from these early period benchmarks was the accepted doctrine of executive enhancement in the name of "better" public administration (finding five). Left unaddressed was the interplay between public administration values and the constitutional principles that the federal government was legally bound to. Finally, questions of legitimacy arose within in the field and persist today, hampering the prestige and trustworthiness of the academic institutions that house budget principles, theories, and values (finding six). Accordingly, the following model can be applied explaining public administration and budgeting's path dependency:

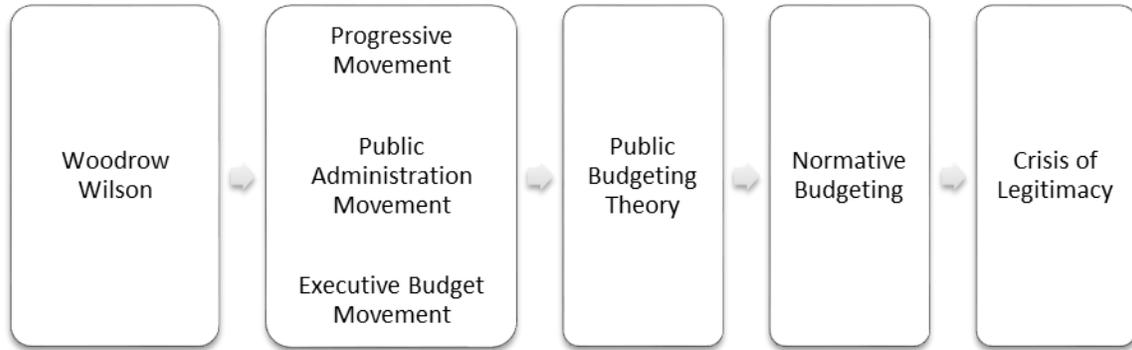


Figure 1 Public Administration and Budgeting's Path Dependent Development

While this research elaborates on the inadequacies and uncertainties of public administration principles and budgeting theory, it is in no way intended to be comprehensive, nor does it make predictions about either academic field's future. It analyzes the characteristics that have led to many of the fields most prominent discoveries, and in doing so also asks if the path taken was the best for the sustainability of the academic field's future. Based on the above findings, the answer is no. In response to this finding, five recommendations are offered to guide future research within the academic institution.

CHAPTER VIII

RECOMMENDATIONS

Implications and Recommendations for Future Research

The preceding sections have laid the groundwork for recommendations to be made concerning future research. This research initially asked to what degree the intellectual foundations of the academic field of public administration influenced or impaired the development of theory and practice of public budgeting at the federal level of American government. Based on the previous section's findings, one can conclude that the growth and development of public administration both influenced and impaired public budgeting a great deal. In response to this finding, the following implications for future research are made.

The academic study of public budgeting at the federal level of government, as well as associated theory development and practitioner training, should be oriented to exist within parameters set forth by the U.S. Constitution.

The United States Constitution is the supreme law of the land, having endured as the nation's sacred text for over two centuries. At its most basic, it is our nation's charter, representing the decision to create a government. It delineates the national frame of government and the fundamental rules by which governmental power is organized and limited, thus creating the legal basis for the nation's political institutions. It is the foundation for the rule of law, the emblem of our unity, and the "connective tissue" that

binds the structure, substance, and ethos of the American system together (Ackerman, 1991). It also places the responsibility of budgeting for the nation in the legislative branch of government, directly setting forth a framework for federal spending that is at the foundation of American constitutional order.

The study of federal budgeting must be considered within the context of the U.S. Constitution, its framework, and the complicated relationships produced by the political institutions therein. This raises a unique problem for academicians engaged in public budget theory development, however, as this “golden rule” has historically not been accepted as true. Instead, scholars have placed priority status to considerations such as planning and goal setting, accountability promotion, the decision making process, bottom-up versus top-down processes, and efficiency and effectiveness, among other items. Even worse, failed systems with executive enhancing tendencies are tried and tried again, only to eventually fail. Performance budgeting, PPBS, management-by-objectives, zero-based budgeting, cutback budgeting, and performance-based budgeting have all had their moment in the academic spotlight merely to be replaced by the next great idea.

