

Data Codebook:

“Politics Can Limit Policy Opportunism in Fiscal Institutions”

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State: Listing of state name.

State_Code: State Number of observation (Cross-Sectional Identifier)

Fiscalyear: FY of observation (Time Series Identifier)

Yearcounter: Linear trend that equals “1” in FY 1987 and increases by increments of “1” for each year thereafter

Lb: Legislative forecasting structure dummy. Coded 1 if the legislature decides upon the official forecast, 0 otherwise. Note that the executive branch makes forecasts in these states, but the legislature decides upon the final numbers. For example, the governor’s budget office and the legislative fiscal office may both make forecasts, but the legislature either picks between the two or selects a different number. (Source: phone interviews with fiscal officers in the 50 states, plus enacting statutes when applicable)

Eb: Executive forecasting structure dummy. Coded 1 if an executive branch official (the governor, except in Texas where the Comptroller makes the forecast) controls/makes the official forecast, 0 otherwise. (Source: phone interviews with fiscal officers in the 50 states, plus enacting statutes when applicable)

Ebut: Coded 1 if the executive branch controls the official revenue forecast and is not subject to term limits, 0 otherwise. (Source: phone interviews with fiscal officers in the 50 states, plus enacting statutes when applicable. And the *Book of the States*)

Ebrt: Coded 1 if the executive branch controls the official revenue forecast and is subject to term limits, 0 otherwise. (Source: phone interviews with fiscal officers in the 50 states, plus enacting statutes when applicable. And the *Book of the States*)

Ebrtnld: Coded 1 if the executive branch controls the official forecast and is subject to term limits that is not a lame-duck (in the sense that they are not serving their final term as governor), 0 otherwise. (Source: phone interviews with fiscal officers in the 50 states, plus enacting statutes when applicable. And the *Book of the States*)

Ebrtld: Coded 1 if the executive branch controls the official forecast and is subject to term limit restrictions that is a lame-duck, 0 otherwise. (Source: phone interviews with fiscal officers in the 50 states, plus enacting statutes when applicable. And the *Book of the States*)

Cg: Consensus Group Dummy. Either a partisan or a nonpartisan consensus group makes the forecast. Coded 1 if yes or 0 if no. (Source: phone interviews with fiscal officers in the 50 states, plus enacting statutes when applicable)

Bindleg: Coded 1 if the official forecast binds the legislature (they cannot change it). Coded 0 if it does not bind the legislature. (Source: phone interview with fiscal officers in the 50 states, plus enacting statutes when applicable)

Balbud: Coded 1 if legislature is required to pass a balanced budget. Coded 0 otherwise. (NASBO's *Budget Processes in the States*)

Acirbalbudnodeficit: Coded 1 if the governor is required to recommend a balanced budget, the legislature is required to pass a balanced budget, and Deficits cannot be carried over to the next fiscal year. Coded 0 otherwise. (ACIR -- Advisory Commission on Intergovernmental Relations, *Fiscal Discipline in the Federal System: National Reform and the Experience of the States*, Washington, D.C., 1987).

Acirbalbudscale: Balance Stringency Scale: States ranked on a scale from 0 to 10; a 10 indicates a state has the most stringent form of balance requirement; a 0 means there is no balance requirement. (ACIR) According to the ACIR, states were given 1 point if their balance requirement was Statutory, and 2 points if the requirement were Constitutional (0 if there is no legal requirement). The states were then given additional points depending on the nature of the requirement:

- 1 point if the state only required the governor to submit a balanced budget
- 2 points if the legislature had to pass a balanced budget, but there is no strict requirement to maintain balance by the end of the year.
- 4 points if carryover or a deficit was allowed but had to be corrected in the next year.
- 6 points if the state was not allowed to carry over deficit into the next biennium.
- 8 points if the state was not allowed to carry over a deficit into the next fiscal year.

For example, if a state had a statutory balanced budget requirement that allowed a deficit, but required that it be corrected in the next fiscal year then it received a total of 5 points.

