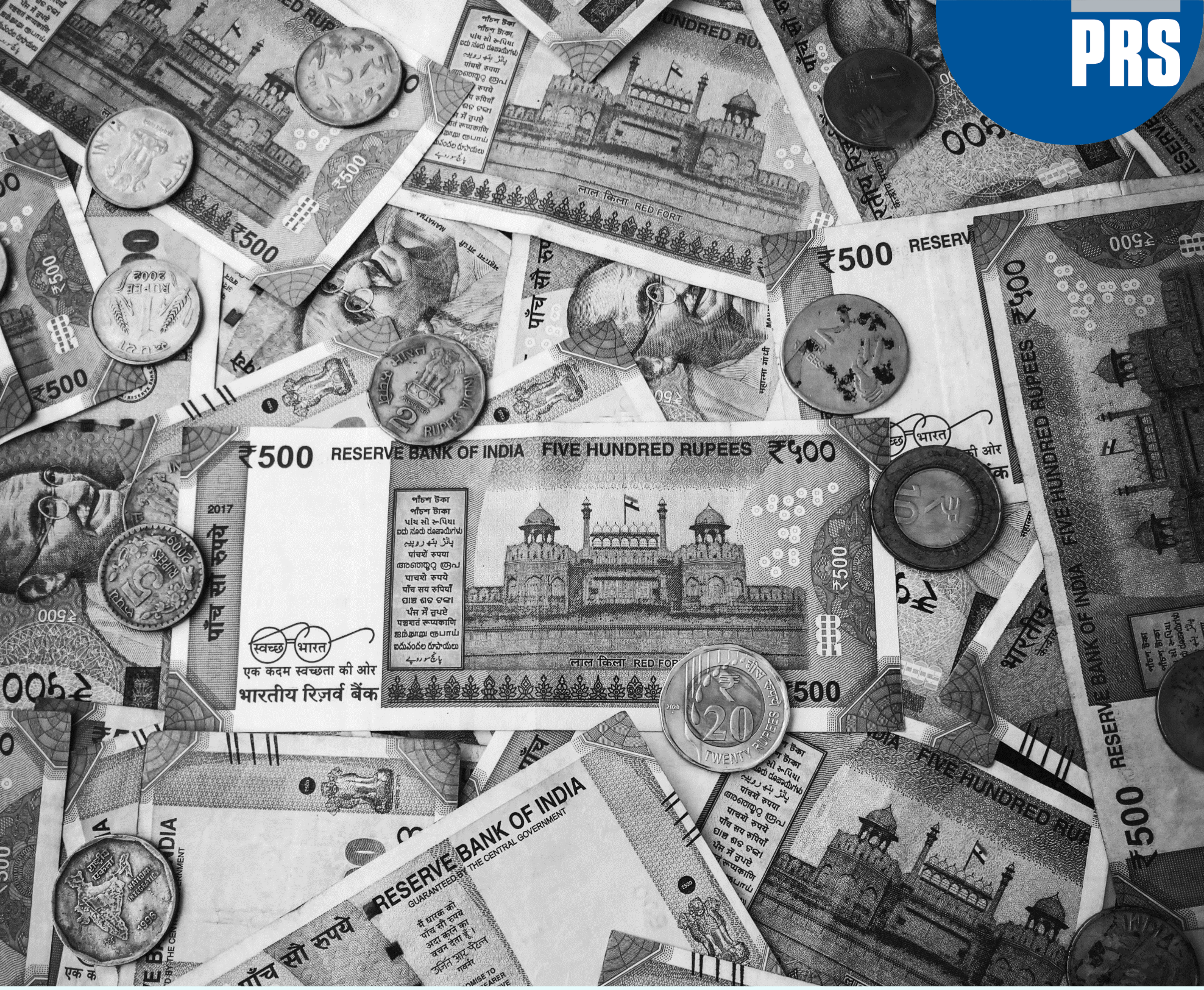

OVERSEEING PUBLIC FUNDS

How to scrutinise state budgets

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September 2023

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Oversight of government finances by state legislature

As representatives of citizens, Members of Legislative Assemblies (MLAs) have three key roles. They debate and pass laws that govern the state. They oversee the work of the state government to ensure effective governance. They ensure efficient allocation of public funds through the State Budget. With the objective of improving the quality of life of citizens, these public funds are spent across various sectors such as education, health, agriculture, rural development, social welfare, police, and infrastructure.

