CHAPTER - III
CHAPTER - III
FINANCES OF KURNOOL ZILLA PARISHAD

3.1 Introduction

An attempt is made in this chapter to examine the finances of Kurnool Zilla Parishad, the apex tier of the PRIs in the district. To get a clear understanding of the finances of the PRIs in the district, it is imperative that a brief profile of the district is presented. Thus, in Section-1 of this chapter an attempt is made to examine the broad socio-economic profile of the district which has implications for the long-term PRI finances. Section-2 presents a brief review of the PR systems as it evolved in the district. This is followed by a review of the revenues and expenditures of the Kurnool Zilla Parishad with special reference to the period from 1994.

3.2 District Profile

3.2.1 Location, Area and Demography

Kurnool, located in the drought affected Rayalaseema region, which is known as 'stalking ground of famines' of Andhra Pradesh, is the third largest district in the state in terms of area (17,658 Sq.Km). The population of the district is 3.53 million (2001 Census). The density of population is 200 per Sq.Km. The rural population of the district accounts for 77% of the total. The SCs and the STs account for about 6.29% and 0.70% of the total population, respectively. The district has a significant presence of agricultural labour (6.25lakhs). The sex ratio in the district (965/1000) was lower than the state average sex ratio of 978. The under 19 population of the district accounts for 41.5% of the total, while the under 6 population was 14.6% (2001). The literacy rate in the district was 53.22% (65.96% male and 40.03% female) in 2001. Of the total 5.37 lakh households in the district, about 2.13 lakh households (39.7%) were reported to be poor and poorest of the poor (IKP-PIP 2004-05).
3.2.2 Governance

The physiography of the district consists of two distinct tracts, the eastern ghat tract lying between Nallamala and Erramala forests and the western part lying West of Erramala forests. For the purpose of administration, however, the district is divided into 3 revenue divisions and 54 revenue mandals. The urban local governance is provided through one municipal corporation and 4 municipal councils, while the rural administration is carried out through a zilla parishad, 53 mandal panchayat parishads and 898 Gram Panchayats.

3.2.3 Roads and Communications

The district has a vast network of public infrastructure. It has a good network of rail and roadways. Out of the total road length of 8,857 kms, BT roads account for 43.5% connecting all-important places in the district, while a 288 km long railway line with 32 railway stations connects important towns in the district.

3.2.4 Education

The district has a wide network of pre-primary schools (151), primary schools (1976), upper primary schools (963) and high schools (545). There are 102 SC welfare hostels, 10 ST welfare hostels and 73 BC welfare hostels for girls and boys with an annual average intake of about 26,000 students. In addition, 60 schools were run as RBC, NCLP and Badibata (back to school program) with an intake of 4004 boys and 1215 girls.

3.2.5 ICDS

Supplementary nutrition programme has been implemented in the district for the benefit of 1.8 lakh children below 6 years of age and 0.41 lakh pregnant and lactating mothers through a network of 2,846 anganwadi centers. Since 1st April 2006, supplementary nutrition with therapeutic food enriched with vitamins/ minerals has been provided to the children and eligible mothers. Each anganwadi center provides supplementary nutrition to 68 children and 16 pregnant and lactating mothers.
3.2.6 Public Health Infrastructure

The district has a fairly average density of medical facilities. Apart from the Government teaching hospital at Kumool and private teaching hospital at Nandyal, the district has a major hospital facility at Nandyal and at 9 important urban centers (CHCs). The district has a network of 75 PHCs, 14 dispensaries and 16 Urban Health Centres, besides 44 Unani, Ayurvedic and Homeo hospitals. In terms of availability of hospitals, doctors and beds, the district is better placed compared to the state average. The district is relatively better placed in terms of IMR (59/1000) although MMR was very high 150 (2006-07). With regard to drinking water facilities, the district is relatively better place with both surface and ground water sources meeting the requirements of the rural and urban population through a vast network of hand pumps, public stand posts and house connections.

3.2.7 District Economy

The total Geographical area of the district is 17.60 lakh Hect. During the year 2004-05 the area covered by forest is 3.18 lakh Hects, which forms 18% to the total geographical area. The net area sown is 8.73 lakh Hects, forming 49% to the total geographical area. The total cropped area in the district is 9.56 lakh Hects. The area sowed more than once during the year is 0.76 lakh Hects.

The principal rivers flowing though the district are the Thungabadra, its tributary Handri, the Krishna and the Kundu. The K.C. Canal, the Thungabadra Project low-level canal and the Telugu Ganga project and Zurraru and Gajuladinne medium irrigation projects are the principal surface irrigation sources. Together the surface sources irrigate about 23% of the total cropped area, while deep bore wells too provide irrigation to a small portion of the agricultural land. About 60% of the cultivable land is rainfed. Thus, the agricultural economy of the district principally depends on cultivation of irrigated rice and the rainfed crops of groundnut, jowar, tobacco, and cotton. Located in the drought prone region, the district faces constant threat of crop loss. The average annual rainfall of the district is 670 mm.
3.2.8 Mineral Resources

Kurnool District possesses enormous deposits of lime-stone suitable for cement manufacture, apart from this, the important minerals of economic value in the district are barites, yellow shale, white shale, steatite etc.

Lime-Stone occurs in Kallur, Orvakal, Dhone, Peapully, Panyam, Banaganapalli, Owk, Gadivemula and Kolimigundla mandals with an annual exploitation of 30.00 lakh M. Tons. The annual out turn of the other minerals in the district is 121.29 lakh M. Tons.

3.2.9 Mining and Heavy Industries

Though the district abounds in mineral resources much headway does not been to have been made in their full exploitation. The important minerals available in this tract are lime-stone, iron-ore, barites, copper, diamonds, lead slate, steatite and clay and among the less important are saline efflorescence, calcareous tufa, ochse and oxide magnesite, mica, serpentine, sulphur, calcite and zinc.

3.2.10 Small scale Industries

The industries in the small-scale sector in the district are also mostly agro-processing units as the agricultural commodities support more than half of the units now functioning. The peculiar features of the industrial growth is that not only the oil mills, rice mills and cotton ginning and pressing mills have grown in appreciable number but a concomitant growth of units like state manufacturing, general engineering and automobiles, occupying a place next only to oil, rice and cotton ginning and pressing mills, gave a new orientation to the economy of the district. As already observed, a majority of the units are agro based undertakings such as oil mills, rice mills, cotton ginning, shelling and pressing mills, tobacco processing and cotton mills assume greater importance because they constitute the industrial bulk and are supported by agricultural commodities like oil seeds, paddy, tobacco and cotton which are
grown abundantly in the district. Among the non-agricultural categories come a variety of units connected with manufacturing general engineering goods, slates, fertilizers, ceramic, wooden furniture, printing work, mining, tanneries, grinding, cement and brick works.

3.2.11 Cottage Industries

Handloom weaving is an important cottage industry of the district. The centres particular noted for this industry are Nandyal, Koilkuntla, Banaganapalle, Allagadda, Alur, Nandikotkur. The important products from these centres are sarees, Poruva (a type of coarse cloth) and susi cloth, all of which find a substantial market both within and outside the state.

3.2.12 Trade and Commerce

The important items of export from the district consist of handloom cloth, mill yarn, pressed cotton, indigo, timber, firewood, cement, ghee and oil. Among the minerals, the items are iron-ore, white clay, yellow ochre, steatite, barite, lime and slate stones. Among the agricultural commodities mention may be made of turmeric, oil seeds, tobacco, onions, chillies, gingelly and condiments.

