

Overview of the State Budget Process: What to Expect in 2019

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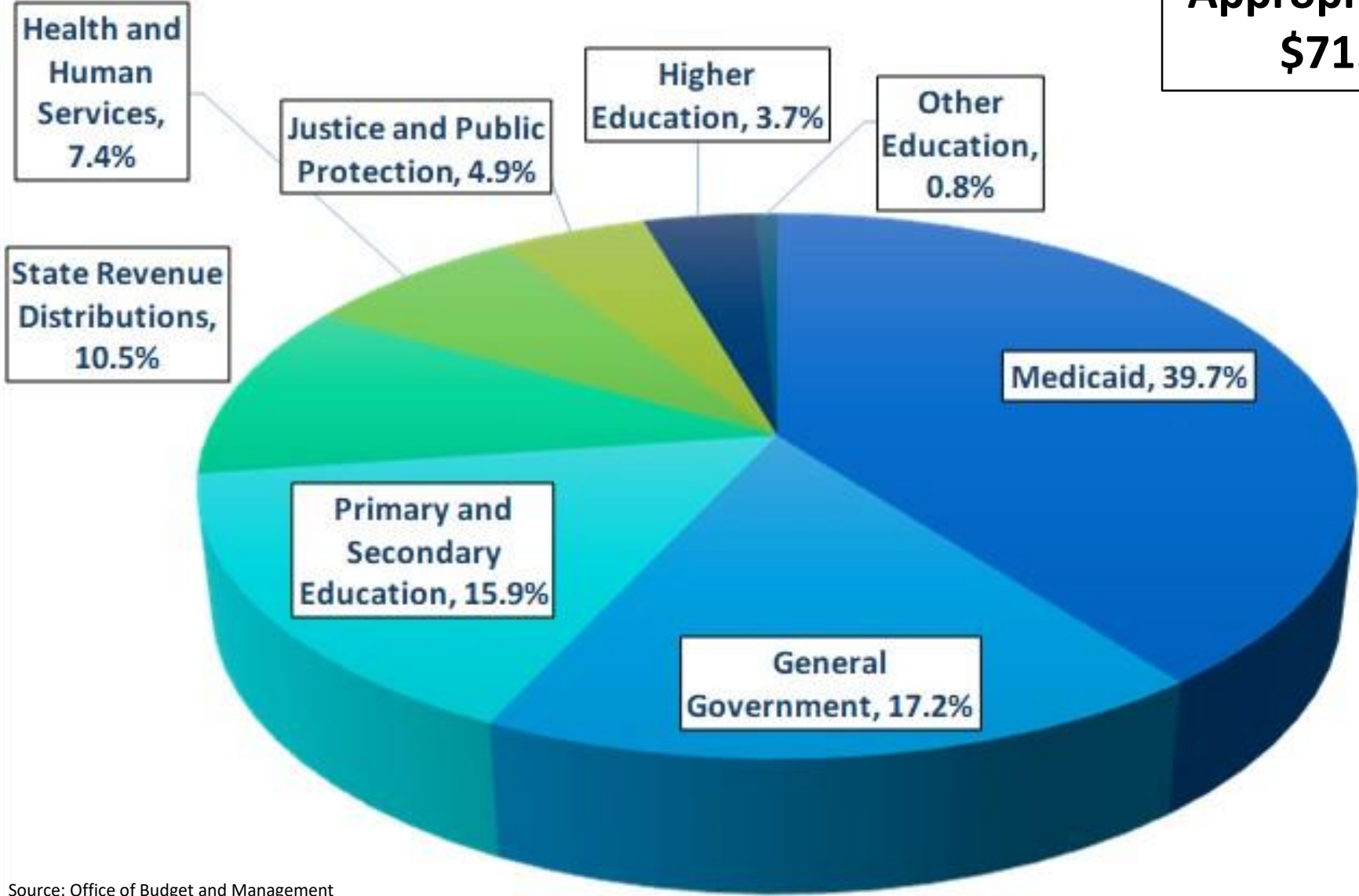


