

Succeeding where other failed:
Crafting the Expenditure Budget of Ontario, 1961-1985
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1. ABSTRACT	3. RESEARCH FINDINGS
<p>To improve efficiency, the management of the budgetary process in Ontario has been shared with other organizations, but most particularly with the Management Board (MB) and its Secretariat (MBS). One of the tasks the MBS performed in relation to the budget consisted of crafting the process by which the expenditure budget would be defined and executed. The style had three purposes, namely to control, manage and plan of the use of funds as voted by the legislative powers. Depending on the style chosen, one of these dimensions was inevitably accented.</p> <p>The style of the expenditure budget is revealing because it demonstrates how the MFO has had to work with other ministries to arrive at its annual budget. The evolution of the style of the expenditure budget in Ontario between 1961 and 1985 was particularly important as the government undertook a number of experiments aimed at improving the process of budgeting and simultaneously challenged some of the authority of the Ministry of Treasury and Economics, as it was known. These experiments in increasing control, efficiency and management were significant steps in the evolution of the budgetary process because it impacted the thinking and preparation of the budget.</p>	<p>The attempts to improve the style of expenditure budget in Ontario between 1960 and 1985 proved to be difficult reforms, particularly when it came to PPBS. But it was the experience with this budgeting system that led the provincial administration to think in terms of programs. Its legacy stopped there as the effort to penetrate the administration stumbled against the resistance of the system. This inertia was particularly ill-fated because it prevented an effective response to the changing needs of the government in financial management and in producing a new format for the Estimates to support the legislative control of public spending.</p> <p>Yet change can happen as the cases of MBR and ZBB show. MBR intended to provide a simpler means of measuring public benefit and program performance. Its implementation, along with ZBB's, allowed the style of expenditure budget in Ontario to depart from its long lived emphasis of control to a shift to a managerial approach.</p> <p>The comparison of the implementation attempts of PPBS, MBR, and ZBB demonstrates the weight some variables had in the process. First, there is the involvement of the Cabinet in the expenditure budget process. The implementation of PPBS, which necessitates this involvement, failed, while MBR and ZBB, could function without political commitment made to it. Secondly, central agencies had a clear role. PPBS failed during a period of reform, where the Management Board and its Secretariat were questioning their roles, including in relation to PPBS. The Secretariat would be far better involved with the implementation of MBR and ZBB. Finally, the format of the Estimates proved to be the most important element of inertia in the system. It resisted changes and yet change depended on it. The format of the Estimates almost never changed until the Auditor General intervened. Likewise, the possibility of introducing new styles of expenditure budget, namely MBR and ZBB, took place after a new format for the Estimates was introduced in the Legislative Assembly. As such, the legislature and the Auditor General to be exact had a considerable influence on the evolving style of expenditure budget. Their interest in the format of the Estimates proved to be a crucial starting point.</p> <p>The Ontario experience showed that a clear distribution of responsibilities between the political and administrative actors and a coincident agreement, on the format of the Estimates to adopt can lead to, the conditions that will transform the expenditure budget. This conclusion can probably be applied to other provincial administrations as well as the federal one, because of the similarities of their political and administrative institutions. In the same vein, the reasons underlying the level of interest of the executive and legislative powers in the issue of the style of expenditure budget would merit investigation considering the effects it can have on the public finances.</p>
2. BACKGROUND & KEY TERMS	4. REFERENCES AND NOTES
<p>Budget; Ontario; Reform; Administrative History; Ministry Of Finance.</p>	<p>D. R. Richmond, <i>The Economic Transformation of Ontario: 1945-1973</i> (Toronto: Ontario Economic Council, 1974).</p> <p>Kenneth Bryden, "The Politics of the Budget," in <i>The Government and Politics of Ontario</i>, ed. Donald C. MacDonald, 3rd ed. (Scarborough: Nelson, 1985)</p> <p>K.J. Rea, <i>The Prosperous Years. The Economic History of Ontario, 1939-75</i> (Toronto: University of Toronto Press, 1985)</p>
5. RESEARCH OBJECTIVES & METHODOLOGY	
<p>The goal is to use archives documents to identify the institutional factors that influenced the reform of the budgeting format of the province.</p>	