In regard to imports into the district, there has been a change from traditional to modern and sophisticated goods, due mainly to a change in the social habits and customs among the people. The mills of various types (including, terilyne, nylon and hosiery), medical products, pesticides, fertilizers, stainless steel ware, general ware, plastic products, radio sets and parts, general 'kirana' goods and petroleum products, constitute a sizeable proportion of the inward commerce.

The district has a small place in the industrial map of the State. The district has a few paper, chemical, cotton and edible oil industries. The rich lime stone, yellow archie, granite stone slabs provide some industrial activity in the district. However, during the last 15 years, cotton processing, carbide,
soap and edible oil industries have been on the decline and several of them in Adoni, Yemmiganur and Kurnool have become sick due to changes in cropping pattern, wide fluctuations in prices and yields and other factors. The decline in industry and the wide fluctuations in agricultural yields and the cropping pattern have had adverse impact on the employment situation in the district, contributing to a much higher out migration, particularly, from the Adoni revenue division. However, the massive irrigation project taken up by the GOAP to divert the surplus Krishna river waters through SRBC and Telugu Ganga on the one hand and the Galeru-Nagari project on the other are expected to provide substantial additional irrigation facilities to the district.

3.2.13 Anti-Poverty Programs

The district has been in the forefront of implementing several anti-poverty programs including food security and shelter programs. The district has been implementing SGSY, SJSRY, SGRY, IAY, TSC, NSAP, NREGP and other programs sponsored and largely funded by the GOI. In addition, through 7.04 lakh ration cards, the district provides 1,184 tonnes of rice through the PDS to 7.0 lakh households every month, in addition to AAY and Annapurna schemes. The World Bank funded APRPRP (IKP) has been spearheading the SHG movement in the district. The district has a vast network of about 27,635 SHGs of poor women, federated at the village (VOs) and mandal level (MSs). A significant feature of the SHG movement in the district is the credit access facilitated to them through bank linkage. During 2007-08, up to August 2007, 4,511 SHGs were linked to a bank credit of Rs.43.39 crores. On an average, a loan amount of Rs.96,203 per SHG was extended. A food credit program has been implemented as part of this project covering 50,629 households. The district has been providing a monthly pension support of Rs.200 to 1,32,428 persons each, most of whom are the aged. In addition, the state government sponsored Indiramma housing program is designed to provide permanent housing to all the households below poverty line in a span of three years.
3.2.14 Some Concerns

However, the district has been experiencing certain concerns. First, cotton and edible oil industries have been experiencing a crisis due to the regular failure of crops and market fluctuations, adversely affecting the livelihoods of the employees and workers, especially women, who are forced to change their occupations or undertake migration to far off places like Mumbai, Pune, Bangalore, Hyderabad and Bellary with serious long term consequences to the well-being of the households. Second, general decline and sickness of industries in Kumool, Adoni and Nandyal too have affected the livelihoods of the dependent communities. Third, regular failure of cotton and groundnut crops due to irregular rainfall or rising pest and other problems affecting the crop yields. These trends, coupled with the widely perceived increase in inequality in the distribution of income during the last decade, on the one hand and the rising cost of living on the other, appear to have imposed disproportionate burden on the poverty groups (the SCs, the STs and the traditional occupational classes) in general and their woman and child members in particular. Finally, there has been a rapid increase in both in and out migration in the district, a substantial portion of which is involuntary.

3.3 Evolution of Local Self-Government in Kumool District

3.3.1 The 1866 Act

The history of modern local self-government in the district of Kumool dates back to a little over 120 years when it was a part of Madras Presidency which came into being during the East India Company Rule. The first legislative measures taken by the East Company in this respect was the enactment of the Town Improvement Act in 1866, when the District Road Cess Act was passed authorizing the levy of a cess on the value of property for the purpose of laying and maintaining roads. The next important landmark was the passage of Local Funds Act 1871 established in the Local Boards at Pattikonda, Nandyal, Koyalakuntla, Allagadda, Giddatur, Markapur, Dhone, Kumool and Nandikotkur. The District Collector was the President of the Circle Board which consisted of 33 members, 16 officials and 17 non-officials. In all these places, the roads and educational and medical institutions were
placed under the control of Local Fund Boards. The income of these boards consisted of land cess, tolls on fishing centres, canal and ferry fund, income from endowments and choultries, government grants and public donations. By the time, the District Circle Board was abolished in 1885, it was running 1 training school for teachers, 1 middle school and 61 elementary schools besides maintaining 2 hospitals, 5 dispensaries, 4 public bungalows and 9 choultries and a road length of 808 kms.

3.3.2 Madras Local Boards Act 1884

The next important landmark in local self-government in this district was the establishment of a District Board on 1st April, 1885 under the Madras Local Boards Act of 1884. Under the Act, the District Board was constituted with 34 members, of whom 8 were officials and 26 non-officials, the District Collector being the President. Although the Act also provided for the formation of taluk boards, no such boards were formed until 1880, mainly due to the backwardness of the area. Thus, by 1990, three taluk boards at Kumool, Markapur and Peapally were established. Each taluk board had 12 members, 4 officials and 8 non-officials, all of whom were appointed. The revenue officers of the taluks were Presidents of the Boards. The chief source of income of the Boards included a share in land cess levied by the district board, license fee for markets, rents on choultries and fisheries and grants from the provincial governments and district boards. The Taluks of Adoni and Alur which were part of the Bellary district were transferred to Kumool consequent on the formation of Anantapur district in 1882. The taluk boards were reconstituted in 1910 and the number of taluks was added. Thus, by 1932-33, there were 9 taluk boards.

The next important landmark was the passing of the Madras Local Board Act 1920, de-officializing the structure and functions of the Local Bodies. With the result, the District Collector and the revenue divisional officers ceased to be the ex-officio presidents of these bodies. The elected component of the membership was increased to 75%, resulting in greater autonomy of these bodies. The taluk boards were given the option to levy additional land cess besides profession tax, the companies tax and pilgrim tax.
3.3.3 The Madras Local Boards Act 1930

The Madras Local Boards Act of 1930 made the office of the presidents elective and also effected the provincialization of the services under the local boards. The Act provided for the extension of franchise to every income tax assessee, appointment of a District Panchayat Officer, constitution of a village development fund and the conduct of triennial elections to the local bodies. The act also abolished nominations and introduced direct elections to the district and taluk boards, besides providing for removal of chairman by a vote of confidence. Thus, the Kumool district and taluk boards were reconstituted in 1932, but the taluk boards were abolished in 1934 and their functions entrusted to the district board. The village development fund was also abolished. Thus, the taluk boards lost their significance, although they were maintaining about 150 kms of roads, 34 medical institutions, 4 high schools, 3 middle schools and 706 elementary schools in 1934.

During the period of the Second World War, all the district boards were abolished and placed in-charge of the District Collector. The board was however reconstituted in 1943, but the term of the members was terminated in 1946 and placed once again under the charge of the District Collector, which continued till 1949. The Board was reconstituted in 1949 with 52 members. However, with the Kumool becoming the capital of the Andhra state, the headquarters of the district board were shifted to Banaganapalle where it remained till the composite state of Andhra Pradesh was formed. Thus, between July 1953 and 1959, however, the elections too Zilla Parishad was suspended and the Collector function as the special officer of the district board.

3.3.4 The AP Panchyat Samithis and ZP Act 1959

The Andhra Pradesh Panchayat Samithis and Zilla Parishads Act ushered in the three-tier pattern of democratic decentralization. The Kumool Zilla Parishad was constituted on the 1st of December 1959, with 54 members including Panchayat Samithi presidents, members of the Legislative Assembly
and Council, co-opted members, non-block representatives and the District Collector. It has seven standing committees, of which the District Collector is the ex-officio chairman. At the time of its formation, the Kurnool Zilla Parishad took over from the erstwhile District Board about 1,216 kms of roads, 52 secondary schools, 1498 elementary schools and 54 medical institutions. So far as the Zilla Parishad is concerned, the main sources of income are (a) the funds allotted by the Central or State Government; (b) grants from All India bodies or institutions for the development of cottage, village and small scale industries, (c) a prescribed share of land cess or local cess, state taxes or fees; (d) income from endowments or trusts administered by the parishad; (e) surcharge on stamp duty and (f) donations and contributions from the panchayat samithis and the public (See Annex Table - 3.1).