State Fiscal Year 2019 Budget Figures



All Funds Appropriations

**Total
Appropriations:
\$71.3B**



Source: Office of Budget and Management



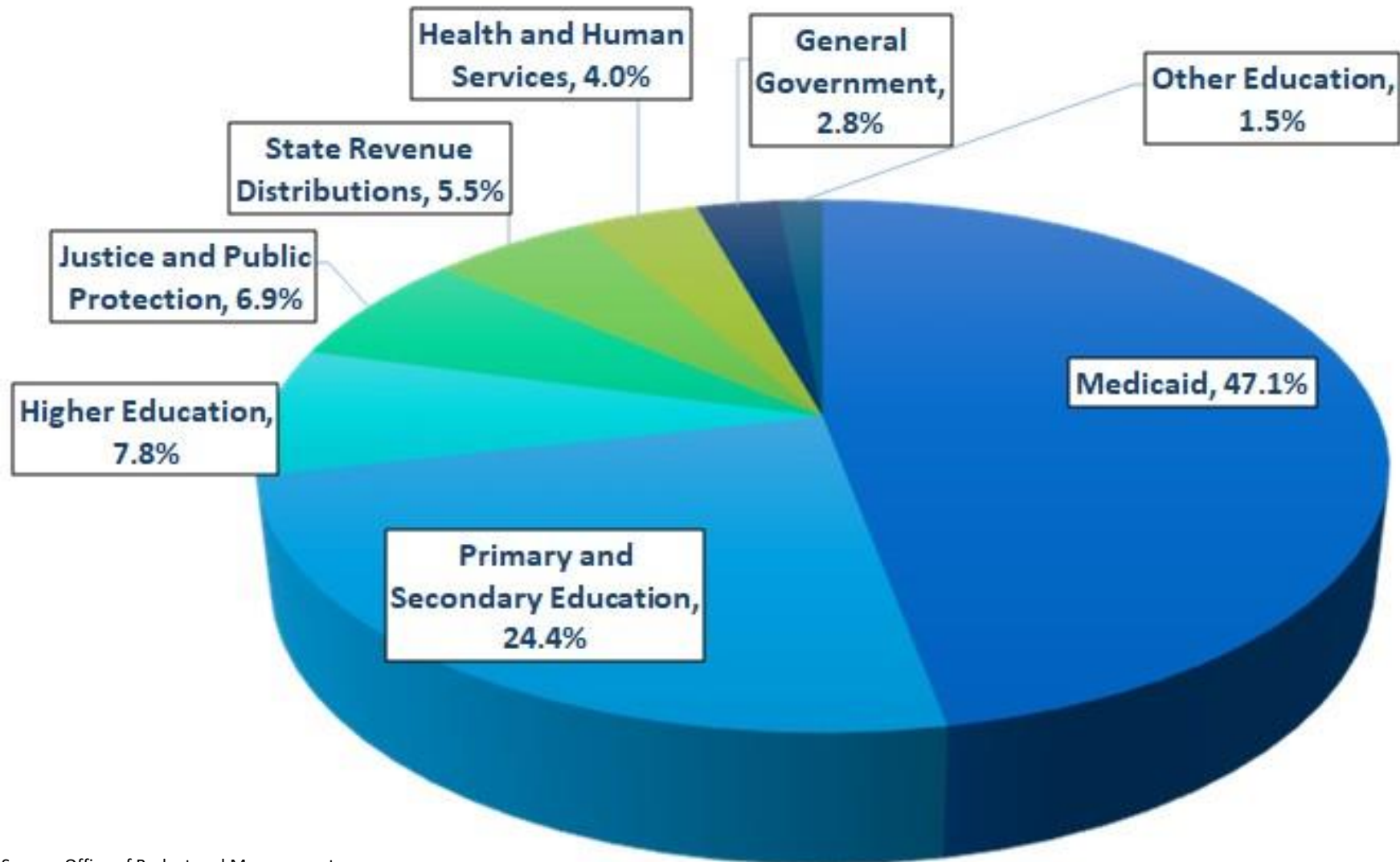
All Funds Appropriations

<u>Function</u>	<u>FY 19</u>	<u>% Total</u>
Medicaid	\$ 28,311.8	39.7%
General Government	\$ 12,231.6	17.2%
Primary and Secondary Education	\$ 11,318.0	15.9%
State Revenue Distributions	\$ 7,463.5	10.5%
Health and Human Services	\$ 5,280.9	7.4%
Justice and Public Protection	\$ 3,489.5	4.9%
Higher Education	\$ 2,648.7	3.7%
Other Education	\$ 537.7	0.8%
Total	\$ 71,281.7	100.0%