In order for an alternative view to emerge inside schools of administration, a new theory that embraces constitutionalism must be accepted within the academic field of public administration and the sub-field of public budgeting. To insure the sustained success of this new framework, scholars and practitioners must give special attention to new priorities within the field of study, including but not limited to the Appropriations Clause of the U.S. Constitution, the doctrine of separated powers, the concept of limited government, the Principle of the Public Fisc, and the Principle of Appropriations Control.

The academic study of public budgeting at the federal level, as well as associated theory development and practitioner training, should embrace the use of critical theory, constitutional theory, and institutional theory to reframe the academic field, as well as descriptive methods to depict the actual practice.

Three theories seem to have potential for the growth and development of public budget theory at the federal level: critical theory, institutional theory, and constitutional theory.

Critical Theory

The academic fields of public administration and budgeting are capable and responsible for questioning their own basic theoretical questions and methods. In doing so, and based upon their conclusions, an established way of knowing can be verified or an alternative way newly developed. Because no consensus exists regarding what the ontological framework for public administration should be, a need persists among scholars and practitioners to reflect on what ontology best fits their experiences, beliefs, and hopes for the future. The critical perspective provides a framework for addressing these ontological choices.

A critical approach to public administration and budgeting would emphasize the conditions of power and dependence within the academy that characterize contemporary public budgeting praxis. Such an approach would allow us to rethink issues relevant to the field and would permit a more dynamic understanding of the power relations that are present. A critical approach would also overlap nicely with “new institutionalism” values in that both wish to make a statement on the perceived failings of what became the conventional wisdom of political science, or in this case, public administration and budgeting. For new institutionalists, the critical perspective provides an approach for

better uncovering the perceived failings within the conventional wisdom of academic disciplines.

There is a special need for academicians of public administration and budgeting to critique, challenge, and potentially change society as a whole. A productive way to begin this process within the discipline would be to apply critical methods to federal budgeting in an effort to understand and explain the process further. The critical method can be used broadly and inclusively, and has the built-in ability to work in concert with other methods and theories, including but not limited to constitutional theory, institutionalism/new institutionalism, and/or descriptive methods.

Constitutional Theory

Constitutional theory, or constitutionalism, is based upon the basic distinction that some states are constitutional regimes while others are not. For those that are, as is the United States, a set of rules effectively restrains the exercise of government power.

According to Vile (1967):

“‘Constitutionalism’ consists in the advocacy of certain types of institutional arrangement, on the grounds that certain ends will be achieved in this way, and there is therefore introduced into the discussion a normative element; but it is a normative element based upon the belief that there are certain demonstrable relationships between given types of institutional arrangement and the safeguarding of important values” (p. 8).

For the purpose of this research, the normative element that Vile speaks of resides in the choices made by the nation’s founders regarding the institutional arrangement and relationship between the separated branches of government, the concept of limited government, and the Appropriations Clause and its associated principles. This normative element is the same one that public administration and budgeting academicians have

chosen to ignore since in the early days of praxis development. For instance, instead of developing a theory of budgeting that addressed the realities of the federal appropriations process, as it existed in the legislative branch resultant to rule of law, reform theorists looked to substitute accountability by way of the executive in its place. All of the scientific methods and business practices in the world could be applied, but the result would still be the same. As long as theory looks to ignore the legislature at the expense of the executive, the best efforts will be misplaced, leading to similar results and repeated failure.