MLAs have a core role in examining how this money is being raised, how it is planned to be spent, and whether such spending would lead to desired outcomes. MLAs hold the state government accountable for use of public funds in two stages. Firstly, before the beginning of each financial year, they scrutinise and approve the budget which contains expenditure priorities, taxation proposals, and borrowing requirements for the upcoming year. Secondly, they examine audit reports on approved spending to see whether the allocation made in the budget was used effectively and appropriately.

This primer explains the mechanisms by which MLAs conduct financial oversight of the state government. It explains key terms used in budget documents to describe state government's income and spending and the gap between the two as a surplus or a deficit. The primer also describes some of the documents presented in the budget and what information may be gathered from each of them.

Oversight through the State Budget

Oversight of public funds by state legislature broadly involves two functions: (a) scrutinising and sanctioning the government's expenditure and taxation proposals through the State Budget; and (b) examining the utilisation of funds that have been allocated for various activities.

What happens once the budget is presented in the Assembly?

After the budget is presented, a general discussion is held in the Assembly. Discussion at this stage is limited to general examination of the budget and proposals of the state government. Following the discussion, the Finance Minister gives a reply. No voting takes place at this stage.

After the general discussion, detailed estimates of expenditure of departments, called Demands for Grants, may be sent for examination by the Committees of the state legislature. One of the functions of such Committees is to scrutinise the allocation of funds to the departments under their supervision. The Committees examine: (i) the amount allocated to various programmes and schemes under the department, and (ii) trends of utilisation of the money allocated to the department. Based on their examination, the Committees submit reports to the Assembly. These reports contain recommendations that are useful for MLAs to understand implications of proposed expenditure across departments. They also allow for informed debate in the Assembly before approving such expenditure.

Preparation of State Budgets

The process of budget preparation begins with the publication of a budget circular by the finance department of the state government. The circular is typically released 3-6 months before the presentation of the budget. It outlines the timeline within which various departments have to submit estimates of receipts and expenditure to the finance department. In some cases, state governments also conduct public consultations before finalising the proposals.

What happens after the general discussion on the budget is over?

Typically, Assemblies decide to hold a detailed discussion on some Demands for Grants. The departments identified for discussion are decided by the Business Advisory Committee of the Assembly. This discussion is followed by voting. The demands which have not been discussed and voted on by the last day are 'guillotined', i.e. they are voted upon together.

During the voting on Demands for Grants, in some states, MLAs can express their disapproval through *'cut motions'*. If a cut motion is passed, it signifies loss of confidence in the government and the Cabinet is expected to resign. MLAs can move cut motions to reduce the grant amount for the respective department: (i) to one rupee to signify disapproval of the policies of that department, (ii) by a specific amount (an 'Economy' cut), or (iii) by a token amount of Rs 100 to express a specific grievance.

What are the final steps in the budget process?

After the Demands for Grants are passed, they are consolidated into an Appropriation Bill. This Bill seeks to authorise the government to spend money from the Consolidated Fund of the State, which consists of all receipts and borrowings of the state government.

After the passing of the Appropriation Bill, the Finance Bill is also taken up for consideration and passing. This Bill includes details of the change in tax rates, and imposition of taxes on various entities.

What happens if the government needs to spend additional money during the year?

During the year, if the government needs to spend money which has not been approved by the legislature, it can introduce *Supplementary Demands for Grants*. Supplementary Demands for Grants can be introduced in any session of the Assembly.

Oversight after the Budget is passed

Oversight by state legislature after the budget is passed is necessary to make sure that the amount sanctioned by it is being used in an appropriate manner. Financial Committees scrutinise and exercise legislative control over government expenditure and table reports in the Assembly.

Public Accounts Committee

After the financial year ends, the Comptroller and Auditor General (CAG) of India audits the income and expenditure accounts of the state government and tables its report in the Assembly. Since it is difficult and time-consuming for the Assembly to discuss each of these reports, the Public Accounts Committee (PAC) is entrusted with examining the findings of the CAG audit reports. The PAC scrutinises whether the government is spending money for the purpose for which the state legislature sanctioned the expenditure.