Figures in millions



Total General Revenue Fund Appropriations



**General Fund
Appropriations:
\$33.3B**



Source: Office of Budget and Management

Total General Revenue Fund Appropriations

<u>Function</u>	<u>FY 19</u>	<u>% Total</u>
Medicaid	\$ 15,672.9	47.1%
Primary and Secondary Education	\$ 8,117.1	24.4%
Higher Education	\$ 2,596.2	7.8%
Justice and Public Protection	\$ 2,282.0	6.9%
State Revenue Distributions	\$ 1,845.1	5.5%
Health and Human Services	\$ 1,343.2	4.0%
General Government	\$ 930.8	2.8%
Other Education	\$ 507.0	1.5%
Total	\$ 33,294.3	100.0%

Figures in millions

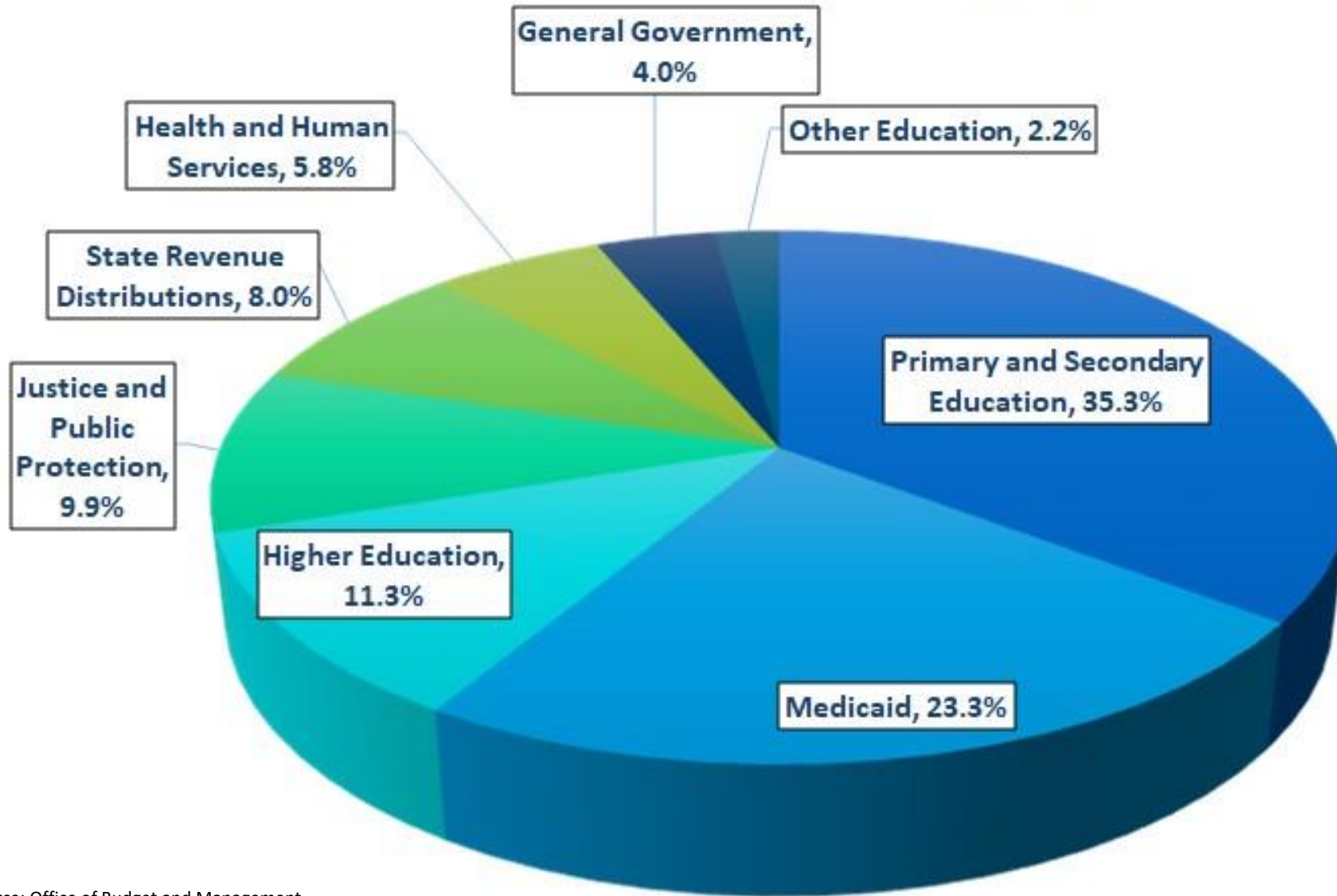