Table - 3.1
Financial Position of the Zilla Parishad, Kurnool 1960-61 to 1965-66

<table>
<thead>
<tr>
<th>S. No</th>
<th>Year</th>
<th>Receipts</th>
<th>Expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Ordinary</td>
<td>Capital</td>
</tr>
<tr>
<td>1.</td>
<td>1960-61</td>
<td>32.39</td>
<td>19.96</td>
</tr>
<tr>
<td>2.</td>
<td>1961-62</td>
<td>47.64</td>
<td>29.58</td>
</tr>
<tr>
<td>3.</td>
<td>1962-63</td>
<td>52.17</td>
<td>48.71</td>
</tr>
<tr>
<td>4.</td>
<td>1963-64</td>
<td>52.18</td>
<td>58.82</td>
</tr>
<tr>
<td>5.</td>
<td>1964-65</td>
<td>49.48</td>
<td>67.34</td>
</tr>
<tr>
<td>6.</td>
<td>1965-66</td>
<td>60.50</td>
<td>41.87</td>
</tr>
</tbody>
</table>

Source: Zilla Parishad Office, Kurnool

At the beginning there were 17 Panchayat Samithis in the Kurnool district formed under the A.P. Panchayat Samithis and Zilla Parishads Act, 1959. Their number rose to 17 by April 1964. Each Panchayat Samithi consisted of all the Presidents of the Village Panchayats working in its area of operation as ex-officio members, one person nominated by the District Collector, one woman, one representative of SCs and the STs each, two persons experienced in the administration rural of development, social services etc., one representative of the co-operative society and the Members of Legislative Assembly and Legislative Council elected from the area of concerned Panchayat Samithi. The finances of each Samithi consisted of:
• funds transferred by the government;
• funds relating to the CD programme;
• grants from the central and state governments and other all India bodies;
• donations and contributions from the panchayats and public; and
• prescribed share from the revenue of few taxes, fees etc., levied by the state government.

3.3.5 The AP Gram Panchayat Act 1964

The existing Village Panchayats were reconstituted under the Andhra Pradesh Gram Panchayats Act of 1964. At that time there were about 798 Village Panchayats in the district covering about 865 villages. Each panchayat consisted of not less than 5 members and not more than 17 members directly elected by the people. There was a Sarpanch for each Panchayat. The Sarpanch was indirectly elected by the Members of the panchayat whose primarily responsibility was to preside over the meetings of the panchayat. Each panchayat consisted of gram sabha comprising all the voters in the village. The Village Panchayats sources of the income included:

• taxes like house tax, profession tax, vehicle tax and so on;
• income from the remunerative enterprises like markets, cycle stands etc;
• license fees;
• share in the state taxes; and
• grants from the state government.

3.3.6 The AP Mandal Parishad and Zilla Parishads Act of 1986

This pattern of Zilla Parishad and the Panchayat Samithis in the district continued with minor changes till 1986 when the Panchayat Raj system in the state underwent a radical change. During this year, the Telugu Desam Government introduced several far reaching reforms in the existing Panchayati Raj system. It passed the Andhra Pradesh Mandal Praja Parishads and Zilla Praja Parishads Act of 1986. This Act replaced the existing Panchayat Samithis by the Mandal Praja Parishads (MPPs) while the
Zilla Parishads by the Zilla Praja Parishads (ZPPs). Under this Act, the Kumool Zilla Praja Parishad became Kumool Zilla Praja Parishad, while the 17 Panchayat Samithis working in the district were reconstituted into 53 Mandal Praja Parishads. Besides, a District Development Council (Zilla Abhivrudhi Mandal) was constituted for the purpose of planning and also for review of the developmental programmes implemented for the promotion of rural development in the district. The MPPs became coterminous with the Revenue Mandal formed in June 1985.

Under this Act, the Chairman of the Zilla Praja Parishad was to be elected directly by the voters of the rural areas on the party basis and the Vice-Chairman by the Members of the Zilla Praja Parishad. In the case of MPPs also the Presidents of these bodies were to be elected on party basis directly by the voters of respective mandals. But in 1992, a change was introduced according to which the Chairman of ZPPs and Presidents of MPPs are to be elected by the members of territorial constituency into which ZPP and each MPP is divided on the basis of its population. In both the ZPPs and MPPs certain number of offices of members, Chair-persons, and Vice-Chairpersons were reserved for the SCs, STs, BCs and Women.

After the enactment of 1986 Act elections to the Zilla Praja Parishad and Mandal Praja Parishads were held for the first time in March 1987. But next elections due in 1992 were not held due to the ensuring legislation on the Panchayati Raj under the Constitution (73rd Amendment) Act of 1992, the Andhra Pradesh Government enacted Andhra Pradesh Panchayati Raj Act, 1994 after which the name of the Zilla Praja Parishad Kumool, was changed as the Zilla Parishad, Kumool.

The significant change brought about by this Act in the constitution of the Zilla Parishad was that the district was divided into a number of territorial constituencies for the election of members of the Zilla Parishad directly by the people. For this purpose, every mandal in the district was considered as a territorial constituency. After the enactment of this Act the Zilla Parishad, Kumool was constituted in May 1994 and the elections were held in May/June 1995. The newly constituted Zilla Parishad consisted of:
- territorial constituency members;
- member of legislative assembly in the district;
- members of both the houses of parliament; and
- co-opted members.

3.3.7 The 1994 Act

Under the Act 1994, the name of Mandal Praja Parishads was also changed as Mandal Parishads. The Mandal Parishads retained their existing territorial jurisdiction but an important change was introduced in the constitution. The Mandal Parishads were divided into several territorial constituencies each with a population ranging from 3000 to 4000 and the members of the territorial constituencies are directly elected by the voters of the mandals. Apart from these elected members, the Mandal Parishad consists of:

- the member of the legislative assembly representing a constituency which is a part either wholly or partly, of the mandal concerned;
- the member of Lok Sabha representing a constituency which exist wholly or partly in the Mandal concerned;
- one person belonging to minorities to be co-opted by the members of the territorial constituencies.

The President and Vice-Presidents of the Mandal Parishads are elected by the members of the Territorial Constituencies from among themselves. Further, certain number of offices of the territorial members are reserved for the persons belonging to the SCs, STs, BCs and women. Similarly, a certain number of posts of the Presidents of Mandal Parishads were also reserved for the above sections of the society. After the enactment of the 1994 Act, elections to different offices of Mandal Parishads in the district were held in March 1995 and again in 2001.
In the case of Gram Panchayats there were no important changes till the 1994. However, in 1981 the system of direct election to the office of the Sarpanch of the Village Panchayats was introduced. Under this system, the Sarpanch of each panchayat was elected by the voters of the panchayat concerned. The Act of 1994 introduced a number of changes in different aspects of panchayats functioning in the district.

After the enactment of 1964 Act, the first elections to the panchayats in the district were held in 1965 and next elections in 1970. There were no elections to the Village Panchayat till 1980. In 1981 elections were held to these panchayats and the next elections in 1988. After the passing of 1994 Act, the panchayat elections in the district were held in 1995 and also in 2001.

