Rhode Island’s Budget Process

• The state budget describes how the state will use its resources to meet the needs of the public

• It is the most important public policy document, identifying the services, projects and populations the Governor and lawmakers consider a priority

• Spending trends tell us about changes in priorities over time

• There are opportunities for residents to influence the state budget throughout the year
Understanding State Fiscal Years

• The state budget period is called the “fiscal year.” It runs from July 1st to June 30th

• The **state fiscal year** refers to the year the budget period ends
  • Example: SFY2017 budget began July 1, 2016 and ends June 30, 2017

• The **federal fiscal year** is from October 1st – Sept 30th
  • Example: FFY2017 budget began Oct 1, 2016 and ends Sept 30th 2017
Budget Basics

• Each year, the Governor recommends to the General Assembly a budget for the upcoming fiscal year and changes to the current year’s budget (“supplemental budget”)
  • Example: In February 2016, Governor submitted FY2017 budget and FY2016 supplemental budget

• The budget must be balanced – revenue (income) and expenditures (spending) must be equal

• Budget is due the 3rd Thursday in January (Governor can be granted extension by General Assembly)
In November and May, the House and Senate Fiscal Advisors and Budget Officer meet to review:

- Caseload – the current and next year caseloads for certain human service programs
- Revenue – the economic conditions in the state and current and projected revenue

The information from the November conference is used by the Governor in developing her budget and the May conference information is used by the General Assembly in passing a final budget.
Budget Development Starts in the Summer

State Budget Cycle (FY2016/FY2017)

- **State Fiscal Year 2016 begins**
  - July ‘15

- **Caseload and Estimating Conference**
  - Aug.

- **Governor submits proposed FY2017 & revised FY2016 budgets**
  - Sept.

- **Caseload and Estimating Conference**
  - Oct.

- **State Fiscal Year 2016 ends**
  - Nov.

- **Summer/Fall: State Agencies develop Budget requests**
  - Dec.

- **Fall: State agencies submit their budget requests to Governor**
  - Jan.

- **Finance Committee hearings on proposed FY2017 & revised FY2016 budgets**
  - Feb.

- **Final Budget Negotiations**
  - Mar.

- **General Assembly pass final FY2017 & revised FY2016 budgets**
  - April

- **May

- **June ‘16

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Budget Development Starts in the Summer

- Governor’s Budget Office sends budget instructions to state agencies telling them the information needed to prepare their budget requests
- The time table for submitting the recommended funding levels are available online: [http://www.budget.ri.gov/instructions/](http://www.budget.ri.gov/instructions/)

**You can**
- Meet with or write to state agency directors to offer input
- State Agencies submit budget requests to the Governor by Oct 1st
Budget Development: Fall

State Budget Cycle (FY2016/FY2017)

- **State Fiscal Year 2016 begins**
  - July ‘15
  - Aug.
  - Sept.
  - Oct.
  - Nov.
  - Dec.

- **Caseload and Estimating Conference**
  - Jan.

- **Governor submits proposed FY2017 & revised FY2016 budgets**
  - Feb.

- **Caseload and Estimating Conference**
  - Mar.
  - April
  - May
  - June ‘16

- **State Fiscal Year 2016 ends**

- **Summer/Fall: State Agencies develop Budget requests**

- **Fall: State agencies submit their budget requests to Governor**

- **Finance Committee hearings on proposed FY2017 & revised FY2016 budgets**

- **General Assembly pass final FY2017 & revised FY2016 budgets**

- **Final Budget Negotiations**

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Budget Development: Fall

• Governor is working on developing his budget

• State Agencies are submitting their budget requests to the Governor

You can Meet with governor or her staff to ask him to include your priorities in the budget
Budget Development: Fall

State Budget Cycle (FY2016/FY2017)

State Fiscal Year 2016 begins

Caseload and Estimating Conference

Governor submits proposed FY2017 & revised FY2016 budgets

Caseload and Estimating Conference

State Fiscal Year 2016 ends

July 15

Aug.

Sept.

Oct.

Nov.

Dec.

Jan.

Feb.

Mar.

April

May

June ’16

Summer/Fall: State Agencies develop Budget requests

Fall: State agencies submit their budget requests to Governor

Finance Committee hearings on proposed FY2017 & revised FY2016 budgets

General Assembly pass final FY2017 & revised FY2016 budgets

Final Budget Negotiations

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Budget Development: Fall

- November Caseload and Revenue Estimating Conference
  - The report from November conference shows whether the state is running a surplus or deficit for the current year
  - Projects the caseload and revenue for the coming fiscal year

Learn the size of the budget deficit or surplus: http://omb.ri.gov/budget/revenues/index.php
Budget Development: January

State Budget Cycle (FY2016/FY2017)

- **State Fiscal Year 2016 begins**
  - July 15
  - Summer/Fall: State Agencies develop Budget requests

- **Caseload and Estimating Conference**
  - Aug.
  - Fall: State agencies submit their budget requests to Governor

- **Governor submits proposed FY2017 & revised FY2016 budgets**
  - Sept.

- **Finance Committee hearings on proposed FY2017 & revised FY2016 budgets**
  - Oct.

- **Caseload and Estimating Conference**
  - Nov.

- **General Assembly pass final FY2017 & revised FY2016 budgets**
  - Dec.

- **Final Budget Negotiations**
  - Jan.