Total

\$ 33,294.3

100.0%



State Only General Revenue Fund Appropriations



**State Only
General Fund
Appropriations:
\$23.0B**



Source: Office of Budget and Management

State Only General Revenue Fund Appropriations

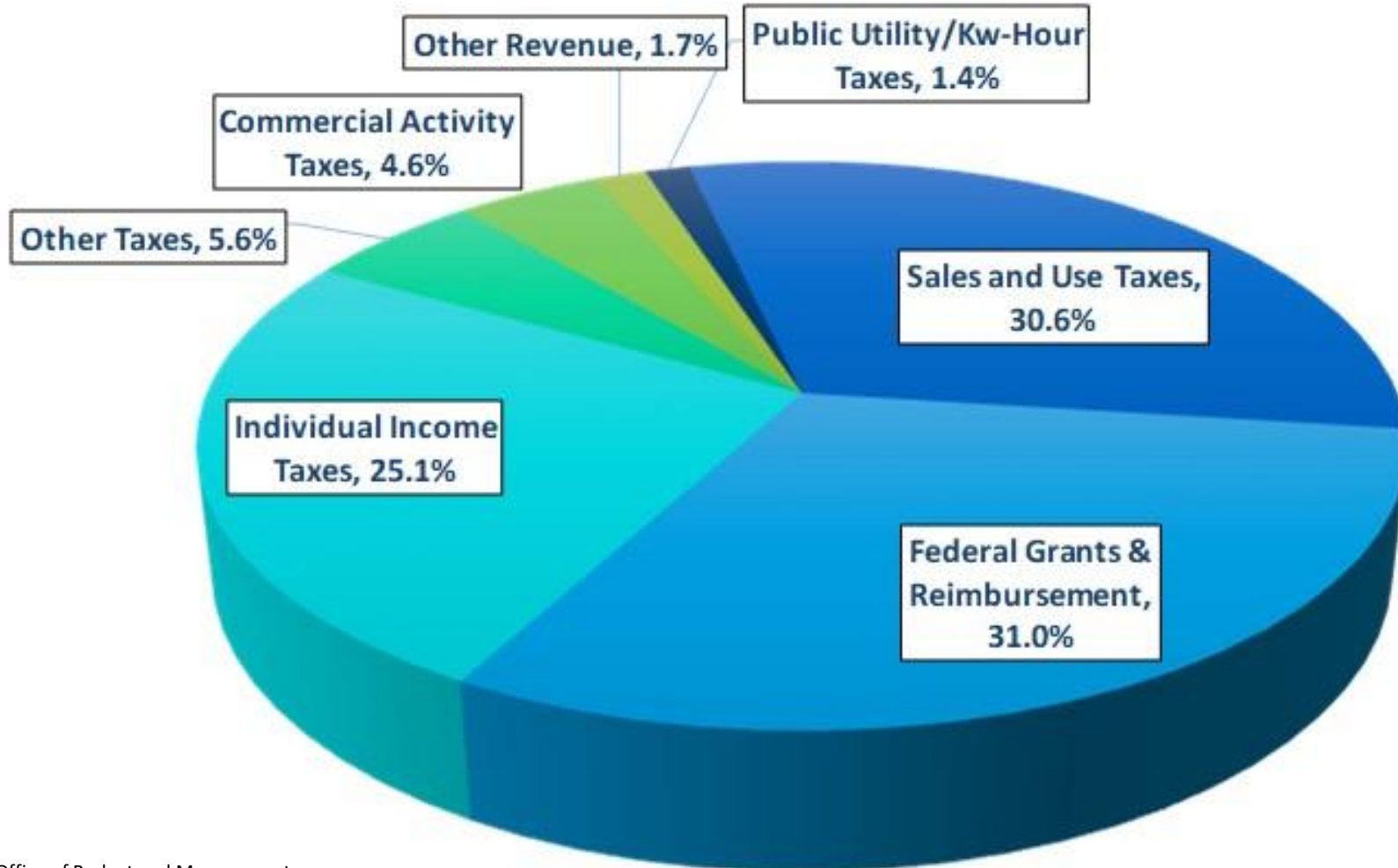
<u>Function</u>	<u>FY 19</u>	<u>% Total</u>
Primary and Secondary Education	\$ 8,117.1	35.3%
Medicaid	\$ 5,361.4	23.3%
Higher Education	\$ 2,596.2	11.3%
Justice and Public Protection	\$ 2,282.0	9.9%
State Revenue Distributions	\$ 1,845.1	8.0%
Health and Human Services	\$ 1,343.2	5.8%
General Government	\$ 930.8	4.0%
Other Education	\$ 507.0	2.2%
Total	\$ 22,982.8	100.0%

