

Budget Process Overview

The Governor's Budget is the result of a process that begins more than one year before the Budget becomes law. When presented to the Legislature on January 10 of each year, the Governor's Budget incorporates revenue and expenditure estimates based upon the most current information available through mid December. In the event that the Governor wants to change the Budget presented to the Legislature, including adjustments resulting from changes in population, caseload, or enrollment estimates, the Department of Finance (Finance) proposes adjustments to the Legislature during budget hearings through Finance Letters. During late spring, usually in May, Finance submits revised revenue and expenditure estimates for both the current and budget years to the Legislature. This update process is referred to as the May Revision. Finance also prepares monthly economic and cash revenue updates during the fiscal year. Listed below are the key documents used in the budget process.

| Title | Purpose | Prepared/Issued by | When |
|-------------------------------------|--|---|---|
| Budget Letters and Management Memos | Convey the Administration's guidelines for budget preparation to agencies and departments. | Governor/Finance | January through December |
| Budget Change Proposals | Documents that propose to modify or change the existing level of service, propose new programs, or delete existing programs. | Agencies and departments submit to Finance analysts | July through September |
| Governor's Budget | Governor's proposed budget for the upcoming fiscal year. | Governor/Finance | January 10 |
| Governor's Budget Summary | A summary of the Governor's Budget. | Governor/Finance | January 10 |
| Budget Bill | Requests spending authorization to carry out the Governor's expenditure plan (legislative budget decision document). | Finance/Legislature | January 10 |
| Analysis of the Budget | Analysis of the Budget, including recommendations for changes to the Governor's Budget. | Legislative Analyst | February |
| May Revision | Update of General Fund revenues, expenditures, and reserve estimates based on the latest economic forecast and changes in population, caseload, or enrollment estimates. | Finance | Mid-May |
| Budget Act | The primary annual expenditure authorization as approved by the Governor and Legislature, including a listing of the Governor's vetoes. | Legislature/Governor | Late June or enactment of the Budget |
| Final Budget Summary | Update of the individual Budget Act items with changes by the Governor's vetoes, including certain budget summary schedules. | Finance | Late July - August or 1-2 months after Budget enactment |
| Final Change Book | Update of changes to the detailed fiscal information in the Governor's Budget. | Finance | Late July - August or 1-2 months after Budget enactment |