Adoptedforecast: Adopted General Fund Revenue Forecast. (NASBO *Fiscal Survey of the States*)

Endrainy: Expected ending balance and rainy day fund balance combined. (NASBO *Fiscal Survey of the States*)

Pctendrainy: This is the **Endrainy** variable as a percentage of **Actual Revenue**. (Computed using numbers from NASBO *Fiscal Survey of the States*). (Please note, this original variable was replaced in earlier versions of this working paper that preceded the final JPAM replication version of the statistical analysis due to a few coding errors in this variable detected by the authors. The corrected variable employed in the replication file materials is **Pctendrainyrev** which appears near the end of the database.).

Actualrevenue: Actual revenues. This includes the beginning balance plus all incoming revenues for the fiscal year. (NASBO *Fiscal Survey of the States*)

Spendlimit: Coded 1 if state has a spending limit. Coded 0 otherwise. (National Council of State Legislatures)

Revenuelimt: Coded 1 if state has a revenue limit. Coded 0 otherwise. (National Council of State Legislatures)

Spendrevlimit: Coded 1 if state has either a spending limit or revenue limit. Coded 0 otherwise. (National Council of State Legislatures)

Biennial: Coded 1 if state has a biennial budget process. Coded 0 if state has an annual budget process. (*Book of the States*)

Pctsalestaxrev: Percent of general fund revenues that come from the sales tax. (*Book of the States*)

Govparty: Governor's Party ID. Coded -1 if Republican, 0 if 3rd party, 1 if Democrat. (*Book of the States*)

Houseparty: Party with majority in House. Coded -1 if Republican, 0 if tie, 1 if Democrat. (*Book of the States*)

Senparty: Party with majority in Senate. Coded -1 if Republican, 0 if tie, 1 if Democrat. (*Book of the States*)

Unifiedbranch: Coded 1 if Governor, House, and Senate are all held by same party. Coded 0 otherwise. (*Book of the States*)

Dividedbranch: Coded 0 if Governor, House, and Senate are all held by same party. Coded 1 otherwise. (*Book of the States*)

Unifiedleg: Coded 1 if House and Senate are held by same party. Coded 0 otherwise. (*Book of the States*)

Dividedleg: Coded 0 if House and Senate are held by same party. Coded 1 otherwise. (*Book of the States*)

Legtermlimits: Coded 1 if state legislators were subject to term limits. Coded 0 otherwise. (National Center of State Legislatures)

Houseelyr: House election year. Using the fiscal year beginning prior to the election. For example, if the election in November 2000 then the FY would be 2001. Coded 1 for election year, 0 for non-election year (*Book of the States*)

Senelyr: Senate election year. Using the fiscal year beginning prior to the election. For example, if the election is November 2000 then the FY would be 2001. Gives the percentage of the Senate up for re-election. For example, if 100% of the Senate is up for re-election then it would be coded as 1, if 50% then 0.50, etc. Non-election years coded as 0. (*Book of the States*)

Govelyr: Gubernatorial election year. Using the fiscal year prior to the election that the governor is proposing the budget for. For example, if election is November 2000 then governor is proposing the FY2001 budget. Coded 1 for election year, 0 for non-election year. (*Book of the States*)

Govtermlimits: Gubernatorial Term Limits. Coded 1 if the state imposes term limits on the governor. Coded 0 if there are not term limits for the governor. (*Book of the States*)

Govtermlength: Gubernatorial Term Length. Gives the length in years of each gubernatorial term. (*Book of the States*)

Govmaxterms: Maximum number of consecutive terms a person can serve as governor. Coded 0 if there is no term limit for the governor. (*Book of the States*)

Pi: State personal income in thousands. (Bureau of Economic Advisors: <http://www.bea.gov>)

Rpi: Real personal income. 2005=100. (Computed using numbers from the Bureau of Economic Advisors: <http://www.bea.gov>)

Pctchgrpi: Percentage change in Real Personal Income. (Computed using numbers from the Bureau of Economic Advisors: <http://www.bea.gov>)

Lnрпи: Natural log of Real Personal Income. (Computed using numbers from the Bureau of Economic Advisors: <http://www.bea.gov>)

Actualrev100: Actualrevenue * 100. (Computed using numbers from NASBO's *Fiscal Survey of the States*)

Lnrevpi: Natural log of Actual Revenues divided by Personal Income. (Computed using numbers from NASBO's *Fiscal Survey of the States* and the Bureau of Economic Advisors: <http://www.bea.gov>)