Figures in millions

Source: Office of Budget and Management



Total General Revenue Fund Estimated Revenues



General Fund Revenues: \$33.3B



Source: Office of Budget and Management

Total General Revenue Fund Estimated Revenues

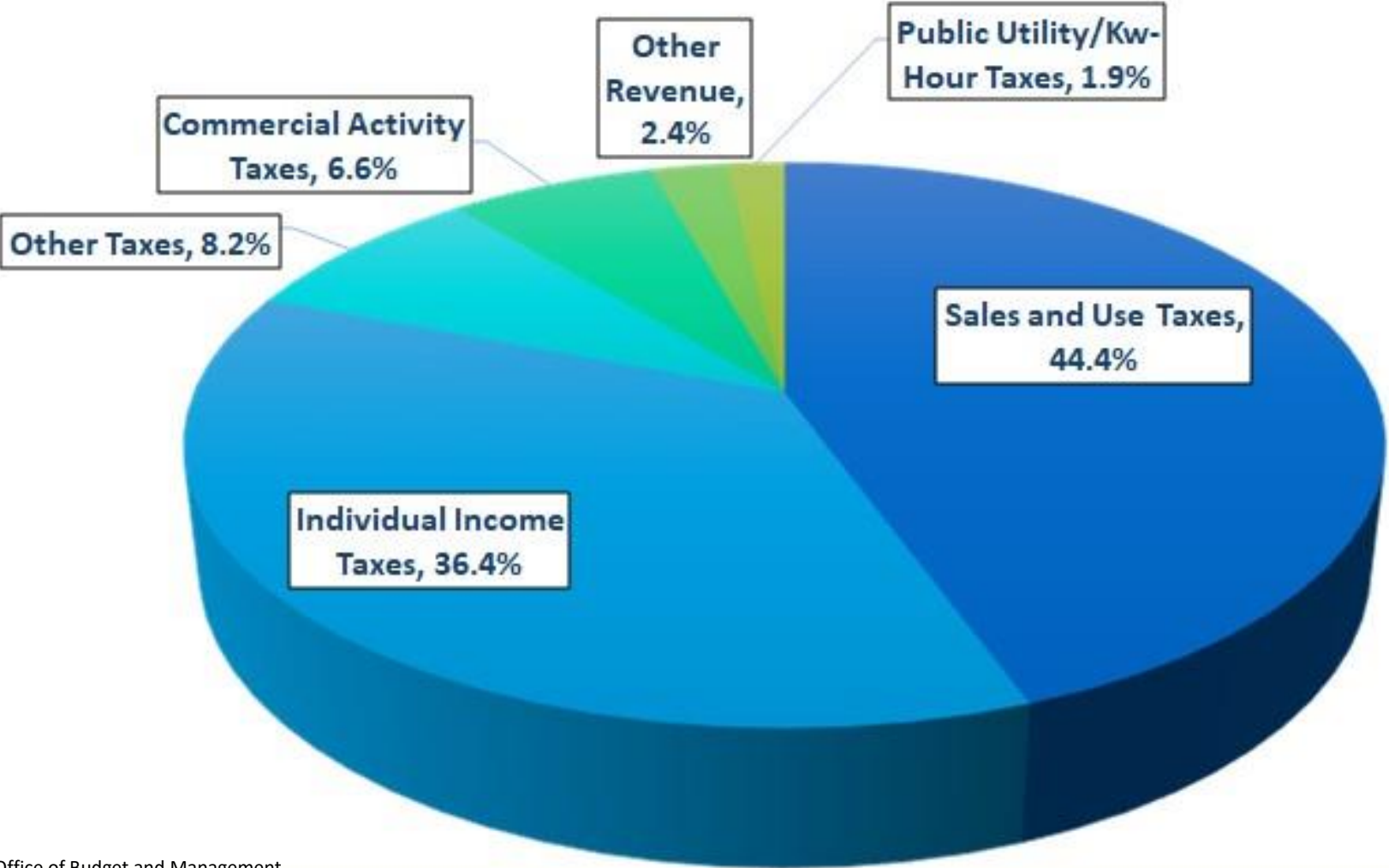
<u>Source</u>	<u>FY 19</u>	<u>% Total</u>
Sales and Use Taxes	\$ 10,209.1	30.6%
Federal Grants & Reimbursement	\$ 10,319.5	31.0%
Individual Income Taxes	\$ 8,368.1	25.1%
Other Taxes	\$ 1,882.2	5.6%
Commercial Activity Taxes	\$ 1,524.3	4.6%
Other Revenue	\$ 561.6	1.7%
Public Utility/Kw-Hour Taxes	\$ 472.3	1.4%
Total	\$ 33,337.1	100.0%