While examining the reports, the PAC interacts with officials from the CAG, different departments, and experts. The government responds to every report of the PAC by stating the recommendations that have been accepted or rejected by them. Based on these responses, the PAC prepares Action Taken Reports and tables them in the Assembly.

Understanding government finances

As part of the budget, the Finance Minister presents the Annual Financial Statement of the state government for the forthcoming year. The statement consists of estimates of the money the government expects to spend on various sectors, and how much money will be raised from different sources such as levy of taxes and non-tax means. The budget also gives an estimate of the borrowing requirements of the government and its overall debt. In addition, the statement also gives an account of how much money the government raised or spent in the previous year, in comparison to the estimates it had given to the Assembly.

This section explains the state government's finances with the intent of providing a simple understanding of the key concepts and terms involved.

How does the government finance its expenditure?

Government receipts indicate the resources available with the government to finance its expenditure. These are primarily of three types: (i) receipts earned by a state, (ii) receipts from the Centre, and (iii) borrowings.

The state government earns money through taxes, fees and fines collected by various departments, and share in profits of state enterprises, among other sources. The state also receives funds from the central government in the form of the state's share in central taxes and grants-in-aid for schemes and other purposes. Borrowings are required in case there is a shortfall in these two types of receipts as compared to the spending requirements of the state.

Receipts may be broadly categorised under revenue and capital receipts. **Revenue receipts** of the state government comprise state's own tax receipts, non-tax receipts, its share in central taxes, and grants-in-aid from the Centre. The former two components form a part of a state's own receipts, whereas the latter two are central transfers to the state.

A state's own tax receipts primarily come from taxes and duties such as state GST, sales tax or VAT, state excise duty, land revenue, and stamp duty and registration fees. The state government also earns receipts from sources other than taxes. Such non-tax receipts include interest earned on loans given by the state, fees and fines, dividends from state enterprises, and royalties from mining activities.

The state government also gets tax receipts in the form of the state's share in central taxes (also known as devolution of central taxes). These receipts come from taxes such as income tax, corporation tax, central GST, customs, and union excise duty. Receipts from central taxes are devolved as per the recommendations of the Finance Commission.

The other kind of central transfers are known as grants-in-aid from the Centre. Unlike devolution, central grants may be tied in nature. They could be linked to specific schemes and avenues of expenditure, based on which states distribute these funds among the implementing agencies for these schemes. Such schemes include centrally sponsored schemes such as Swachh Bharat Mission, National Health Mission, and Ayushman Bharat, which are funded by the Centre as well. Grants-in-aid also include grants given by the Finance Commission for local bodies.

Some receipts change the government's assets or liabilities. For example, borrowings taken by the government increase its liabilities, whereas recovery of loans that were given in the past by the state decreases the government's assets. Such receipts are called **capital receipts**.

Finance Commission

The central government earns money by levying certain taxes across the country. These include income tax, corporation tax, central GST, customs duty, and union excise duty. A portion of its tax earnings is devolved to states, based on the criteria recommended by the Finance Commission. The Commission is a constitutional body formed every five years by the President of India. It also recommends certain grants such as revenue deficit grants, disaster management grants, and grants to local bodies.

The 15th Finance Commission was required to submit two reports, for the periods 2020-21 and 2021-26, respectively. For the 2021-26 period, it recommended the share of states in the divisible pool of central taxes to be 41%. Divisible pool does not include revenue earned by the central government in the form of cesses and surcharges, and certain costs of tax collection. This was 1% less than the share recommended by the 14th Finance Commission for the 2015-20 period. This adjustment was made to finance the requirements of the recently created Union Territories of Jammu & Kashmir and Ladakh from the revenue of the central government.

How does the government spend its money?

The state government spends its money on implementing schemes and programmes, providing subsidies and grants to local governments, paying interest on the loans it has taken, and administrative expenses including salaries and pension. Expenditure made on these items comes under **revenue expenditure**.

In addition, the government also spends on capital investments. This expenditure is categorised under **capital expenditure**, which goes towards creating assets or reducing liabilities. This would include expenditure on creating infrastructure, such as roads and hospitals, and repayment of borrowings.

Departments may have both *revenue* and *capital* components in their expenditure. For example, in education, spending money on construction of a school building is capital expenditure since it leads to the creation of an asset. Whereas, money spent on recurring expenditure items such as salaries of school teachers is classified as revenue expenditure.