3.4 Functions of Kurnool Zilla Parishad

The Zilla Parishad, Kurnool was originally constituted in 1959 under the Andhra Pradesh Zilla Parishads and Panchayati Samithis Act of 1959. It was redesignated as the Kurnool Zilla Praja Parishad (ZPP) in 1986, as a consequence of the introduction of A.P. Zilla Praja Parishads and Mandal Praja Parishads Act of 1987. After the enactment of Andhra Pradesh Panchayati Raj Act of 1996, the Zilla Praja Parishad of Kurnool was again renamed as the Zilla Parishad of Kurnool. The Zilla Parishad, Kurnool extends over the entire rural areas in the Kurnool district. There are about 877 villages which are constituted as 870 panchayats and 54 mandal parishads within the jurisdiction of Zilla Parishad, Kurnool. There are 35,29,494 people living within the area of the Zilla Parishad. They constitute about 69.23% of the total population of the district.

3.4.1 Organizational Structure of the Zilla Parishad

The Zilla Parishad of Kurnool consists of a deliberative wing known as the General Body and an administrative wing. The General Body consists of three categories of members, viz., elected members, ex-officio members and co-opted members, besides a chairman. At present, the chairman of the Zilla Parishad is elected by the members of Zilla Parishad Territorial
Constituencies (ZPTCs) in the district. There are 53 ZPTC members in this Zilla Parishad directly elected by the people living in the rural areas of the district. For the election of members of ZPTCs, the district is divided into about 53 ZPTCs on the basis of population. There is one ZPTC for each mandal parishad. Each ZPTC consists of a population of about 30,000. Among the total ZPTCs, 10 are reserved for SCs, 1 for STs, 23 for BCs and the remaining 19 for other communities. Further, there are 36 women of all categories among the ZPTC members. The ex-officio members are the Presidents of Mandal Parishads and as well as all the MLAs and MPs belonging to this district. There are two co-opted members who belong to the religious minorities living in the district. These co-opted members are elected by the ZPTCs members of the Zilla Parishad. There are also 777 Mandal Parishad Territorial Constituency Members (MPTCs) in this Zilla Parishad. They are the elected members of the 54 Mandal Parishads existing in the district. Among the MPTC members, there are OCs 240, BCs 373, SCs 151 and STs 13. There are a total number of 305 women of all categories among these members.

According to the statute the Zilla Parishad, Kumool has to meet at least once in a month or has to held at least 10 meetings in a year to transact its business. It is reported that the General Body of Kumool ZP has been meeting according to the stipulation of the statute. The average attendance at the meeting of the General Body is about 65 percent. The chairman of the ZP presides over the meetings of the Parishad and in his absence the Vice-Chairman presides over the same. Besides, the members, the District Collector and the heads of all development departments also attend the meeting of Zilla Parishad. But they have no right to vote as they are government officials.

The Zilla Parishad has 7 standing committees to assist it in its work. These standing committees are as follows:
• standing committee on development which deals with agriculture, animal husbandry, village and cottage industries etc;
• standing committee on education which deals with matters relating to education along with public health;
• standing committee on social welfare which looks after the welfare of SCs, STs and BCs;
• standing committee on women welfare which looks after the welfare of women and children;
• standing committee on works which deals with works relating to the roads and bridges, water supply, irrigation etc.
• standing committee as finance which deals with taxation and all other financial matters.

The members of the Zilla Parishad elect from among themselves the members of each standing committee, the number of members varies among these committees. In general, each committee consists of 12 members. The Chairman of Zilla Parishad is an ex-officio member of all the standing committees and also the chairman of a few committees. The District Collector is a member of all the standing committees. Each committee has to meet at least once a month but not less than 6 times in year to transact its business. The records show that all the standing committees meet according to schedule each year. The attendance at the meetings of these committees ranges between 50 to 60 percent on average. Along with the members, the District Collector also attends the meetings of these committees without voting right. In their meetings, the committees, discuss the matters relating to their respective subjects and take decisions on subjects which are placed before the general body for its approval.

The administrative wing of the Zilla Parishad consists of various types of staff, technical and general staff. This administrative wing is headed by the Chief Executive Officer (CEO) who is appointed by the government. He is responsible for the implementation of the resolutions of the Zilla Parishad and its standing committees and also for running the administration of the parishad. He exercises supervision and control over the entire staff of the Zilla
Parishad and also the various institutions working under its control. Usually, officers belonging to the cadre of IAS are appointed as the CEO of a Zilla Parishads in the State. In the case of Kurnool Zilla Parishad, mostly non-IAS officers have been appointed as the CEOs. Usually, the tenure of the CEO is 3 years. But, a majority of the CEOs in this Zilla Parishad have worked for a period ranging between 1-2 years. There were also CEOs who had worked for less than a year.

There are various categories of staff to carry out the functions of the Zilla Parishad. They can be classified into: (1) General Staff and (2) Technical Staff.

### Table – 3.2
Particulars of Staff of the Zilla Parishad: Kurnool

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Designation</th>
<th>No. of Employees</th>
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<td>1.</td>
<td>Chief Executive Officer</td>
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<tr>
<td>2.</td>
<td>Deputy Chief Executive Officer</td>
<td>1</td>
</tr>
<tr>
<td>3.</td>
<td>Accounts Officer</td>
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<tr>
<td>4.</td>
<td>Parishad Educational Officer</td>
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</tr>
<tr>
<td>5.</td>
<td>Superintendents</td>
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</tr>
<tr>
<td>6.</td>
<td>Senior Assistants</td>
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<tr>
<td>7.</td>
<td>Junior Assistants</td>
<td>32</td>
</tr>
<tr>
<td>8.</td>
<td>Typists</td>
<td>7</td>
</tr>
<tr>
<td>9.</td>
<td>Senior Stenographers</td>
<td>2</td>
</tr>
<tr>
<td>10.</td>
<td>Junior Stenographers</td>
<td>1</td>
</tr>
<tr>
<td>11.</td>
<td>Record Assistants</td>
<td>4</td>
</tr>
<tr>
<td>12.</td>
<td>Class-IV Employees</td>
<td>22</td>
</tr>
<tr>
<td>13.</td>
<td>Drivers</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>105</strong></td>
</tr>
</tbody>
</table>

Source: Collected from the Official Records of Zilla Parishad, Kurnool.

#### 3.4.2 Responsibilities of Kurnool Zilla Parishad

According to the Act, the Zilla Parishad, Kurnool mostly discharges certain advisory, executive, supervisory and coordinating functions. It examines and approves the budgets of all the mandal parishads working in the area of its jurisdiction. It supervises the various activities carried out by these mandals. It also coordinates the activities of the various mandal parishads. Apart from these functions, the Zilla Parishad, Kurnool carries out certain executive functions which were entrusted to it by the government.
through its executive orders. The Zilla Parishad established and run secondary schools for the development of secondary education in the rural areas of the district. It was entrusted with the construction and maintenance of roads in the rural areas of the district. It has constructed a number of minor irrigation projects for irrigating the lands in its area of operation. Further, the Zilla Parishad, Kurnool was also executed certain rural water supply schemes to provide protected drinking water to the rural people. The executive functions carried out by the Zilla Parishad, Kurnool are discussed in the following areas:

3.4.2.1 Minor Irrigation

The important executive function entrusted to the Zilla Parishads in Andhra Pradesh is minor irrigation. According to the present Act, the Zilla Parishad has to confine to the minor irrigation which include construction and repair of tanks and wells etc., for irrigation facility to the agricultural lands. It was specified that each source has to irrigate land to the extent of 120 hectares only. In accordance with these instructions the Zilla Parishad, Kurnool has been undertaking the digging and maintenance of tanks and wells which provide irrigation to the lands, each tank and well with the capacity of irrigating land up to 120 hectares. Further, the Zilla Parishad also undertakes the repairs of existing tanks and wells which are meant for irrigation.

