



Making Democracy Work: An Advocate's Guide to the Budget Process

UNDERSTANDING THE BUDGET

The legislative process has been the traditional mechanism used by policy makers and advocates to make state public policy. However, the state budget process is increasingly being recognized as another effective policy-making tool. For instance, through funding allocations and "trailer bill language," the state budget has the power to ensure the existence or elimination of programs. See Table One for examples of how the budget can make or change policy. Budget language, included in coexisting trailer bills, makes the statutory changes needed to implement the budget.

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Table One – The Budget as a Policy-Making Tool

- ☞ inadequate funding may result in a discontinuation of programs
- ☞ the budget can include trailer bill language, which specifies eligibility criteria
- ☞ if the budget does not take into account actual and projected caseload growth, a number of clients may not be served
- ☞ the budget can create a new policy direction within an existing program without going through the legislative process

Due to the budget's potential to dictate public policy, it is important for advocates to participate in the state budget process. Participating in the process helps to ensure:

- that low-income and underserved communities receive their "fair share" through public finance mechanisms and formulae, and
- equal access and treatment in publicly funded programs.

HOW THE BUDGET WORKS

Putting the Puzzle Together The state budget process is fast and complicated with many pieces that must come together. The budget's complexity often results in a relatively closed process with limited public input. There are few organizations that are involved in this policy making process. Organizations that participate in the budget process have an extraordinary opportunity to utilize the state's budget bill to pursue organizational goals. Table Two illustrates benefits of participating in the budget process.

Table Two – Benefits of Playing the Game

- ✪ funding for the organization's programs and services
- ✪ advocating for administrative and policy changes to a preexisting program
- ✪ creating a new program
- ✪ increasing the funding for policy programs that are directly related to the organization's goals

Before an organization becomes involved in the budget process, there are a number of considerations. These include:

Identifying the Objective: Does the organization want to make a policy change in an existing program and/or receive additional funding for a program/service administered?

Political and Fiscal Considerations: Is the budget process the most effective means of meeting the objectives? What is the cost of the proposal? What is the revenue source (i.e. General Fund, special fund, bond, etc.)? What are the benefits of participating in the state budget versus the legislative process?

Crafting the message: What are the organization's issues and goals? Will the issue receive support from the Legislature and the Governor? How can the media play a role? How does the issue relate to the overall fiscal climate?

Developing a strategy: Who are the key legislators involved in the process? Will they champion the issue? Are there other organizations doing similar work? When is the most optimal time for the organization to become involved in the budget process? Is there research that supports the issue?

Assessment: Is the strategy working? Why or why not? Are there other organizations and/or legislators that need to get involved?

WORKING THE BUDGET

KNOWING THE PROCESS Participating in the budget process requires that organizations be familiar with the budget and legislative process as well as particular legislators. Legislators serve in budget subcommittees¹ and the Conference Committee.²

¹ The budget bill is divided into 5 policy areas with each subcommittee having jurisdiction over its respective policy area. Major policy and fiscal issues are discussed in subcommittee.

² The Conference Committee is charged with creating a compromise budget that reflects the priorities of both houses. Line items receiving different funding amounts and/or budget language are referred to the Conference Committee where representatives from the Senate and

THE JANUARY BUDGET The Governor is required to release a budget proposal before January 10 of each year. The January budget, a reflection of the Administration's priorities, is the blueprint for state spending for the following fiscal year (FY). The budget is effective for only one fiscal year, July 1 to June 30. Soon after the Governor releases the Budget Bill, the Legislative Analyst's Office (LAO) reviews the budget and makes fiscal and policy recommendations to the Legislature through its *Analysis of the Budget Bill*. Subcommittees rely heavily on the LAO analysis and the Department of Finance when taking action.

THE SENATE AND ASSEMBLY VERSIONS Upon introduction of the January budget, the budget gets translated into two bills – a Senate Bill (S.B.) and an Assembly Bill (A.B.) – for legislative consideration by the respective houses. The authors of the budget bills are the respective chairs of the Senate and Assembly Budget Committees.

In March, the legislative budget committees from both houses start their review of the Governor's budget. Both houses revise the Budget Bill to reflect their fiscal priorities. Therefore, policy proposals included in the Governor's January Budget may experience a funding increase, decrease or a change in policy direction.

THE MAY REVISE In May, the Governor introduces a revised budget proposal, called the May Revise, which includes more accurate caseload projections and state revenue estimates. The May Revise will impact the Senate and Assembly Budget Bills as they will have to reflect any changes in caseload projections and/or revenue estimates.

THE CONFERENCE COMMITTEE Once both houses have adopted their respective versions of the state budget, the Budget Conference Committee can begin deliberations. The Conference Committee is charged with resolving the fiscal and policy differences contained in the Senate and Assembly Budget Bills. The Conference Committee begins negotiations in late May. This year, the chair of the Assembly Budget Committee presides over the budget process and works from the Senate Budget Bill.

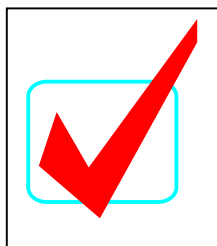
Assembly develop and adopt a compromise version of the line item.

