Rhode Island’s State Budget Process
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 1\textsuperscript{st} to June 30\textsuperscript{th}

• The \textbf{state fiscal year} refers to the year the budget period ends
  • Example: SFY2020 budget began July 1, 2019 and ends June 30, 2020

• The \textbf{federal fiscal year} is from October 1\textsuperscript{st} – Sept 30\textsuperscript{th}
  • Example: FFY2020 budget began Oct 1, 2019 and ends Sept 30\textsuperscript{th} 2020
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 January 2020, Governor submitted FY2021 budget and FY2020 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)
Caseload and Revenue Estimating Conferences

- 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

THE RHODE ISLAND STATE BUDGET CYCLE
JULY 1, 2019 - JULY 1, 2020 (FY2020 - FY2021)

- **JULY**: Summer/Fall: State agencies develop budget requests
- **AUG**: Caseload and Estimating Conference
- **SEPT**: Fall: State agencies submit their budget requests
- **OCT**: Governor submits Proposed FY2021 & revised FY2020 budgets
- **NOV**: Caseload and Estimating Conference
- **DEC**: Finance committee holds hearings on proposed FY2021 and revised FY2020 budgets
- **JAN**: Final budget negotiations
- **FEB**: General Assembly passes final FY2021 and revised FY2020 budgets
- **MAR**:
- **APR**:
- **MAY**:
- **JUNE**:
- **JULY**:
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.omb.ri.gov/budget/instructions/index.php](http://www.omb.ri.gov/budget/instructions/index.php)

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

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- July: Caseload and Estimating Conference
- August: Governor submits Proposed FY2021 & revised FY2020 budgets
- September: Caseload and Estimating Conference
- October: Final budget negotiations
- November: Fall: State agencies submit their budget requests
- December: Finance committee holds hearings on proposed FY2021 and revised FY2020 budgets
- January: General Assembly passes final FY2021 and revised FY2020 budgets
- February: Department of Administration and Budget releases budget
- March: Final budget negotiations
- April: Executive Orders signed
- May: Governor signs budget
- June: Fiscal year ends
- July: New fiscal year begins
Budget Development: Fall

• Governor is working on developing her budget

• State Agencies are submitting their budget requests to the Governor

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

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JULY
Summer/Fall: State agencies develop budget requests

AUG

SEPT

OCT

NOV

DEC

JAN

FEB

MAR

APR

MAY

JUNE

Final budget negotiations

JULY

Caseload and Estimating Conference

Governor submits Proposed FY2021 & revised FY2020 budgets

Caseload and Estimating Conference

Finance committee holds hearings on proposed FY2021 and revised FY2020 budgets

General Assembly passes final FY2021 and revised FY2020 budgets
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

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MAY: Final budget negotiations

JUNE: General Assembly passes final FY2021 and revised FY2020 budgets

JULY: FY2021 and revised FY2020 budgets
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/2020.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

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 Offices provide analyses of the Governor’s Budget for the Finance Committees

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

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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

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

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- June: General Assembly passes final FY2021 and revised FY2020 budgets

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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

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- **MAR** - **JUNE**: Continues with budget development
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
Budget Enactment: June

- 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)
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- **May**: Final budget negotiations
- **June**: General Assembly passes final FY2021 and revised FY2020 budgets

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Budget Enactment: June

- 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

You can

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
• Follow us on Instagram: @epi_ri