Egvolatility: Standard Deviation of percent change in gross state product for time periods t-2, t-3, and t-4, observable in period t-1. (Gross State Product obtained from the Bureau of Economic Advisors: <http://www.bea.gov>)

Fcasterror: Actual Revenue minus Forecast. (Computed using numbers from NASBO *Fiscal Survey of the States*)

Absfcasterror: Absolute value of Actual Revenue minus Forecast. (Computed using numbers from NASBO *Fiscal Survey of the States*)

Pctfcasterror: Forecast Error as a percentage of Actual Revenues. (Computed using numbers from NASBO *Fiscal Survey of the States*)

Abspctfcasterror: Absolute value of Forecast Error as a percentage of Actual Revenues. (Computed using numbers from NASBO *Fiscal Survey of the States*)

Ipd: Implicit price deflator. 2005=100. (Bureau of Economic Advisors: <http://www.bea.gov>.)

Foldednomgovid: The absolute difference between **nomgovid** and a scaler of 50 to account for ideological competition. (Larger values of **foldednomgovid** indicate less ideological completion/balance.)

Nomgovid: State government ideology variable. (Obtained using Richard Fording's NOMINATE version: <http://www.uky.edu/~rford/home.html>)

Lagpctchgrpi: One year lag (t+1) in percent change in real personal income. (Computed using numbers from the Bureau of Economic Advisors: <http://www.bea.gov>)

Applimitdum: 1 if the legislature is required to appropriated less than 100% of expected revenues, 0 otherwise. (*Book of the States*)

Lbtermlimits: $Lb * Legterm\ limit$ (legislative forecasting structure and the legislature is term limited = 1, otherwise 0). (Computed using responses from phone interviews with fiscal officers in the 50 states, plus enacting statutes when applicable. And the *Book of the States*)

Lbnoterm\ limites: Legislative forecasting structure (Lb) & legislature has no term limits = 1, otherwise 0. (Computed using responses from phone interviews with fiscal officers in the 50 states, plus enacting statutes when applicable. And the *Book of the States*)

Gaobalbudscale: States ranked on a scale from 0 to 10; a 10 indicates a state has the most stringent form of balance requirement; a 0 means there is no balance requirement. According to the GOA states get 1 point if their balance requirement is statutory or 2 points if it is constitutional. Additional points for the nature of the requirement are awarded as:

- 1 point if the state only required the governor to submit a balanced budget
- 2 points if the legislature had to pass a balanced budget, but there is no strict requirement to maintain balance by the end of the year.
- 4 point if the state requires an end-of-year balance but permits carryover and or borrowing to finance short-term deficits.
- 8 points if the state was not allowed to carry over a deficit into the next fiscal year.

Data source: “*State Balanced Budget Requirements: State Experiences and Implications for the Federal Government.*” (United States General Accounting Office’s March 1993, Washington, D.C.). The authors also updated these data to reflect California’s 2004 change to its balanced budget requirement; no other states changed their balanced budget requirements during our study period (see the National Council of State Legislatures’ report on state fiscal balance requirements at: <http://www.ncsl.org/default.aspx?tabid=12651>, last accessed May 18, 2010).

Gaobalbudnodeficit: Coded 1 if the governor is required to recommend a balanced budget, the legislature is required to pass a balanced budget, and Deficits cannot be carried over to the next fiscal year. Coded 0 otherwise. Data source: “*State Balanced Budget Requirements: State Experiences and Implications for the Federal Government.*” (United States General Accounting Office’s March 1993, Washington, D.C.). The authors also updated these data to reflect California’s 2004 change to its balanced budget requirement; no other states changed their balanced budget requirements during our study period (see the National Council of State Legislatures’ report on state fiscal balance requirements at: <http://www.ncsl.org/default.aspx?tabid=12651>, last accessed May 18, 2010).

Govbb: Coded as 1 if the governor is required to submit a balanced budget recommendation to the legislature. Coded 0 otherwise. (GAO)

Legbb: Coded as 1 if the legislature is required to pass a balanced budget. Coded 0 otherwise. (GAO)

Ebgovbb: $Eb * Govbb$ (executive forecasting structure & governor must submit a balanced budget = 1, otherwise 0).