The minor irrigation function of the Zilla Parishad is carried out by the irrigation department of the state government. The zonal office of the irrigation department located at Kurnool attends to this function in this Zilla Parishad area. The zonal office is headed by the Superintended Engineer (SE) who is assisted by a few Deputy Executive Engineers, Assistant Executive Engineers and Assistant Engineers. The Kurnool zonal office in the district has 3 divisions, viz., Adoni, Kurnool and Nandyal. Each division is headed by an Executive Engineer and Assistant Engineers. Each division is further divided into a number of sub-divisions. Each sub-division covers 2 or 3 mandals and is headed by a Deputy Executive Engineer assisted by a few Assistant Engineers. All these offices function under the administrative as well as
technical control of the parent department i.e., irrigation department. The Zilla Parishad has absolutely no control over the working of these officers. Most of the irrigation schemes executed by this department are drawn up by the department itself while a few by the zilla parishad under different programmes. The zilla parishad has to approve all proposals relating to the minor irrigation schemes before they are executed by the irrigation department.

Table – 3.3
Details of Minor Irrigation Tanks Constructed by the Zilla Parishad: Kurnool

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Division</th>
<th>No. of Tanks Constructed</th>
<th>Extent of Land Irrigated (in Hectares)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Kurnool</td>
<td>48</td>
<td>1959.29</td>
</tr>
<tr>
<td>2.</td>
<td>Nandyal</td>
<td>77</td>
<td>1310.84</td>
</tr>
<tr>
<td>3.</td>
<td>Adoni</td>
<td>24</td>
<td>1514.53</td>
</tr>
<tr>
<td>4.</td>
<td>Total</td>
<td>149</td>
<td>4784.66</td>
</tr>
</tbody>
</table>

Source: Collected from the Official Records of Zilla Parishad, Kurnool.

3.4.2.2 Education

Promotion of secondary education is another important function of the Zilla Parishad, Kurnool. The Zilla Parishad undertakes this function through the establishment and maintenance of secondary schools at necessary places in the district. At present, the Zilla Parishad, Kurnool has 250 secondary schools under its management. These schools are located indifferent mandals situated within the jurisdiction of the Zilla Parishad. These schools offer 6th to 10th classes. Most of these schools have student strength ranging between 1200 and 1800. A very few schools have student strength exceeding 2004.

Even though the provision of secondary education is one of the primary function of the Zilla Parishad, it discharges this function without much of its involvement. All the academic as well as non-academic matters concerning the schools under the management of zilla parishads are decided by the District Educational Officer who is the head of the Education Department at the district level. All the matters concerning the student admissions, time-tables and syllabus of each class, examinations, results, holidays and so on are decided by the District Education Officer. Till 1998, the Zilla Parishads
used to appoint various categories of teaching staff to these schools. In 1998, the government vested the appointment power relating to these teaching staff with the District Education Officer. At present, the District Education Officer is competent to appoint and also transfer all categories of teachers working in the Zilla Parishad Schools. He is also empowered to regularize the services and declare the probation of these teachers. However, the salaries of all these teachers are paid by the Zilla Parishad out of its general fund.

Table – 3.4
Details of Teaching Staff Working in Zilla Parishad Secondary Schools:
Kurnool

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Category of Staff</th>
<th>No. of Staff</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Headmasters</td>
<td>220</td>
</tr>
<tr>
<td>2.</td>
<td>B.Ed. Assistants</td>
<td>1,020</td>
</tr>
<tr>
<td>3.</td>
<td>Secondary Grade Teachers</td>
<td>910</td>
</tr>
<tr>
<td>4.</td>
<td>Grade-I Pandits</td>
<td>899</td>
</tr>
<tr>
<td>5.</td>
<td>Physical Directors Grade-II</td>
<td>31</td>
</tr>
<tr>
<td>6.</td>
<td>PETs</td>
<td>219</td>
</tr>
<tr>
<td>7.</td>
<td>Drawing Teachers</td>
<td>132</td>
</tr>
<tr>
<td>8.</td>
<td>Instructors</td>
<td>54</td>
</tr>
<tr>
<td>9.</td>
<td>Music Teachers</td>
<td>16</td>
</tr>
<tr>
<td>10.</td>
<td>Sewing Instructors</td>
<td>9</td>
</tr>
<tr>
<td>11.</td>
<td>Total</td>
<td>3,510</td>
</tr>
</tbody>
</table>

Source: District Educational Office, Kurnool.

3.4.2.3 Provision of Drinking Water

The Zilla Parishad, Kurnool is entrusted with the supply of protected drinking water to the people living in the villages under its jurisdiction. The Zilla Parishad undertakes this function with the funds granted by the State and Central governments under two different schemes, viz., Comprehensive Protected Water Scheme (CPWS) and the Protected Water Supply Scheme (PWSS), sponsored by the central and state governments respectively. The Kurnool Zilla Parishad completed 492 works under both these schemes for the supply of drinking water to the people living in various villages. The Zilla Parishad covered 720 villages under the CPWSS and another 135 under the PWS. Under these schemes, it has installed 26,577 hand pumps in 899 villages and 1,160 public stand posts in 624 villages. It also built 5936 filter
points in 323 villages, and also constructed 2094 drinking water wells in 1,830 villages and 149 drinking water tanks in about 286 villages for providing protected drinking water to the people of all these villages.

The maintenance of these drinking water schemes were transferred to the respective village panchayats under the Panchayat Raj Act of 1994 it is the statutory function of the village panchayats to supply drinking water to the villagers. The village panchayats are assisted by the Panchayati Raj Rural Water Supply Department in the maintenance of these schemes. This department works under the control of a Superintendent Engineer (SE) who is assisted by a number of Deputy Executive Engineers (DEEs) and Assistant Executive Engineers and other staff. The district is divided into 3 division's viz., Adoni, Nandyal and Kurnool for implementing the above drinking water schemes. Each division is further divided into various sub-divisions. Each sub-division covers 3 or 4 mandals and is headed by the Deputy Executive Engineer. At each mandal an Assistant Executive Engineer (AEE) to attend to the work relating to the drinking water supply schemes and he is assisted by a number of work inspectors.

All the personnel of the District Rural Water Supply Department function under the State Department of Rural Water Supply located at Hyderabad. The department concerned exercises both the administrative and technical control over these officials. The Zilla Parishad has no control over them. However, all the proposals of the department relating to the drinking water supply schemes to be undertaken in the district have to be approved by the Zilla Parishad at its regular meetings. Important officials like the SE and EEs are invited to attend these meetings to provide necessary information or to assist the members of the parishad at the time of discussing the proposals of their department. The necessary funds for undertaking various drinking water schemes by this department are granted by the central and state governments under the above mentioned schemes.
3.4.2.4 Construction of Roads

Another important executive function of the Zilla Parishads in the state is the construction and maintenance of roads for providing communication facilities in the rural areas. The Zilla Parishad, Kurnool undertakes this activity with the funds provided by the State Government. The Zilla Parishad has constructed 4 types of roads in the various villages located within its jurisdiction. They are concrete roads, cement roads, gravel roads, earthen roads, BT roads. So far, the Zilla Parishad, Kurnool has constructed 1463 roads connecting various villages in the district. The total length of these roads is about 8,857.089 kms.