What happens if total spending is more than total receipts?

When the spending planned by the government is more than its receipts, the government finances this gap through borrowings. This gap is known as **fiscal deficit** and equals the borrowings required to be made for that year. A fiscal surplus arises if receipts are more than the expenditure.

A higher fiscal deficit leads to an increase in borrowing by the government. As a result, the government has to incur additional expenditure in the form of interest payments on these borrowings in subsequent years. These interest payments are a form of committed expenditure which the government is obligated to undertake.

Revenue deficit occurs when revenue expenditure exceeds revenue receipts. Revenue deficit in a year indicates the amount borrowed by the state government in that year to meet its revenue expenditure such as administrative expenses, or payment of salaries or interest. These borrowings would not contribute towards creation of assets.

Fiscal targets in FRBM Acts

In 2003, Parliament passed the Fiscal Responsibility and Budget Management Act (FRBM Act) which prescribed limits for deficits and outstanding liabilities of the central government. In the following years, several states passed their respective FRBM Acts, similar to the central FRBM Act. FRBM Acts are aimed at ensuring prudential debt management and transparency in fiscal policy. The central and state governments set targets under their respective Acts to reduce their deficits and liabilities to achieve these objectives.

The 15th Finance Commission recommended that states' fiscal deficit (as % of GSDP) should be fixed at 4% in 2021-22, 3.5% in 2022-23, and 3% during 2023-26. It recommended an extra annual borrowing space of 0.5% of GSDP for the period between 2021-22 and 2024-25 upon undertaking power sector reforms. It also recommended that states could carry forward any unutilised fiscal space to subsequent years.

Outstanding debt

Over the years, borrowings taken by the government to bridge the gap between the state's receipts and expenditure (fiscal deficit) adds to its outstanding stock of debt. This is the amount borrowed by subsequent governments over the years and currently payable by the state. Outstanding debt increases when more borrowings are made, or decreases when repayments are made by the government for these borrowings.

The FRBM Act, 2003 passed by the central government specifies that the outstanding debt of the general government (Centre and states combined) be brought down to 60% of GDP. This includes a target of 20% of GDP for the outstanding debt of state governments.

A higher debt indicates a higher obligation for the government to repay loans. It also leads to higher interest outgo, as interest has to be paid on all outstanding debt.

How are the budget documents organised?

This section describes the budget documents that are presented in the Assembly and what information is provided in them. It will also help the readers navigate the documents to find the exact information they may be looking for. While there could be more than ten separate documents, they can be classified into four broad categories (see Table 1 on next page).

Summary Documents: These documents summarise the main provisions in the State Budget, either in terms of the main policy announcements, tax proposals, aggregate number for government receipts and expenditure. As these are summary documents, they will not answer specific questions on allocation for a particular item within a department or a programme.

Expenditure Documents: These documents present detailed information on the expenditure of the state government. Details are provided by sectors, departments, and schemes.

Receipts Documents: These documents present detailed information on the money raised by the state government in the form of tax receipts, non-tax receipts, central transfers, capital receipts, and borrowings.

FRBM Documents: These documents are presented under the provisions of the state's Fiscal Responsibility and Budget Management (FRBM) Act. Under the Act, the government is required to follow sound fiscal policies and limit fiscal and revenue deficits.

Budget and the Economy

Along with the Budget, forecast on growth in Gross State Domestic Product (GSDP) is also presented. GSDP refers to the value of all goods and services produced in a state in any given financial year. It reflects the economic output of a state.

A state's ability to raise revenue depends on the structure of the economy and economic growth. This in turn determines the level of expenditure that the state government may undertake and need for borrowings to fund any gap. Further, budget provisions also influence economic growth. For instance, governments may decide to cut taxes or spend more to boost the economy when growth is slowing down.