Lblegbb: $Lb * Legbb$ (legislative forecast structure & legislature must pass a balanced budget = 1, otherwise 0).

Ebutgovbb: $Ebut * Govbb$ (the executive branch controls the official revenue forecast and is

not subject to term limits & governor must submit a balanced budget = 1, otherwise 0).

Ebrtldgovbb: Ebrtld * Govbb (the executive branch controls the official forecast and is subject to term limit restrictions that is a lame-duck & governor must submit a balanced budget= 1, otherwise 0).

Ebrtnldgovbb: Ebrtnld * Govbb (the executive branch controls the official forecast and is subject to term limits that is not a lame-duck & governor must submit a balanced budget = 1, otherwise 0).

Lbdl: Lb * Dividedleg (legislative forecasting structure & divided legislature = 1, otherwise 0).

Lbnotermlimitsdl: Lbnotermlimits * Dividedleg (legislative forecasting structure with no legislative term limits & divided legislature = 1, otherwise 0).

Lbtermlimitsdl: Lbtermlimits * Dividedleg (legislative forecasting structure and legislature is term limited & divided legislature = 1, otherwise 0).

Lbgao: Lb * Gaobalbudnodeficit (legislative forecasting structure & legislature is required to pass a balanced budget and no deficit is allowed = 1, otherwise 0).

Ebgoa: Eb * Gaobalbudnodeficit (the executive branch controls the official forecast & legislature is required to pass a balanced budget and no deficit is allowed = 1, otherwise 0).

Ebutgao: Ebut * Gaobalbudnodeficit (the executive branch controls the official revenue forecast and is not subject to term limits & legislature is required to pass a balanced budget and no deficit is allowed = 1, otherwise 0).

Ebrtnldgao: Ebrtnld * Gaobalbudnodeficit (the executive branch controls the official forecast and is subject to term limits that is not a lame-duck & legislature is required to pass a balanced budget and no deficit is allowed = 1, otherwise 0).

Ebrtldgao: Ebrtld * Gaobalbudnodeficit (the executive branch controls the official forecast and is subject to term limit restrictions that is a lame-duck & legislature is required to pass a balanced budget and no deficit is allowed = 1, otherwise 0).

Ebgovelyr: Eb * Govelyr (the executive branch controls the official forecast & it is a gubernatorial election year = 1, otherwise 0).

Ebutgovelyr: Ebut * Govelyr (the executive branch controls the official revenue forecast and is not subject to term limits & it is a gubernatorial election year = 1, otherwise 0).

Ebrtnldgovelyr: Ebrtnld * Govelyr (the executive branch controls the official forecast and is subject to term limits that is not a lame-duck & it is a gubernatorial election year = 1, otherwise 0).

Ebrtldgovelyr: $Ebrtld * Govelyr$ (the executive branch controls the official forecast and is subject to term limit restrictions that is a lame-duck & it is a gubernatorial election year = 1, otherwise 0).

Lbug: Lb * Unifiedbranch (legislative forecasting structure & unified branch = 1, otherwise 0).

Lbsb: Lb * Dividedbranch (legislative forecasting structure & divided branch = 1, otherwise 0).

Legsalary: Legislator Salary by state. Reflects fluctuations in biennial pay for Maine, New Mexico, South Dakota, and Wyoming. Annual Salary plus per diem salary computed and added together. Does not include travel allowances or living expense allowances. (*Book of the States*)

Rlegsary: Real Legislator salary (Original #s). 2005=100. (Computed using numbers from the *Book of the States*)

Avlegsary: Legislator Salary by state. Salaries for Main, New Mexico, South Dakota, and Wyoming are averaged over the biennium. For example, if FY1999 is \$2000 and FY 2000 is \$5000, both years are recorded as \$3500. Annual Salary plus per diem salary computed and added together. Does not include travel allowances or living expense allowances. (Computed using numbers from the *Book of the States*)

Avrlegsary: Real Legislator average salary. 2005=100. (Computed using numbers from the *Book of the States*)

Dum88: 1988 Time Dummy. **Dum88** = 1 for FY 1988, = 0 otherwise.

Dum89: 1989 Time Dummy. **Dum89** = 1 for FY 1989, = 0 otherwise.