According to the policy of state government the Panchayati Raj Engineering Department lays and also maintains the roads. The department is a state government department and does not form part of the Zilla Parishad. At the district level, this department is headed by the Superintendent Engineer assisted by a number of Executive Engineers, Deputy Executive Engineers, Assistant Executive Engineers and so on. The district is divided into 3 divisions viz., Adoni, Nandyal and Kurnool divisions for the purpose of undertaking the construction and maintenance of roads in the rural areas of the district. Each division is headed by an Executive Engineer who is assisted by a number of Assistant Executive Engineers and Assistant Engineers. Again each division is divided into various sub-divisions. Each sub-division is headed by a Deputy Executive Engineer. At the mandal level, one Assistant Executive Engineer and a few work inspectors attend to the construction and maintenance of roads. Besides the construction of roads this department also constructs the buildings of the secondary schools under the management of Zilla Parishad.
3.5 Finances of Kumool Zilla Parishad

Finances up to 1987 the introduction of the mandal panchayat system in Kumool district, the finances of the Zilla Parishads were largely determined by the state government, with the Zilla Parishads made to depend excessively on the grants-in-aid. The chief sources of receipts for the Zilla Parishad include:

- the Central and State Government funds allotted to it;
- grants from all India bodies and institutions for the development of cottage, village and small scale industries;
- such share of the land cess, taxes or fees which the Zilla Parishad may levy;
- income from endowments trusts administered by the Zilla Parishad;
- such income of the District Board as the Government may by order allot to it;
- donations and contributions from Panchayat Samithis or from the public in any form; and
- such contributions as the Zilla Parishad may levy from the Panchayati Samithis with the previous approval of the state government.

The expenditure functions of the Zilla Parishad prior to 1987 comprised the following:

- NES and CD programmes;
- secondary education;
- inter-block roads;
- major water works;
- minor irrigation works; and
- GOI and GOAP sponsored and funded welfare programmes.
3.5.1 Receipts of Kurnool Zilla Parishad

The Zilla Parishad of Kurnool gets income from various sources. Among them, the grants from the state and central governments and other public agencies are the most important source, as about 95% of its total income is derived from these grants. Besides, the Zilla Parishad gets income from a share in the land cess or local cess, mineral cess, and also in certain taxes duties such as stamp duty and fees levied by the state government. Endowments, donations and contributions from mandal parishads and public, national and state level bodies derived from all these sources is very meager as it accounts for only 5 percent of its total income. The most important feature of the financial position of this Zilla Parishad is that so far it has not imposed a single tax even though it is empowered by the concerned Acts to impose certain taxes with the permission of the state government.

Thus, the various sources of income of the Kurnool Zilla Parishad can be broadly falls under four heads: (i) General Fund; (ii) Grants from State and Central Governments; (iii) Assigned Revenues; and (iv) Contributions, Donations etc.

3.5.1.1 General Fund

The General Fund constitutes as one of the important sources of income of the Zilla Parishad, Kurnool. The General Fund of Zilla Parishad, Kurnool comprises the income from a variety of sources which include assigned revenues i.e., share in the proceeds of land cess, stamp duty, mineral cess, per capita grant at the rate Rs.236/- per head, seigniorage, fees and fines, proceeds from the sale of trees and rents from the rest houses. The Zilla Parishad, Kurnool receives a sizeable income under the General Fund each year and is shown in the Table – 3.5.

3.5.1.2 Salary Grant

As in the case of the other two tires of panchayati raj the state government through the salary grant meets the entire expenditure of the Kurnool Zilla Parishad on the salaries and all other allowances of its staff of
various categories. The salary grant is released to the Zilla Parishad on a yearly basis. The salary grant received by the Zilla Parishad, Kumool during the last 10 years is presented in the following Table – 3.5.

3.5.1.3 Grants Received under Secondary Education

Secondary education is one of the important functions of the Zilla Parishad, Kumool. As mentioned earlier there are about 250 high schools with several thousands of students studying various classes from V to X and a staff of 1800 belonging to different categories under the control of this Zilla Parishad. The Zilla Parishad runs all these schools with the grants from the state government. This grant covers the expenditure on the construction and maintenance of school buildings, salaries of the teaching and non-teaching staff of these schools and contingency expenditure including expenditure on the purchase of equipment for the schools. The details of the secondary education grant received by the Zilla Parishad, Kumool over a period can be seen from the following Table – 3.5.

3.5.1.4 Grants under Social Welfare

The Zilla Parishad carries out certain social welfare activities in a limited way. It provides scholarships to the students of the SCs and STs who are studying in its schools. It also maintains a few hostels for students of these categories. For this purpose, it gets an annual grants from the state government. The grants received under the head social welfare by the Zilla Parishad, Kumool over a period of time is presented in the following Table – 3.5.

3.5.1.5 Grants for Minor Irrigation

As stated earlier, irrigation is an important activity of the Zilla Parishad, Kumool, though it is limited to minor irrigation projects that can irrigate not more than 120 hectares. Hence, the Zilla Parishad receives only small amount of grant from the government for this activity each year.
3.5.1.6 Grants Received for Engineering Works

One of the core activities of the Zilla Parishad is construction of roads, bridges, culverts etc., for improving rural communication facilities. The expenditure on this activity is met by the state government through various types of grants. The Zilla Parishad, Kurnool is provided a bulk grant every year by the government for undertaking the construction and maintenance of roads, bridges etc., in the rural areas.

3.5.1.7 Grants Received for Providing Drinking Water

The other main function of Zilla Parishad, Kurnool is supply of protected drinking water to the rural people in the district. This activity is also funded by the state and central governments under different schemes. The major scheme under which the Zilla Parishad, Kurnool gets funds for this activity is the rural water schemes of the state government. Under all the schemes, the Zilla Parishad, Kurnool gets a good volume of grants from both the state and central governments each year for providing safe drinking water to the people living in the villages.

3.6 Receipt of Kurnool Zilla Parishad: 1990-91-2005-06

The Zilla Parishad gets most of the revenue through grants-in-aid and the grants for centrally sponsored schemes. The non-tax revenue and the assigned revenue (share in land cess, mineral cess and stamp duty) together constitutes about five percent of the total income. The ZPs do not have any tax revenue as a source of receipts. The grants-in-aid including grants for staff, social welfare, minor irrigation, engineering works, drinking water etc., constitute more than three fourths of the total receipts. The grants for centrally sponsored schemes (JRY etc.) constitute about twenty percent, though this percentage has been widely fluctuating over the period. However, all these receipts have been showing increasing trend, though as percentage of total receipts they have shown variations from year to year. This trends in these receipts are shown in the Table-3.5.
3.6.1 Total Receipts

The total receipts increased from Rs.3,260.46 lakhs to Rs.8,262.44 lakhs registering low linear and compound growth rate of 3.51% and 4.44%, respectively, during 1992-2005. The rates of growth, however, were not significant. The grants-in-aid recorded slightly higher linear and compound growth rates of 4.28% and 5.32%, respectively.

3.6.2 Grants-in-aid

The total grants-in-aid increased from Rs.2,564.72 lakhs to Rs.6,325.97 lakhs during 1992-2005. The share of the grants-in-aid in the total revenue which was 78.66% in 1992-93, increased to the highest level of 87.64% in 2000-01, but declined thereafter to reach 76.56% in 2005-06. Within the grants-in-aid, secondary education grant and grants for roads and public works accounted for a larger proportion. The proportion of secondary education grants increased from 28.42% to 38.93% between 1992-93 and 2005-06, largely due to the expansion in the educational infrastructure, number of teachers and hike in their salaries and allowances. Grants for roads and other public works increased from 26.69% to 34.07% during the same period, due to the focus on the rural road infrastructure development and the maintenance of roads during the Telugu Desam government under the Janmabhoomi programme.