Table 1: Key State Budget documents

Category	Documents in this category
Summary Documents	**Budget Speech:** Highlights the main expenditure and tax proposals.
	Budget at a Glance/ Overview/ Summary: Provides a brief overview on total funds raised by the government (through own resources, central transfers or borrowing), how that money is to be spent and budget deficit/surplus.
	Annual Financial Statement: Similar to 'Budget at a Glance' but organised in a different way to meet requirements under Article 202 of the Constitution.
Expenditure Documents	**Demands for Grants:** Presents a detailed breakdown of the expenditure of each department. Required to be presented under the Constitution, asking the Assembly to allocate the stated amount of funds to different departments.
	Appropriation Bill: Required to be passed by the Assembly under the Constitution, allowing the state government to withdraw the stated amount of funds from the Consolidated Fund of the State.
Receipts Documents	**Detailed Estimates of Receipts:** Presents detailed information on how the government intends to raise money through different sources.
	Finance Bill: A Bill introduced in the Assembly containing the various legal amendments to bring into effect the tax changes which are proposed by the state government.
FRBM Documents	**Macro-Economic Framework:** Explains the government's assessment of the growth prospects of the state economy.
	Medium-Term Fiscal Policy: A statement setting limits on the size of the budget deficits for next three years, and targets for tax and non-tax receipts.
	Fiscal Policy Strategy: A statement explaining the government's efforts to follow sound fiscal policies and reasons for any departure from the targets set by it for deficits under the FRBM Act (see Medium Term Fiscal Policy above).

As mentioned in the table, certain documents are required to be presented to the Assembly (and in some cases, voted on) under the provisions of the Constitution or under the state's respective FRBM Act. These include the Annual Financial Statement, Demands for Grants, Appropriation and Finance Bills, and the FRBM Documents.

How to find the information I want?

This section illustrates how to find information on key parameters in the budget documents with the help of a few examples.

What are 'budget estimates', 'revised estimates' and 'actuals'?

In budget documents, numbers are presented across four columns.

2021-22	2022-23	2022-23	2023-24
वास्तविक	बजट अनुमान	संशोधित अनुमान	बजट अनुमान
Actuals	**Budget Estimates**	**Revised Estimates**	**Budget Estimates**

As part of the budget, the government presents its estimates for the upcoming financial year. The *budget estimate* for any head indicates the amount estimated by the government for the next year. For instance, the budget presented in February 2023 showed the budget estimates for various heads for the upcoming financial year 2023-24.

Once the year ends, the actual numbers are audited by the CAG, post which they are presented to the Assembly with the upcoming budget. *Actuals* denotes the final audited amount at the end of the year and may exceed or fall short of the estimates. Since the actual figures can only be audited after the financial year is over and final accounts have been prepared, *actuals* presented in the budget is for the previous year. For instance, the 2023-24 budget showed the *actuals* for the year 2021-22.

Some of the estimates made by the government might change during the course of the year, which gets reflected in the revised figures. For instance, once the year gets underway, some departments may need more funds than what was allocated to them as per the *budget estimates,* or the receipts expected from certain sources might change. Thus, along with the budget estimates for the upcoming financial year, the government presents *revised estimates* for the ongoing financial year after incorporating such revisions.

Where in the budget documents do I find the total expenditure, total receipts, fiscal deficit and other 'big' numbers?

Use Budget at a Glance. The Budget at a Glance summarises the budget and presents broad numbers of the budget in a reader-friendly document. This document shows the major components of receipts and expenditure and the state's deficits such as fiscal deficit and revenue deficit.

(₹ करोड़) (₹ crore)