Dum90: 1990 Time Dummy. **Dum90** = 1 for FY 1990, = 0 otherwise.

Dum91: 1991 Time Dummy. **Dum91** = 1 for FY 1991, = 0 otherwise.

Dum92: 1992 Time Dummy. **Dum92** = 1 for FY 1992, = 0 otherwise.

Dum93: 1993 Time Dummy. **Dum93** = 1 for FY 1993, = 0 otherwise.

Dum94: 1994 Time Dummy. **Dum94** = 1 for FY 1994, = 0 otherwise.

Dum95: 1995 Time Dummy. **Dum95** = 1 for FY 1995, = 0 otherwise.

Dum96: 1996 Time Dummy. **Dum96** = 1 for FY 1996, = 0 otherwise.

Dum97: 1997 Time Dummy. **Dum97** = 1 for FY 1997, = 0 otherwise.

Dum98: 1998 Time Dummy. **Dum98** = 1 for FY 1998, = 0 otherwise.

Dum99: 1999 Time Dummy. **Dum99** = 1 for FY 1999, = 0 otherwise.

Dum00: 2000 Time Dummy. **Dum00** = 1 for FY 2000, = 0 otherwise.

Dum01: 2001 Time Dummy. **Dum01** = 1 for FY 2001, = 0 otherwise.

Dum02: 2002 Time Dummy. **Dum02** = 1 for FY 2002, = 0 otherwise.

Dum03: 2003 Time Dummy. **Dum03** = 1 for FY 2003, = 0 otherwise.

Dum04: 2004 Time Dummy. **Dum04** = 1 for FY 2004, = 0 otherwise.

Dum05: 2005 Time Dummy. **Dum05** = 1 for FY 2005, = 0 otherwise.

Dum06: 2006 Time Dummy. **Dum06** = 1 for FY 2006, = 0 otherwise.

Dum07: 2007 Time Dummy. **Dum07** = 1 for FY 2007, = 0 otherwise.

Dum08: 2008 Time Dummy. **Dum08** = 1 for FY 2008, = 0 otherwise.

Govbudfull: Equals 1 when the governor has unilateral control over budget formulation, 0 otherwise. These data come from “*The Governors: Powers – Budget Making Power*” Table (*Book of the States*, various years). This measure comes from Krause and Melusky’s February 2012 *Journal of Politics* article “Concentrated Powers”.

Nondelegate: Ordinal measure that is coded as 1 when the legislature experiences considerable latitude for delegating policy tasks (*weak restrictions*), coded as 2 when the legislature possesses moderate discretion for delegating policy tasks (*moderate restrictions*), and coded as 3 when the legislature is very limited in delegating policymaking authority (*strong restrictions*). (Source: Jim Rossi. “Institutional Design and the Lingerin Legacy of Antifederalist Separation of Powers Ideals in the States.” *Vanderbilt Law Review* 52(October): 1167–1240. We thank Gbemende Johnson for generously providing these data.)

Indexeefo: 0 to 5 theoretical scale = (**Indelectefo** + **Legapptefo**): Records the number of fiscal officers in a state who are either elected (see **Indelectefo**) or appointed by the Legislature (see **Legpptefo**). (*Book of the States*)

Legapptefo: 0 to 3 theoretical scale = (**Treasurerleg** + **Comptrollerleg** + **Budgetleg**): Records the number of fiscal officers in a state who are appointed by the Legislature. Officers who might be appointed by the Legislature include the Treasurer, Comptroller, and Budget Officer. (*Book of the States*)

Treasurerel: Coded 1 if the Treasurer is independently elected, 0 otherwise. (*Book of the States*). *Corrections were made to Comptroller for Minnesota (1987-2002) switch from “0” to “1” made in accordance with investigations of state constitution by Jim Douglas.*

Comptrollerel: Coded 1 if the Comptroller is independently elected, 0 otherwise. (*Book of the States*). *Corrections were made to Comptroller for Georgia (all years) switch from “1” to “0” made in accordance with investigations of state constitution by Jim Douglas.*

Financeel: Coded 1 if the Finance Officer is independently elected, 0 otherwise. (*Book of the States*)

Revenueel: Coded 1 if the Revenue Officer is independently elected, 0 otherwise. (*Book of the States*)

Tresurerleg: Coded 1 if the Treasurer is appointed by the Legislature, 0 otherwise. (*Book of the States*).