The per capita grants and grants for staff salaries constitute about one percent each of the total receipts. The grants for drinking water increased from 12.32% to a maximum of 35.66% but declined in recent years and reached a very low level of less than one percent of the total receipts. The grants for minor irrigation and buildings are very small in magnitude and negligible as percentage of total receipts. The miscellaneous grants fell from 9.05% to a very low of 0.15% of the total receipt.
3.6.3 Grants for Centrally Sponsored Programmes

The grants for centrally sponsored programmes increased marginally from Rs.654.75 lakh in 1992-93 to Rs.1,513.66 lakh in 2005-06. They reached the highest level of Rs.2407.99 lakhs in 1997-98 and showed a declining trend thereafter. This is reflected in the negative linear growth rate and compound growth rate of -1.07% and -0.21%, respectively. As proportion of total receipts, grants for centrally sponsored programmes increased from 2.08% to a maximum level of 30.29% in 1996-97 but declined later to 18.32% in 2005-06. The percentage reached lowest level of 6.29% in 2000-01. Within the grants for centrally sponsored schemes, grants for JRY/JGJSY declined from 20.08% to 7.74% during 1992-93 to 2005-06, while the EAS/SGRY grants increased from 11.31% in 1993-94 to 18.52% in 1997-98, but declined thereafter gradually to reach 10.57% by 2005-06. The percentage share had reached a very low of 1.98 in 2000-01 (See Annex Table – 3.2).

Table – 3.5
Receipts of Kurnool Zilla Parishad during: 1992-2005

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Tax Revenue</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>2</td>
<td>Non-Tax Revenue</td>
<td>2.48</td>
<td>5.45</td>
<td>5.99</td>
<td>6.87</td>
<td>4.26</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(0.08)</td>
<td>(0.13)</td>
<td>(0.07)</td>
<td>(0.11)</td>
<td>(0.05)</td>
</tr>
<tr>
<td>3</td>
<td>Assigned Revenue</td>
<td>38.51</td>
<td>122.21</td>
<td>112.68</td>
<td>389.84</td>
<td>418.55</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(1.18)</td>
<td>(2.83)</td>
<td>(1.32)</td>
<td>(6.41)</td>
<td>(5.06)</td>
</tr>
<tr>
<td>4</td>
<td>Grants-In-Aid</td>
<td>2564.72</td>
<td>3078.50</td>
<td>5975.10</td>
<td>4415.60</td>
<td>6325.97</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(78.66)</td>
<td>(71.41)</td>
<td>(70.28)</td>
<td>(72.62)</td>
<td>(76.56)</td>
</tr>
<tr>
<td>5</td>
<td>Centrally Sponsored Programs</td>
<td>654.75</td>
<td>1104.85</td>
<td>2407.99</td>
<td>1268.09</td>
<td>1513.66</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(20.08)</td>
<td>(25.63)</td>
<td>(28.32)</td>
<td>(20.86)</td>
<td>(18.32)</td>
</tr>
<tr>
<td>6</td>
<td>Total</td>
<td>3260.46</td>
<td>4311.01</td>
<td>8501.76</td>
<td>6080.04</td>
<td>8262.44</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(100)</td>
<td>(100)</td>
<td>(100)</td>
<td>(100)</td>
<td>(100)</td>
</tr>
</tbody>
</table>

(Rs. in Lakhs)

Note: Figures in parentheses are percentages.
Source: Zilla Parishad Office, Kurnool
3.7 Expenditure of the Zilla Parishad, Kurnool

A glance at the item-wise expenditure of the Zilla Parishad, Kurnool reveals that the most important item of expenditure is the salaries and all other allowances of the staff working in its different cadres including engineering staff and amounts to about 50 percent of the total expenditure incurred by the Zilla Parishad. The remaining expenditure is on various developmental activities carried out by it, such as secondary education, minor irrigation, social welfare, communications, supply of drinking water and so on. Among these activities, the highest expenditure is incurred on the secondary education which is followed by that on the supply of drinking water. The Zilla Parishad also spends a very huge amount on the construction of roads and bridges for improving the communication facilities in the rural areas but even here a major portion of this amount is spent on the salaries paid to the engineering staff. The amount spent on the minor irrigation is very marginal. The expenditure incurred by the Zilla Parishad, Kurnool on different purposes over a period of time can be seen from the following Table - 3.6.
It can be concluded that the Zilla Parishad spends less on various developmental activities undertaken by it than on the pay and allowance of various categories of staff. Further, a vast portion of the expenditure on the developmental activities like secondary education, construction and maintenance of roads etc., is spent on the salaries of the staff concerned.

The state government has clearly specified the manner in which the General Fund has to be utilized and also its purposes. According to government instructions, the General Fund has to be utilized for the following purposes in the specified manner:

- Maintenance of existing assets like minor irrigation projects - 1%
- Welfare of Scheduled Casts - 1.25%
- Welfare of Women and Children - 1.40%
- Drinking Water Supply in Emergency Conditions - 19-37%
- Office administration - 0.25 to 3%
- Contingencies and Contributions - 0.16%

The Zilla Parishad has to transfer the General Fund earmarked for the SCs to the Andhra Pradesh Scheduled Castes Co-operative Finance Corporation for undertaking economic support programmes for the benefit of these people. Similarly, the General Fund earmarked for the STs will be transferred to the A.P. State Scheduled Tribes Co-operative Finance Corporation to take up necessary programmes for the promotion of their economic development and the amount earmarked for the women and child welfare in the General Fund to the concerned department for implementing necessary programmes for their development. Hence, it is not competent to spend the entire General Fund on purposes other than these. There has been some criticism on this arrangement. First, it is pointed out that this would further reduce the meager funds of these bodies. Second, the government departments and the corporations concerned have sufficient funds at their disposal. Hence, the transfer of a part of the funds of Panchayat Raj bodies to these bodies does not add to the resources of these bodies in any significant measure. Thirdly, the arrangement would adversely affect the fiscal autonomy of these bodies. Further, the imposition of various conditions on the utilization of General Fund of the Zilla Parishads manifests the extent of state control over these bodies.
According to the orders issued in the 1992 by the state government, the Zilla Parishad is required to spend the General Fund for the upgradation and maintenance assets such as minor irrigation projects to the maximum extent of 40% of the Fund.

The preceding analysis indicates that the Zilla Parishad, Kurnool is assigned with different sources for getting revenue. It is empowered to levy few taxes fees and cess. But the Zilla Parishad levy none of these taxes and fees. The income derived by this Zilla Parishad from the assigned revenues like share from the surcharge on stamp duty, land cess etc., is very meager. The income derived from the own properties of the Zilla Parishad like rest houses is extremely negligible. On account of the very poor resource base, the Kurnool Zilla Parishad extensively depends upon the government grants for its revenue. Despite this position the income of the Zilla Parishad has increased steadily over the period of time. The growth in the income is mainly on account of the increase in the various types of grants provided by the central and state governments under different schemes.

With regards to the expenditure pattern of the Zilla Parishad, Kurnool, the study found that the major item of expenditure is staff salaries followed by the expenditure on secondary education. The Zilla Parishad has also been spending considerable amounts on rural water supply and social welfare activities. However, the expenditure on minor irrigation is only marginal.

3.7.1 Total Expenditure

The expenditure of Kurnool ZP is mainly on normal functions and on centrally sponsored programmes. The former includes expenditure on secondary education, roads and public works, minor irrigation, buildings, drinking water supply, social welfare apart from establishment cost and administrative expenses. The later includes expenditure on JRY/JGsy schemes and EAS/SGRy/SGsy schemes.