				2021-22	2022-23	2022-23	2023-24
				वास्तविक	बजट अनुमान	संशोधित अनुमान	बजट अनुमान
				Actuals	**Budget Estimates**	**Revised Estimates**	**Budget Estimates**
1	**राजस्व प्राप्तियाँ**	**1**	**Revenue Receipts**	**85485.48**	**106424.70**	**97002.48**	**109122.42**
1.1	कर राजस्व	1.1	Tax Revenue	70493.11	82653.48	75714.30	86880.93
a	केंद्रीय करों का हिस्सा	a	Share of Central Taxes	9722.16	8925.98	10378.00	11164.43
b	राज्य कर राजस्व	b	State's Own Tax Revenue	60770.95	73727.50	65336.30	75716.50
1.2	कर–भिन्न राजस्व	1.2	Non-Tax Revenue	14992.37	23771.22	21288.18	22241.49
a	राज्य का अपना गैर–कर राजस्व	a	State Own Non-Tax Revenue	7394.13	12205.36	10954.30	12651.01
b	भारत सरकार से अनुदान	b	Grants from Government of India	7598.24	11565.86	10333.88	9590.48
2	**पूंजी प्राप्तियाँ**	**2**	**Capital Receipts**	**24951.39**	**35779.08**	**35469.73**	**39607.18**
2.1	ऋणों की वसूली	2.1	Recoveries of Loans	500.24	766.87	742.56	1132.80
2.2	विविध पूंजीगत प्राप्तियां	2.2	Misc. Capital Receipts	67.15	5393.89	2000.00	5200.00
2.3	उधार और अन्य देयताएं	2.3	Borrowings and Other Liabilities	24384.00	29618.32	32727.17	33274.38
3	**कुल प्राप्तियाँ**	**3**	**Total Receipts (1+2)**	**110436.87**	**142203.78**	**132472.21**	**148729.60**
4	**कुल खर्च**	**4**	**Total Expenditure (4.1+4.4)**	**110436.87**	**142203.78**	**132472.21**	**148729.60**
4.1	राजस्व खर्च जिसमे	4.1	Revenue Expenditure of which	98425.04	116198.63	115007.54	126071.45
4.2	ब्याज अदायगिया	4.2	Interest Payments	18361.60	20994.48	20989.02	21249.90
4.3	पूँजी परिसम्पत्तियों के सृजन हेतु अनुदान	4.3	Grant for Creation of Capital Assets	4145.61	4451.79	4226.31	6443.14
4.4	पूंजीगत खर्च	4.4	Capital Expenditure	12011.83	26005.15	17464.67	22658.15
4.5	खाद्यान्न खरीद पर व्यय का पूंजीगत व्यय (निवल)	4.5	Capital Expenditure net of expenditure on Food Procurement	12160.42	26235.15	17652.37	22935.74
5	**राजस्व घाटा**	**5**	**Revenue Deficit (4.1-1)**	**12939.56**	**9773.93**	**18005.06**	**16949.03**
				(1.49)	**(0.98)**	**(1.81)**	**(1.51)**
6	**प्रभावी राजस्व घाटा**	**6**	**Effective Revenue Deficit (5-4.3)**	**8793.95**	**5322.14**	**13778.75**	**10505.89**
				(1.01)	**(0.54)**	**(1.39)**	**(0.94)**
7	**राजकोषीय घाटा**	**7**	**Fiscal Deficit [4-(1+2.1+2.2)]**	**24384.00**	**29618.32**	**32727.17**	**33274.38**
				(2.80)	**(2.98)**	**(3.29)**	**(2.96)**
8	**प्राथमिक घाटा**	**8**	**Primary Deficit (7-4.2)**	**6022.40**	**8623.84**	**11738.15**	**12024.48**
				(0.69)	**(0.87)**	**(1.18)**	**(1.07)**

Devolution to the state for 2023-24

Total expenditure estimated for 2023-24

Fiscal deficit estimated for 2023-24

Sources: Haryana Budget Documents 2023-24; PRS.

Which are the major sources of revenue for the state government?

Use Annual Financial Statement (Consolidated Fund, Receipts). The Revenue Receipts and Capital Receipts sections provide information on how the government intends to raise money through different sources.

From the figure below, we can see that the government has estimated its total tax revenue to be Rs 1,65,439 crore in 2023-24. Other broad heads of revenue are: (i) Non-tax Revenue under Revenue Receipts, (ii) Grants-in-aid under Revenue Receipts, and (iii) Non-Debt Capital Receipts.