- **State Fiscal Year 2016 ends**
  - Feb.
  - Mar.
  - Apr.
  - May

- **Final Budget Negotiations**
  - June ’16
Budget Development: January

• Governor submits her budget to the General Assembly on the 3rd Thursday in January (may request an extension from the General Assembly)

• The Budget Office publishes a set of documents providing details about the budget where you can learn whether there will be cuts or increases in programs, like human services, for example

Read the Budget Documents: http://omb.ri.gov/budget/prioryear/operating/2017.php
The budget is submitted as a bill in the House

The bill includes:

• Proposed spending for all functions of government, including state agencies

• Articles that include changes to state laws necessary to make revenue or spending changes

You can find the budget bill: http://webserver.rilin.state.ri.us/legislation/
Budget Development: February – April
Getting the Information

• The General Assembly is now responsible for accepting or changing the Governor’s recommendations and will pass their own version of the budget in June
• The House and Senate Fiscal Office provide analyses of the Governor’s Budget for the Finance Committees

Read the Fiscal Office analyses:
• http://www.rilin.state.ri.us/Pages/HouseFiscal.aspx
• http://www.rilin.state.ri.us/sfiscal/Pages/default.aspx
Budget Development: February-April

State Budget Cycle (FY2016/FY2017)

- **State Fiscal Year 2016 begins**: July ‘15
- **Caseload and Estimating Conference**: Oct.
- **Governor submits proposed FY2017 & revised FY2016 budgets**: Nov. (Highlighted)
- **Caseload and Estimating Conference**: Dec.
- **Finance Committee hearings on proposed FY2017 & revised FY2016 budgets**: Jan.
- **Fall: State agencies submit their budget requests to Governor**: Feb.
- **Final Budget Negotiations**: Mar.
- **General Assembly pass final FY2017 & revised FY2016 budgets**: Apr.
- **State Fiscal Year 2016 ends**: May-June ‘16

*Source: The Economic Progress Institute*
Budget Development: February – April
Making Your Voice Heard

• The House and Senate Finance Committees will hold hearings on the Governor’s Budget

• Each Committee will hold hearings on the Budget Articles and on the proposed Budgets for the State Agencies

You can find out about hearings:
http://status.rilin.state.ri.us/legislative_committee_calendar.aspx
Budget Development: February – June
Make Your Voice Heard

You can

• Share your support or concerns about the budget by testifying at the hearings on the Articles and Department budgets or submit written statements

• Write, call or meet with
  • Your state representative or senator: https://sos.ri.gov/vic/
  • General Assembly leadership: http://www.rilin.state.ri.us/Pages/Default.aspx
Budget Development: February – June
Make Your Voice Heard

You can

Send Op-eds or Letters to the Editor
  • Local Papers
  • Providence Journal
  • Providence Business News
  • Go Local Prov

  • Hold meetings in your district with your legislators
  • Gather signatures on petitions, postcards, etc
  • Hold rallies/public demonstrations
Budget Development: May

• May Caseload and Revenue Estimating Conference
  • Determines how caseloads and revenues compare to the November estimates
  • New revenue estimates for the coming fiscal year and estimated caseload costs are used by the General Assembly in developing the budget that they will pass

• House and Senate Finance Committees begin negotiations about the budget
Budget Development: June

State Budget Cycle (FY2016/FY2017)

- **State Fiscal Year 2016 begins**
  - July '15

- **Business & Fall: State Agencies develop Budget requests**

- **Caseload and Estimating Conference**

- **Governor submits proposed FY2017 & revised FY2016 budgets**

- **Caseload and Estimating Conference**

- **Finance Committee hearings on proposed FY2017 & revised FY2016 budgets**

- **State Fiscal Year 2016 ends**
  - June '16

- **Final Budget Negotiations**

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Budget Development: June

• Final budget negotiations between House and Senate finance committees (with input from Leadership)
• The original budget bill is amended to reflect the agreed upon changes
• The House Finance Committee holds a hearing on the revised budget bill

You can

• Be at the state house to remind legislators about your priorities
• Attend the hearing on the revised budget bill (generally there is no opportunity for public testimony)
Budget Enactment: June

• The House Finance Committee passes the budget bill and sends it to the House for a vote in seven days
  • Members of the House can submit proposed amendments to be voted on by the House

• Work with your Representatives to develop amendments to be considered by the House

• The House considers the budget and amendments and votes on a final bill
After the House passes the budget, the Senate considers the budget. The Senate Finance Committee considers the budget and if passed, it is sent to the Senate for a vote. If the Senate makes changes to the budget bill, it is sent back to the House. If the Senate passes the budget bill it is sent to the Governor. Work with your Senator to make changes to the budget (but the Senate rarely makes changes).
Once the Governor receives the budget, she can:

- Sign the Budget and it becomes law
- Not sign the budget and it becomes law
- Veto the Budget and send it back to the General Assembly

Contact the Governor to urge her to sign or veto the budget

If the Governor vetoes the Budget, the General Assembly can overturn the veto by a vote of 2/3rds of the members in both the House and the Senate.
Get Involved

There are many ways that you can get involved with the state budget. Contact us for more information.

• Visit our website: www.economicprogressri.org
• Sign up for our e-newsletter: www.economicprogressri.org/stayinformed
• Like us on Facebook: www.facebook.com/economicprogressri
• Follow us on twitter: @EconProgressRI