Important, complicated questions arise once a constitutional perspective is applied to the study of public administration and budgeting. How can a government be limited legally if law is the creation of government? Is it possible for government to be ‘self-limiting’? Are constitutional limits permanent, or may they be changed? Can obligations such as establishing a budget and appropriating funds be transferred, overtaken, or conceded, or are these responsibilities entrenched? What is the role of public administration in guiding this process? Should public administration and budgeting assign a priori normative values to the federal budget process, or should each institution’s role be limited to descriptive and oversight responsibilities? How, in the end, one answers these questions depends on how one conceives the nature, identity, and authority of constitutions, and likewise, the nature, identity, and authority of academic institutions. Constitutionalism is where questions such as these and others like them have been asked since the days of Hobbes and Locke. Now the question is whether or not the academic fields of public administration and budgeting are the proper places for new generations of thinkers to do the same.

Institutional Theory

Of critical importance to the sustainability and success of public administration and budgeting is a rededication to institutional thinking. Thus, understanding the institutional precedent established by Wilson for the study of public administration and budgeting is important if one wishes to understand their historical development, their modern practice, and the path taken to get there. In other words, institutions may be understood as existing within socially constructed realities, and Wilson's values factored greatly into developing public administration and budgeting's realities.

The concepts of "order" and "appropriateness" are important as well. Appropriateness is influenced by laws, constitutions, and other authenticated expressions of collective preferences. Order refers to the bounded social constructs of rules, roles, norms, and the expectations that constrain individual and group choice behavior. Until the question of whether public administration and budgeting's institutional framing is appropriate for the study of federal budgeting has been answered, the question of whether normative, executive laden theories are appropriate at the federal level shouldn't be addressed. Likewise, until the discipline's concept of order is again reevaluated, the environment for questioning appropriateness won't be available.

A better understanding needs to be developed within the academic fields of public administration and budgeting that concerns the doctrine of separated powers in relation to budgeting federal dollars.

The Constitution creates three separate branches of the national government, each with distinct powers and responsibilities. The legislative branch consists of a bicameral Congress, the higher house being the Senate and the lower being Congress. The executive branch is comprised of the presidency and the federal agencies and departments

that make up the national bureaucracy. The judicial branch consists of the Supreme Court and other federal courts.

The doctrine of separated powers gives each branch of government the constitutional means to resist the potential intrusions of another. Broadly defined, the separation of powers refers to “the constitutional distribution of national powers among three departments, each of which is given constitutional and political independence from the other two branches...It is this constitutional and political independence of the three branches, not just the distribution of functions, that is the central feature of our system” (Peltason, 1991, p. 23).

Congress’ power to appropriate originates in Article I, Section 8 of the Constitution, which enumerates the many powers of the legislative branch. The power to tax and spend, for instance, is found in the Taxing and Spending Clause, which states, “The Congress shall have Power To lay and collect Taxes, Duties, Imposts and Excises, to pay the Debts and provide for a common Defence and general Welfare of the United States...”

Unlike the Taxing and Spending Clause, which is a grant of power, the Appropriations Clause, found in Article I, Section 9, Clause 7, is not. Instead, it affirmatively obligates Congress to exercise a power already in its possession – that of appropriating funds (Stith, 1988). Thus the Appropriations Clause states, “No Money shall be drawn from the Treasury, but in Consequence of Appropriations made by Law; and a regular Statement and Account of the Receipts and Expenditures of all public Money shall be published from time to time.”

The framers of the Constitution were clear of the importance the budgetary process would have in the new nation. The doctrine of separated powers was established, at least in part, to insure that the obligations designated to the respective branches would be upheld. Reminded of the “taxation without representation” they had suffered as colonists under British rule, the framers were careful to specify in the Constitution that the responsibility of budgeting would rest in the hands of those elected officials closest to the people. The legislative branch and not the executive branch would have the power to tax and spend. The academic fields of public administration and budgeting need to acknowledge and respect this value choice made by the Founders, and in doing so, assess whether their own institutional value choices align with those of the nation’s Founders.