Figures in millions

Source: Office of Budget and Management



State Only Revenue Fund Estimated Revenues



**State Only
General Fund
Appropriations:
\$23.0B**



Source: Office of Budget and Management

State Only Revenue Fund Estimated Revenues

<u>Source</u>	<u>FY 19</u>	<u>% Total</u>
Sales and Use Taxes	\$ 10,209.1	44.4%
Individual Income Taxes	\$ 8,368.1	36.4%
Other Taxes	\$ 1,882.2	8.2%
Commercial Activity Taxes	\$ 1,524.3	6.6%
Other Revenue	\$ 561.6	2.4%
Public Utility/Kw-Hour Taxes	\$ 427.3	1.9%
Total	\$ 22,972.6	100.0%

Figures in millions

Source: Office of Budget and Management



FY 2020-2021 State Budget Process (as statutorily adjusted for a new Governor)



Phase 1 – Agency Budget Request Preparation (July 17 – November 1, 2018)

July 17, 2018

- The Office of Management and Budget (OMB) releases the fiscal years 2020 and 2021 operating budget guidance

September 12 – November 1, 2018

- OMB receives budget requests from all budgeted entities according to staggered due dates

Phase 2 – OBM Review and Analysis and Finalized Executive Recommendations (September 12, 2018 – March 15, 2019)

September 2018

- OBM reviews and analyzes budget requests and prepares budget recommendations for consideration by the Governor's office

March 15, 2019

- Executive Budget published and presented to the General Assembly (statutory deadline for new Governor)

January – March 2019

- OBM works with the Governor and the Governor's staff to finalize Executive Budget recommendations



Phase 3 – The Legislative Process (March 15 – June 30, 2019)

March 15, 2019

- Legislative introduction of the Executive Budget, as prepared by OBM with the Legislative Service Commission (LSC), typically as four separate bills in the House of Representatives (Main Operating, Transportation, Bureau of Workers' Compensation, Industrial Commission)

June 30, 2019

- The final day for the Governor to sign budget bills before the start of the new fiscal year; the Governor may exercise line-item veto authority (Note: Items that include operating appropriations or provide for tax levies are usually effective immediately. Generally, other items in the act are subject to the right to referendum and do not take effect until the ninety-first day after the Governor files the act in the Office of the Secretary of State.)

March - June 2019

- The House and then the Senate hold committee hearings and vote on the budget bills, with Conference Committees working out any differences between the versions of the budget bills passed by each chamber; and then each chamber votes on Conference Committee reports (the Main Operating budget bill takes the longest, with Conference Committee typically occurring in June)