All Figures are in Thousand of Rupees

Receipt Heads	Actual 2021-2022	Budget Estimate 2022-2023	Revised Estimate 2022-2023	Budget Estimate 2023-2024
I-CONSOLIDATED FUND - RECEIPTS				
Revenue Account				
A. Tax Revenue				
a) Goods and Services Tax				
0005- Central Goods and Services Tax (CGST)	19024,77,00	20172,77,00	22143,24,00	24847,59,00
0006- State Goods and Services Tax (SGST)	31271,06,59	36114,00,00	34819,49,20	37791,85,64
0008- Integrated Goods and Services Tax (IGST)	...	...	...	...
b) Taxes on Income and Expenditure				
0020- Corporation Tax	18164,94,00	19182,82,00	24792,29,00	24595,00,00
0021- Taxes on Income other than Corporation Tax	19790,65,00	18526,55,00	21619,92,00	23927,60,00
0022- Taxes on Agricultural Income	23,40	72,00	25,00	30,00
0028- Other taxes on Income and Expenditure	664,47,20	651,00,00	716,11,10	766,23,87
c) Taxes on Property and Capital Transaction				
0029- Land Revenue	2742,66,71	3259,00,00	3082,54,56	3390,79,99
0030- Stamp and Registration Fees	7366,44,04	6550,00,00	7117,89,30	7473,78,76
0032- Taxes on Wealth	4,26,00	-68,00	-68,00	-64,00
0035- Taxes on Immovable Property other than Agricultural Land	...	...	...	...
d) Taxes on Commodities and Services				
0037- Customs	4891,75,00	2663,68,00	1899,33,00	2437,63,00
0038- Union Excise Duties	2715,42,00	829,71,00	950,00,00	1020,95,00
0039- State Excise	13541,93,36	16500,00,00	15001,39,05	17921,55,74
0040- Taxes on Sales,Trades etc.	9950,63,44	10100,00,00	12134,14,49	13897,55,96
0041- Taxes on Vehicles	2647,14,66	2772,00,00	3258,09,26	3583,90,18
0042- Taxes on Goods and Passengers	4,71,95	10,00,00	...	...
0043- Taxes and Duties on Electricity	2384,25,06	2800,00,00	2784,87,55	3125,80,81
0044- Service Tax	880,25,00	61,69,00	30,83,00	15,42,00
0045- Other Taxes and Duties on Commodities and Services	576,99,45	589,88,00	585,20,75	643,72,74
Total : A. Tax Revenue	**136622,59,86**	**140783,14,00**	**150934,93,26**	**165439,08,69**

State GST revenue for 2023-24

Income tax revenue devolved to the state (2023-24)

Total tax revenue estimated for 2023-24

Sources: West Bengal Budget Documents 2023-24; PRS.

How much is the government spending on various sectors?

Use Annual Financial Statement (Consolidated Fund, Expenditure). The Revenue Expenditure and Capital Expenditure sections provide information on how the government is spending money.

From the figure below showing Revenue Expenditure, we can see that the government has estimated the revenue expenditure on health and family welfare to be Rs 1,951 crore in 2023-24. The corresponding capital outlay component for health and family welfare is given under Capital Expenditure. Adding these two gives us the total expenditure on health and family welfare.

CONSOLIDATED FUND OF GOA - REVENUE ACCOUNT DISBURSEMENT

(Rs. in lakhs)

Major Heads	Items	Actuals 2021 - 2022	Budget Estimates 2022 - 2023	Revised Estimates 2022 - 2023	Budget Estimates 2023 - 2024
	1	2	3	4	5
2058	Stationery and Printing	1202.99	1544.90	1544.90	1811.00
2059	Public Works	12763.84	17214.51	22214.52	53720.18
2070	Other Administrative Services	10024.42	14599.88	16758.59	20746.53
	(e) Pension and Miscellaneous Services	*185234.93*	*207267.05*	*208074.98*	*226351.90*
2071	Pensions and Other Retirement Benefits	184843.29	204081.05	204514.05	222580.90
2075	Miscellaneous General Services	391.64	3186.00	3560.93	3771.00
	B. SOCIAL SERVICES	**555859.90**	**631184.05**	**643754.51**	**726062.23**
	(a) Education, Sports, Art and Culture	*213752.99*	*281353.73*	*285150.13*	*336488.74*
2202	General Education	181764.43	234858.78	237824.31	259351.11
2203	Technical Education	13206.38	19779.85	19851.72	22435.40
2204	Sports and Youth Services	7235.35	10122.05	10503.05	35684.40
2205	Art and Culture	11546.83	16593.05	16971.05	19017.83
	(b) Health and Family Welfare	*130862.09*	*161157.99*	*163695.81*	*195115.50*
2210	Medical and Public Health	129343.13	158628.96	161166.78	192990.30
2211	Family Welfare	1518.96	2529.03	2529.03	2125.20
	(c) Water Supply and Sanitation, Housing and Urban Development	*113011.99*	*63299.35*	*63522.06*	*62411.76*
2215	Water Supply and Sanitation	102149.65	38937.00	38937.01	34658.00
2216	Housing	1328.01	1540.00	1540.00	1850.00
2217	Urban Development	9534.33	22822.35	23045.05	25903.76
	(d) Information and Broadcasting	*6943.26*	*4983.37*	*6753.37*	*7554.20*
2220	Information and Publicity	6943.26	4983.37	6753.37	7554.20
	(e) Welfare of SCs, STs and OBCs	*4835.62*	*16566.96*	*16567.96*	*10659.69*
2225	Welfare of Scheduled Castes, Scheduled Tribes, Other Backward Classes and Minori	4835.62	16566.96	16567.96	10659.69
	(f) Labour and Labour Welfare	*6601.95*	*12255.93*	*12491.93*	*12843.11*
2230	Labour and Employment	6601.95	12255.93	12491.93	12843.11
	(g) Social Welfare and Nutrition	*79576.24*	*91566.72*	*95573.25*	*100989.23*
2235	Social Security and Welfare	73623.86	86211.52	89193.76	96338.53
2236	Nutrition	2523.80	2808.00	3832.29	2281.00
2245	Relief on account of Natural Calamities	3428.58	2547.20	2547.20	2369.70