A better understanding needs to be developed within the academic fields of public administration and budgeting concerning the role of the Appropriations Clause in budgeting federal dollars.

In the federal government of the United States, the power of the purse is vested in the Congress as established by the United States Constitution, Article I, Section 9, Clause 7 (the Appropriations Clause). The Appropriations Clause gives Congress the power to exercise legislative control over federal expenditures through appropriations statutes. In doing so, the Appropriations Clause places an obligation and duty on Congress to control federal expenditures.

Predictably, problems have arisen with the federal appropriations process over time. For instance, although the Appropriations Clause obligates the legislative branch to appropriate funds for the activities of the executive branch, the executive has historically pushed back by obligating funds to agencies in amounts different than ones assigned by Congress. In order to address this issue, Congress’ understanding of the constitutional

significance of legislative appropriations shifted, creating a system that uses two types of legislation to appropriate and define the character and scope of the nation's activities: particular appropriations statutes/or/legislation creating spending authority, and framework statutes. Both are used as a way to ensure that the executive does not have access to the public fisc without effective appropriations control.

The importance of the role of appropriations statutes lie in the power they place in the legislative branch to exercise legislative control over federal expenditures through the appropriation of funds. Framework statutes, in contrast, are general statutes that (1) do not themselves grant spending authority, but instead, (2) establish broadly applicable and usually process-oriented standards and rules, (3) provide the operational and definitional framework for the enactment and expenditure of appropriations, and (4) govern both the legislative appropriations process and the expenditure process within federal agencies (Stith, 1988) (p. 1363). Historically, framework statutes addressed a chronic problem Congress faced throughout the 19th century: "...ensuring that executive agencies did not obligate the public fisc except in the amounts appropriated by Congress" (Stith, 1988, p. 1364). Framework statutes were necessary then and are necessary today for appropriations acts and other spending provisions to be properly interpreted or applied.

Framework statutes play an important role in the appropriation of government funds and help to define the character, extent, and scope of authorized activities. They govern both the legislative appropriations process and the expenditure process within federal agencies. They do not themselves grant spending authority, but they do establish broadly applicable standards and rules and provide the operational and definitional framework for the enactment and expenditure of appropriations (Stith, 1988).

Two framework statutes are particularly important to the appropriations process in Congress. The first is the Miscellaneous Receipts statute, which articulates the Principle of the Public Fisc; the second is the Anti-Deficiency Act, which articulates the Principle of Appropriations Control. Both “assist Congress' historical understanding and application of the appropriations requirement” (Stith, 1988, p. 1364).

The Miscellaneous Receipts Statute and the Principle of the Public Fisc

The Miscellaneous Receipts Statute was established by the Act of March 3, 1849, which provided that all funds “received from customs, from the sales of public lands, and from all miscellaneous sources, for the use of the United States, shall be paid into the treasury of the United States...” (found in Stith, 1988, p. 1364-65). The Miscellaneous Receipts Statute is now codified in section 3302 of title 31 of the United States Code (‘Money and Finance’).

The Miscellaneous Receipts Statute articulates and enforces the Principle of the Public Fisc. The statute designates that the public fisc is comprised of all funds received for the use of the nation or for its government. Accordingly, public funds (1) are subject to public control and accountability, (2) can be received or obtained from a variety of sources, and (3) can be in the form of cash, intangible property, or physical assets. The statute also establishes general requirements for officials or agents who receive money on behalf of the United States government. As a result, public funds must be claimed as public revenues, deposited into the Treasury, and are subject to public control through constitutional processes (Stith, 1988).

The Anti-Deficiency Act and the Principle of Appropriations Control

Two earlier federal statutes preceded the Anti-Deficiency Act of 1905. The Act of May 1, 1820 first established the prohibition of expenditures in excess of appropriations. Fifty years later, the Act of July 12, 1870 broadened the prohibition of expenditures to all federal agencies. The Anti-Deficiency Act of 1905 reenacted the 1870 act, made it unlawful for any federal agency to spend in excess of appropriations made by Congress, and added criminal penalties as the primary prohibition. The Act was largely a response to federal agencies forcing deficiencies on their budgets, thereby circumventing the amount of limitations established by the legislative branch through appropriations legislation (Stith, 1988).

