

Preface

This book project dates back to January 1998 when I had just started my doctoral studies at the Maxwell School of Syracuse University. The Government Performance Project (GPP), funded by the Pew Charitable Trusts, had then just been launched and I worked on the financial management section. Volumes of detailed survey responses from the state governments overwhelmed me, but soon I was beginning to absorb a lot of substance from this sea of rich materials on state practices in managing their revenue, expenditure, investment, pension, and debt, among others. Somehow a particular practice, the “rainy day fund,” attracted my attention. GPP’s survey had contained a question on the adoption and use of the rainy day fund, great insight from the project’s Advisory Committee, from which I got the first spark of inspiration. I dug in, deeper and wider, for state legislation on this fund. In the next year or so, I was the heaviest user of the interlibrary loan service at Syracuse University Library for *Annual Budgets* and (*Comprehensive*) *Annual Financial Reports* of all 50 states. That extremely time consuming but worthwhile exercise sent me down the road ... A 50-state 21-year data set was put together, with legislation of 39 states on the fund.

I decided to write a dissertation on the economics, law, and politics of the adoption, use, and effects of the rainy day fund. The literature was then thin, just starting to accumulate; I looked sideways to related literatures for ideas, insights, and methods. The 2001 recession provided a boost to this project; the research community began to pay more attention to this area; I was encouraged. In May 2002, I defended my dissertation that won a best dissertation awards from the Maxwell School and the Syracuse University. Since then I have been working in this narrow area, updating the data set every now and then, writing on different aspects of this topic. Over this period, I published over a dozen papers in different journals. Then the Great Recession struck. It is time for a summary of what I have done so far. Springer and the series editor Professor Randall Holcombe very quickly endorsed my book proposal and encouraged me to put together this volume.

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