Revenue expenditure on Education (2023-24)

Revenue expenditure on Health (2023-24)

Sources: Goa Budget Documents 2023-24; PRS.

Glossary of key terms

Receipts indicate the money received by the state government. These include: (i) the money earned by the government, (ii) the money transferred by the central government, and (iii) the money it receives in the form of borrowings, or repayment of loans given by the state.

Capital receipts indicate the receipts which lead to a change in assets or liabilities of the government. It consists of: (i) the money recovered from repayment of loans that were given by the state, and (ii) the money received in the form of borrowings, or loans from the central government.

Revenue receipts are receipts which do not have a direct impact on the assets and liabilities of the government. It consists of the money earned by the state government through tax and non-tax sources and funds transferred by the central government.

Capital expenditure is used to create assets or to reduce liabilities. It consists of: (i) the money spent by the government on creating assets such as roads and hospitals, and (ii) the money given by the government as loans, or repayment of its borrowings.

Revenue expenditure is the expenditure by the government which do not impact its assets or liabilities. Examples include administrative expenses, payment of salary, pension, interest, and grants to local governments.

Devolution of central taxes means the money received from the central government as the state's share in central taxes such as corporation tax, income tax, central GST, customs, and union excise. It is devolved to the state as per the criteria recommended by the Finance Commission.

Grants-in-aid are transferred by the central government, and may be tied in nature, i.e. they are linked to specific schemes and expenditure avenues, such as Swachh Bharat Mission, and National Health Mission.

Outstanding debt is the stock of money borrowed by subsequent governments over the years which the state currently owes. Figure for a year indicates the government's outstanding debt at the end of the year.

Fiscal deficit is the gap between the state government's expenditure requirements and its receipts. This equals the money the government needs to borrow during the year. A surplus arises if receipts are more than expenditure.

Revenue deficit is the gap between revenue expenditure and revenue receipts. This indicates the money the government needs to borrow to spend on non-capital components (which do not lead to creation of assets).

Effective revenue deficit is the difference between revenue deficit and the grants given by the state government to other government or local bodies or implementing agencies for creation of assets.

Primary deficit equals fiscal deficit minus interest payments. This indicates the gap between the government's expenditure requirements and its receipts, not taking into the account the expenditure incurred on interest payments on loans taken during the previous years.

Gross State Domestic Product measures the value of all goods and services produced in a state in any given financial year. GSDP at current prices or nominal GSDP measures the value of goods and services at prevailing prices. GSDP at constant prices or real GSDP is calculated based on prices which prevailed in a particular year in the past (referred to as base year). This is done to remove the impact of inflation while measuring economic growth.

Consolidated Fund of the State is the Fund or account into which all of the state government's receipts are credited, and which it uses for financing its expenditure.

Charged expenditure includes expenditure which is not required to be voted on by the Assembly and is charged directly from the Consolidated Fund of the State. Such expenditure can still be discussed in the Assembly. Examples include interest payments, and salaries and allowances of the Governor and judges of the High Court.

Voted expenditure consists of all expenditure other than charged expenditure. It is required to be voted upon by the Assembly in the form of Demands for Grants.

Finance Bill is introduced with the budget and consists of the state government's tax proposals for the upcoming year.

Appropriation Bill authorises the state government to withdraw money from the Consolidated Fund of the State. It is introduced and voted on after the Demands for Grants are passed.

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