The Anti-Deficiency Act articulates and enforces the Principle of Appropriations Control. Unlike the Miscellaneous Receipts Statute and corresponding Principle of the Public Fisc, which defines all federal receipts and states the role of the Treasury, the Anti-Deficiency Act and Principle of Appropriations Control defines all federal expenditures and prohibits expenditure of any public funds without legislative authorization. The Act forbids all expenditures from the Treasury beyond the amounts appropriated, thus prohibiting federal agencies from obligating federal funds beyond the amounts appropriated, even when unauthorized expenditures do not require supplemental appropriations (Stith, 1988). By ensuring that all expenditures from the Treasury be made pursuant to a constitutional appropriation, the Anti-Deficiency Act supports Congress' power of the purse and acts as another safeguard against the executive and any efforts to undermine Congress's role via unauthorized obligations (Stith, 1988).

Implications

Taken together, the Appropriations Clause and the governing principles of the Public Fisc and Appropriations Control impose powerful obligations on the legislative branch and limitations on the executive. For instance, it is the obligation of the legislative branch to exercise control over federal expenditures, to determine the appropriate levels of funding for diverse government activities, and to periodically review where and what government funds are being used for. Failure to do so would be an abdication of responsibility. If this were to occur, Congress would be in violation of the Appropriations Clause by failing to exercise control over federal expenditures, thus allowing the executive to define the scope and character of governmental activities and consequently the nation's priorities.

It is a structural imperative of the Constitution that Congress exercises its power of the purse. The appropriations requirement is “not only a condition precedent to executive branch action, but also a condition subsequent to general legislative directives” (Stith, 1988, p. 1350). Consequently, it is the role of Congress to identify the tasks of government and affirmatively authorized the funds to do the job.

The Appropriations Clause and two governing principles of the Public Fisc and Appropriations Control impose powerful limitations on the executive branch of government. The first limitation addresses the issue of “unauthorized funds,” or spending by the executive made with private or other non-governmental funds. Even where unauthorized spending by the Executive would impose no additional obligation on the Treasury, the Constitution prohibits such spending unless authorized by Congress. In

other words, agencies and officials of the federal government may not spend funds from any source, private or public, unless legislatively permitted to do so.

The second limitation on the executive branch is Congress's ability to place conditions on the use of funds authorized to be spent. The requirement that the legislative branch have authority over the entities and activities of the federal government is a source of congressional authority over the executive branch.

The obligations assigned to the legislative branch by the Constitution via the Appropriations Clause empower legislators to set forth comprehensive federal policy and priorities. The academic fields of public administration and budgeting would better serve the practice of federal budgeting if each shifted their attention away from normative theoretical development and towards descriptive methods. More attention needs to be given to the doctrine of separated powers, the Appropriations Clause, the Principle of the Public Fisc and the Principle of Appropriations Control. Doing so would shift the disciplines focus from the executive branch, which has no constitutional obligation or authority to appropriate funds or budget, to the legislative branch where the power of the purse resides.

A better understanding needs to be developed within public administration and public budgeting that concerns the concept of limited government in the budgeting of federal dollars.

The concept of limited government must also be noted. The popular modern conceptualization of this idea seems to revolve solely around the size of government, with proponents of "limited government" arguing that a smaller government – agency size, number of departments or programs, levels of funding – is a better one. This idea,

however, is not what the concept of limited government refers to as addressed by the nation's founders.