Budgetleg: Coded 1 if the Budget Officer is appointed by the Legislature, 0 otherwise. (*Book of the States*)

Comptrollerleg: Coded 1 if the Comptroller is appointed by the Legislature, 0 otherwise. (*Book of the States*)

Indelectefodum: = 1 if at least one fiscal officer in a state is independently elected; = 0 otherwise (i.e., non are independently elected). This is a binary version of the **Indelectefo** (0-4 point scale ordinal variable) variable described above.

Xtfevdar1: Linear prediction values from *XTFEVD-ARI* model specification. These are only used to assess common observations included in the effective sample so as to generate various descriptive and inferential statistics based on the model under investigation.

Xtfevd: Linear prediction values from *XTFEVD* model specification. These are only used to assess common observations included in the effective sample so as to generate various descriptive and inferential statistics based on the model under investigation.

Coloradodum: Coded 1 if Colorado, 0 otherwise.

Kentuckydum: Coded 1 if Kentucky, 0 otherwise.

Louisianadum: Coded 1 if Louisiana, 0 otherwise.

Mainedum: Coded 1 if Maine, 0 otherwise.

Michigandum: Coded 1 if Michigan, 0 otherwise.

Mississippidum: Coded 1 if Mississippi, 0 otherwise.

Nevadadum: Coded 1 if Nevada, 0 otherwise.

Newyorkdum: Coded 1 if New York, 0 otherwise.

Rhodeislanddum: Coded 1 if Rhode Island, 0 otherwise.

Tennesseedum: Coded 1 if Tennessee, 0 otherwise.

Vermontdum: Coded 1 if Vermont, 0 otherwise.

Lbsbul: = 1 if legislature is unified (controlled by a single party) and controlled by the party opposite of the governor (Legislative Branch: Split Branch-Unified Legislature); = 0 otherwise.

Ebtenure: Executive officer's previous years in office (these are Governors in all states except Texas where the Comptroller is used because he/she makes the forecast). This is a measure of the executive officer's experience. The executive officer's first year in office is coded as "0" since he/she has no experience at this point. The second year is "1", third year is "2", etc.... (*Book of the States*)

Lbelyr: Legislative branch election year. Using the fiscal year prior to the election, for a year in which at least part of the legislature is up for election. For example, if the election is November 2000 then the FY would be 2001. Coded 1 for election year, 0 for non-election year. (*Book of the States*)

Llblbelyr: $Lb \times Lbelyr$ interaction term (0,1 binary variable). Accounts for legislative branch control of official revenue forecasts in times of *legislative branch: divided partisan legislature in election years*.

Lbuglbelyr: $Lbug \times Lbelyr$ interaction term (0,1 binary variable). Accounts for legislative branch control of official revenue forecasts in times of *unified partisan control of both legislature and governor in election years*.

Lbsbullbelyr: $Lbsb \times Lbelyr$ interaction term (0,1 binary variable). Accounts for legislative branch control of official revenue forecasts in times of *legislative branch: unified partisan legislature & split partisan control of legislature and governor in election years*.

Lbdllbelyr: $Lbdl \times Lbelyr$ interaction term (0,1 binary variable). Accounts for legislative branch control of official revenue forecasts in times of *legislative branch: divided partisan legislature in election years*.

Pctendrainyrev: This is the aforementioned corrected **Endrainy** variable as a percentage of Actual Revenue. (Computed using numbers from NASBO *Fiscal Survey of the States*).

Ui: Output from XTFEVD regression estimates.

Eta: Output from XTFEVD regression estimates.

Indelectfo2: 0 to 4 theoretical scale = (**Treasurerel** + **Comptrollerel** + **Financeel** + **Revenueel**): Records the number of fiscal officers in a state who are independently elected. Officers who might be independently elected include the Treasurer, Comptroller, Financial Officer, and Revenue Officer. (*Book of the States: Selected State Administrative Officials: Methods of Selection*" in *The Book of the States* (1986-2009) & *Author Calculations based on inspection of Georgia and Minnesota state constitutions*). This measure is the *Independent Elected Executive Branch Fiscal Officials* covariate.