After the fiscal and policy differences have been resolved, the Conference Committee adopts a compromise version. Both houses then vote and adopt the compromise version of the budget by the constitutional deadline of June 15.

SIGN, LINE-ITEM VETO OR VETO? After receiving the compromise budget from the Legislature, the Governor has 15 days to sign, line-item veto or veto the budget before the start of the fiscal year, July 1. A line-item veto is when the Governor reduces funding or eliminates a specific program from the budget.

THE "TO DO" LIST

Once the organization is familiar with the budget process, there are a number of steps to consider to maximize resources, time and effectiveness.



BEFORE THE INTRODUCTION OF THE JANUARY BUDGET PROPOSAL

- ✓determine the course of action (budget and/or legislative process?)

- ✓work with the administration and the respective state agencies and/or departments so that the issue is reflected in their budget requests (during the Summer and Fall)

DURING THE INTRODUCTION OF THE BUDGET

- ✓become familiar with the budget documents (i.e. January Budget Proposal, LAO's *Analysis of the Budget Bill*, etc.)

- ✓work with the LAO to get a favorable or neutral analysis

- ✓strategize the issue according to the fiscal climate of the state

- ✓if also working through the legislative process, identify potential authors and allies

BEFORE THE BUDGET HEARINGS

- ✓become familiar with the Subcommittee staff and legislators

- ✓send letters to the Subcommittee outlining the issue

- ✓meet with Subcommittee staff and legislators

DURING THE BUDGET HEARINGS

- ✓request to be placed on the agenda for the subcommittee hearing

- ✓find and work with other advocates and allies

- ✓meet with Subcommittee members

- ✓testify

- ✓develop and implement a media plan

- ✓work with both houses

- ✓work with the Department of Finance and LAO

- ✓study the May Revision

- ✓assess need for Member Request³

- ✓track trailer bill language

DURING AND AFTER DELIBERATION OF THE BUDGET BILL BY THE LEGISLATURE

- ✓ensure support in both houses

- ✓work with the Leadership (i.e. Governor, Speaker of the Assembly, President Pro Tem and the two minority leaders)

AFTER PASSAGE BY THE LEGISLATURE

- ✓work with the Administration

- ✓may need additional media coverage

If the issue/program/service is signed by the Governor, congratulations! If not, start early next year and begin putting the pieces together, again...

³ During Member Request Day, legislators identify particular projects and request funding for them. Projects that, up to this point are not included in the budget, have one last opportunity for funding through a Member Request.

Summer and Fall							
S	M	T	W	T	F	S	State departments and agencies prepare and submit their budget requests to the Department of Finance (DoF).
1	2	3	4	5	6	7	
8	9	10	11	12	13	14	
15	16	17	18	19	20	21	
22	23	24	25	26	27	28	
29	30						
January							
S	M	T	W	T	F	S	The Governor’s Budget Proposal is presented and introduced as a separate Senate and Assembly Bill.
		1	2	3	4	5	
6	7	8	9	10	11	12	
13	14	15	16	17	18	19	
20	21	22	23	24	25	26	
27	28	29	30	31			
February							
S	M	T	W	T	F	S	Late February: Legislative Analyst’s Office (LAO) releases the <i>Analysis of the Budget Bill</i> .
					1	2	
3	4	5	6	7	8	9	
10	11	12	13	14	15	16	
17	18	19	20	21	22	23	
24	25	26	27	28	29		
March							
S	M	T	W	T	F	S	Budget Committees in both houses review their respective Budget Bill, hold hearings and amend the content to reflect their priorities.
						1	
2	3	4	5	6	7	8	
9	10	11	12	13	14	15	
16	17	18	19	20	21	22	

23	24	25	26	27	28	29
30	31					

April to May							
S	M	T	W	T	F	S	Early May: Both houses vote on their respective Budget Bill. Mid May: Release of the Governor’s May Revision and deliberations by Budget Conference Committee
		1	2	3	4	5	
6	7	8	9	10	11	12	
13	14	15	16	17	18	19	
20	21	22	23	24	25	26	
27	28	29	30	31			
June to July							
S	M	T	W	T	F	S	Early June: Full and final vote on the Budget Bill by both houses. June 15: Deadline for Legislature to adopt the Budget Bill and send it to the Governor.
					1	2	
3	4	5	6	7	8	9	
10	11	12	13	14	15	16	
17	18	19	20	21	22	23	
24	25	26	27	28	29	30	
July 1: Deadline for the Governor to sign, line-item or veto the Budget Bill							

Budget Subcommittees	
<u>Senate Budget and Fiscal Review Committee</u>	
Subcommittee 1	Education
Subcommittee 2	Resources, Environmental Protection, Judiciary and Transportation
Subcommittee 3	Health, Human Services, Labor and Veteran's Affairs
Subcommittee 4	General Government and Public Safety
Subcommittee 5	Energy, Executive, and Off-Budget Fiscal Issues
<u>Assembly Budget Committee</u>	
Subcommittee 1	Health and Human Services
Subcommittee 2	Education Finance
Subcommittee 3	Resources
Subcommittee 4	State Administration
Subcommittee 5	Information Technology and Transportation