Instead, the concept refers to the scope and reach of the powers associated with each of the federal government's three branches. Stith (1988) clarifies by explaining that the concept of a limited federal government "does not mean that the size of the federal government must be small or that Congress and the executive must limit their exercise of constitutional power; it means, more fundamentally, the federal government is a defined set of activities constituting a subset of all activities within the polity" (p. 1347).

According to Vile (1967):

"... each branch was given the power to exercise a degree of direct control over the others by authorizing it to play a part, although only a limited part, in the exercise of the other's functions. Thus the executive branch was given a veto power over legislation, or the legislative branch was given the power of impeachment. The important point is that this power to 'interfere' was only a limited one, so that's the basic idea of a division of functions remained, modified by the view that each of the branches could exercise some authority in the field of all three functions. This is the amalgam of the doctrine of the separation of powers with the period of checks and balances which formed the basis of the United States Constitution" (p. 18).

The concept of limited government is important for academicians of public administration and budgeting because of the potential shift in values it implies if applied to the field. Since the days of public administration's founding, the value that was overwhelmingly accepted was executive aggrandizement through academic principle development. This value was pursued without attention to the nation's Constitution. Instead, normative beliefs concerning what government could be instead of what it is were embraced. Efficiency, business practices, and scientific principles were all embraced; the clutter and messiness of real government were not only passed over, but also shamed in the form of legislative unaccountability. The concept of limited

government establishes in part the rules for federal governance, and in doing so embraces the deliberative messiness inherent to democracy.

CHAPTER IX

CONCLUSION

An opportunity exists for the study of public budgeting, especially as it applied at the federal level. Because theory development in public administration has been largely dependent on executive budgeting models, the success of theory application has been mixed. In terms of practice, executive budgets have had great success in the private sector, where accountability commonly rests in the hands of a few. Executive budgets have also fared well in local governments, where – depending on the municipal structure – accountability rests in a mayoral executive. Likewise, the academic institution of public budgeting has done well when developing theory and practices for municipal, regional, or state level budgeting. The effectiveness of such models has been brought into question, however, when applied at the federal level.

Herein resides the opportunity. While the dominant academic culture within public administration and budgeting supports executive budget models, the value and usefulness of this preference for each of these academic institutions has been questionable at best. Thus, opportunity is available for those willing to re-approach and question theory, and perhaps replace it with a new devotion to descriptive methods. Doing so would shift the focus of the field from theory development to oversight and critique.

This research values the institutional parameters placed on federal governance as established within the Constitution of the United States. The Constitution places the responsibility of budgeting for the nation in the legislative branch of government. Article I, Section 9, Clause 7, commonly referred to as the Appropriations Clause, stipulates that “No Money shall be drawn from the Treasury, but in Consequence of Appropriations made by Law; and a regular Statement and Account of the Receipts and Expenditures of all public Money shall be published from time to time.” This “power of the purse” sets forth the framework for federal spending, is the source of Congress’ power to spend, is at the foundation of American constitutional order, and assigns to Congress the role of final arbiter of the use of public funds. In other words, it places the obligation and responsibility of budgeting in the legislative branch.

In doing so, the importance of the legislative branch is equal to the importance of the executive branch in relation to the efficiency, effectiveness, and success of federal governance. In appropriating funds, legislators do much more than simply set aside particular amounts of money; they reflect the personality and priorities of the nation and define the character, extent, and scope of authorized activities. The process represents the normative arena in which questions of “what ought to be” are debated. It is the most important power of Congress and is usually the most important political process of any year.

With this in mind, the opportunity is there for those scholars of public administration and budgeting willing to consider public budgeting at the federal level within the legislative branch of government. While the academic field of public administration has a wealth of research dedicated to reforming the theory and practice of

public budgeting, no sustained research has been completed that addresses the constitutional function and significance of Congress' power of the purse on public administration or, more directly, the sub-field of public budgeting. If this were to happen, the study of public administration and budgeting would benefit, the scope of what each is tasked with would broaden, and the potential for new theory, practices, and roles would emerge.

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