The total expenditure increased from Rs.3,164.16 lakhs in 1992-93 to Rs.7,830.83 lakhs in 2005-06 recording linear rate of 8.15% and compound growth rate of 9.81%, both of which are not significant. The per capita expenditure increased from Rs.143.56 to Rs.160.73; it has reached a maximum level of Rs.421.56 in 1997-98.
3.7.2 Expenditure on Normal Functions

The expenditure on normal functions constitutes about 80% of the total expenditure and the rest on centrally sponsored schemes. While the proportion of expenditure on normal functions increased slightly, the same on centrally sponsored schemes had declined. Within the category of normal functions, expenditure on secondary education and minor irrigation form the bulk of the total expenditure. The expenditure on drinking water supply was also significant, but had declined rapidly in the more recent years. The miscellaneous expenditure and other expenditures emerged only during recent years.

The normal function expenditure increased at greater rates of LGR 10.93% and UGR 12.87% from Rs.2,509.41 lakhs to Rs.6388.32 lakhs during the same period. That is why, as proportion the normal functions expenditure increased from 79.30% in 1992-93 to 81.58% in 2005-06. The percentage reached highest level of 93.77% in 2000-01. The expenditure on secondary education and roads and buildings which are major heads of expenditure increased from 30.97% and 26.99% to 41.08% and 35.95% respectively between 1992-93 and 2005-06. But these percentages of expenditures showed fluctuations during the period. The proportion of establishment cost remained between 1-2% of the total expenditure, while the administrative expenditure declined from 3.34% to 0.30%. The expenditure on drinking water supply increased from 16.10% in 1992-93 to 44.55% in 1997-98 and declined sharply to a mere 0.72% in 2005-06. The expenditure on social welfare increased slightly from 0.39% to 1.4% to the total expenditure. The expenditure on minor irrigation and buildings forms least significant proportion. The same is the case with miscellaneous and other expenditures which appeared in recent years.

3.7.3 Expenditure on Centrally Sponsored Programmes

Within the expenditure on centrally sponsored schemes, the JRY expenditures increased, while the EAS expenditures declined as proportion of total expenditure. The expenditure on centrally sponsored schemes increased from Rs.654.75 lakhs in 1992-93 to Rs.1442.51 lakhs in 2005-06. The growth
rates, however, have been negative (LGR and CGR are -1.51% and -1.61% respectively). As proportion of total expenditure, expenditure on centrally sponsored programmes declined from 20.70% to 18.42%, and the percentage reached a low level of 6.23% in 2000-01. The proportion of JRY/SGSY expenditure declined from 20.70% to 8.04% between 1992-93 and 2005-06 and that of EAS/SGRY/SGSY from 12.83% to 10.37% of the total expenditure (See Annex Table – 3.2).

Table – 3.6
Expenditure of Kumool Zilla Parishad : 1992-93 to 2005-06

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Normal Functions</td>
<td>2508.41</td>
<td>2695.85</td>
<td>7022.90</td>
<td>5000.02</td>
<td>6388.32</td>
<td>(79.30)</td>
</tr>
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<td></td>
<td></td>
<td>(79.30)</td>
<td>(79.93)</td>
<td>(75.58)</td>
<td>(78.82)</td>
<td>(81.58)</td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>Centrally Sponsored Programmes</td>
<td>654.75</td>
<td>1104.85</td>
<td>2269.06</td>
<td>1268.09</td>
<td>1442.51</td>
<td>(20.70)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(20.70)</td>
<td>(29.07)</td>
<td>(24.42)</td>
<td>(21.77)</td>
<td>(18.42)</td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>Total</td>
<td>3164.16</td>
<td>3800.70</td>
<td>9291.27</td>
<td>5625.20</td>
<td>7830.83</td>
<td>(100)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(100)</td>
<td>(100)</td>
<td>(100)</td>
<td>(100)</td>
<td>(100)</td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>Per Capita Expenditure (in Rs.)</td>
<td>143.56</td>
<td>172.44</td>
<td>421.56</td>
<td>180.73</td>
<td>223.71</td>
<td></td>
</tr>
</tbody>
</table>

Note: Figures in parentheses are percentages
Source: ZP Office, Kumool

Chart – 3.2
Expenditures of Zilla Parishad : 1992-93 to 2005-06

Source: ZP Office, Kumool

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The functional responsibilities and fiscal powers of PRls in Andhra Pradesh after the 1994 Act have been examined in-depth on the basis of the sample PRls drawn from Kurnool district. The Kurnool district has been chosen on the basis of its representative features viz., size, historicity, devolution of functions and fiscal powers. An attempt is made in Chapter-III to examine the finances of Kurnool Zilla Parishad vis-à-vis the functional responsibilities assigned to it under the 1994 Act. An examination of the profile of the district reveals that its agricultural economy has been experiencing a crisis due to the recurrent failure of crops as well as market fluctuations, adversely affecting the livelihoods of the rural poor. This has also resulted in large scale migration of the poor during the lean seasons. The district, which once had a strong agro-industry, has been experiencing decline due to failure of cotton and groundnut crops. The fluctuations in economic activity have affected the fiscal potential as well as the expenditure obligations of the local governance.

Notwithstanding the declining economic situation, the district has a hoary history of local self-government spread over 120 years. Starting with the 1866 Town Improvement Act, the district had a full fledged board in April 1985. Later, with the passage of Madras Local Board Act of 1920 and 1930, the local government had a firm footing both in terms of expenditure functions and independent revenues. The 1964 Act provided the much needed devolution framework. In 1964 there were 865 GPs, 16 Panchayat Samithis besides the Zilla Parishad. The introduction of the mandal system in 1985 replaced the Panchayat Samithis with 53 Mandal Praja Parishads. After the 1994 Act, a Zilla Parishad was constituted in June 1995, besides 54 Mandal Panchayats. The Zilla Parishad had 53 territorial constituencies, each representing about 35,000 populations. The Zilla Parishad had 7 standing committees on different functional responsibilities such as committees on development, education and health, SC, ST and BC welfare, women and children, roads and bridges, water supply and irrigation and finance. The committee members are elected by the Zilla Parishad from among the members and each committee comprises 12 members. The Chief Executive
Officer appointed by the government carries out the decisions of the Zilla Parishad. The major functions of the Zilla Parishad include maintenance of 149 minor irrigation works/tanks, maintenance of 250 secondary schools, provision of drinking water in 855 villages under CPWSS and PWS and construction and maintenance of Zilla Parishad roads (8857 kms).

The income pattern of the Zilla Parishad clearly indicates that grants received from the GOAP are the principal source (76%), with assigned revenues accounting for 5% and grants from the GOI accounting for about 19% of the total receipts. Among the grants from the GOAP grants for education and roads and other public works constitute the most important source. The expenditure pattern also reflects the income pattern in as much as most of the grants are specific purpose grants. In terms of functional classification, 80% of the grants are incurred on normal functions (education, roads and public works), while the centrally sponsored programmes account for the second important source of expenditure, although the share of this source has been decline. The major source of concern, however, is the overwhelming dependence of the Zilla Parishad on the subventions made by the GOAP and the GOI, with assigned revenues in respect of land cess, stamp duty and mineral cess just contributing about 5 to 8% of the total revenues. The other important source of concern in Zilla Parishad finances is the rising committed/non-plan expenditure on normal functions of education, roads and their maintenance. An overwhelming proportion of this expenditure is salary/establishment expenditure, leaving very little room for maneuver or autonomy to undertake independent expenditure decisions. Even more significant is the fact that the Zilla Parishad, despite being at the apex does not make any significant transfer of resources either to the Mandal Panchayat or the Gram Panchayat, making it nearly toothless. The Zilla Parishad neither have the resources nor the statutory powers to influence the expenditures/services provided by the mandal and the gram panchayats. Worse still, the Zilla Parishad itself does not have adequate independent sources to defray the expenditure on the statutory functions assigned to it under the constitution/the Act of 1994.