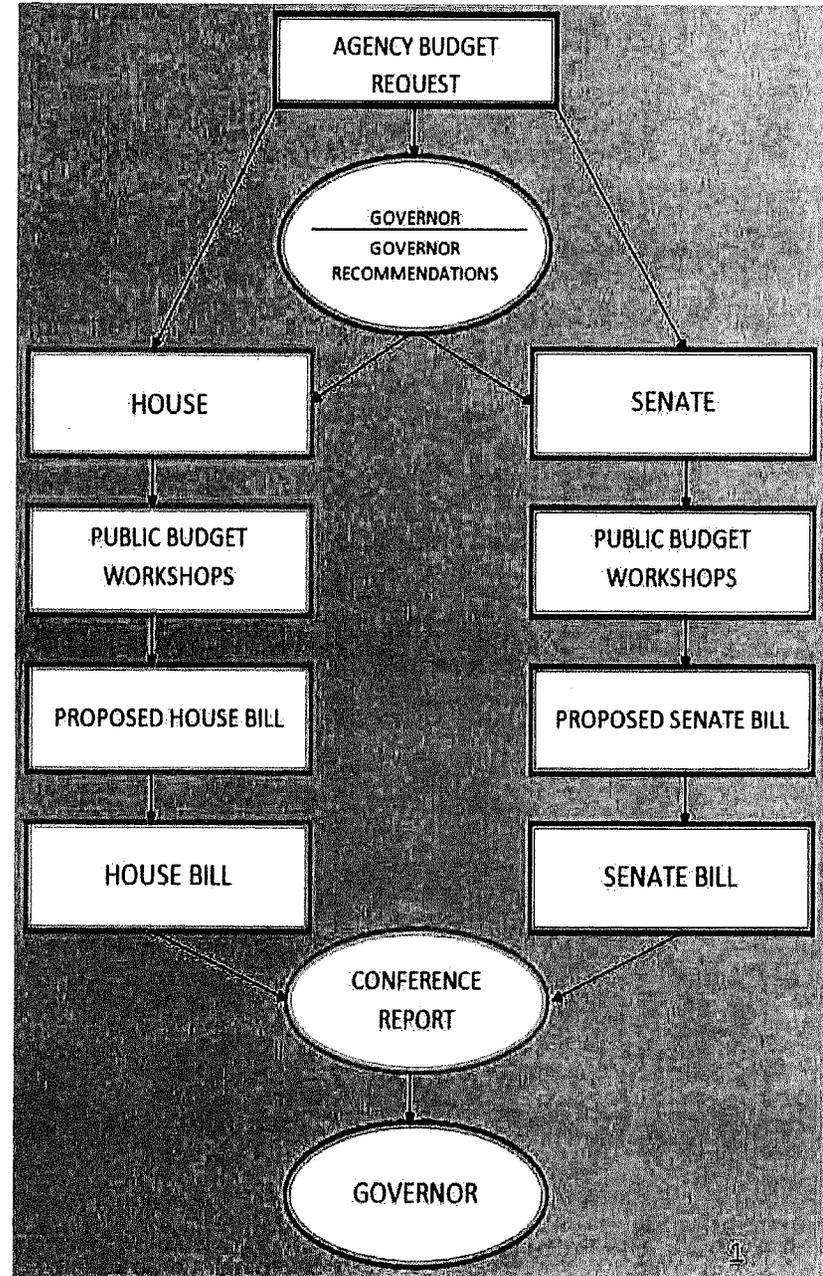


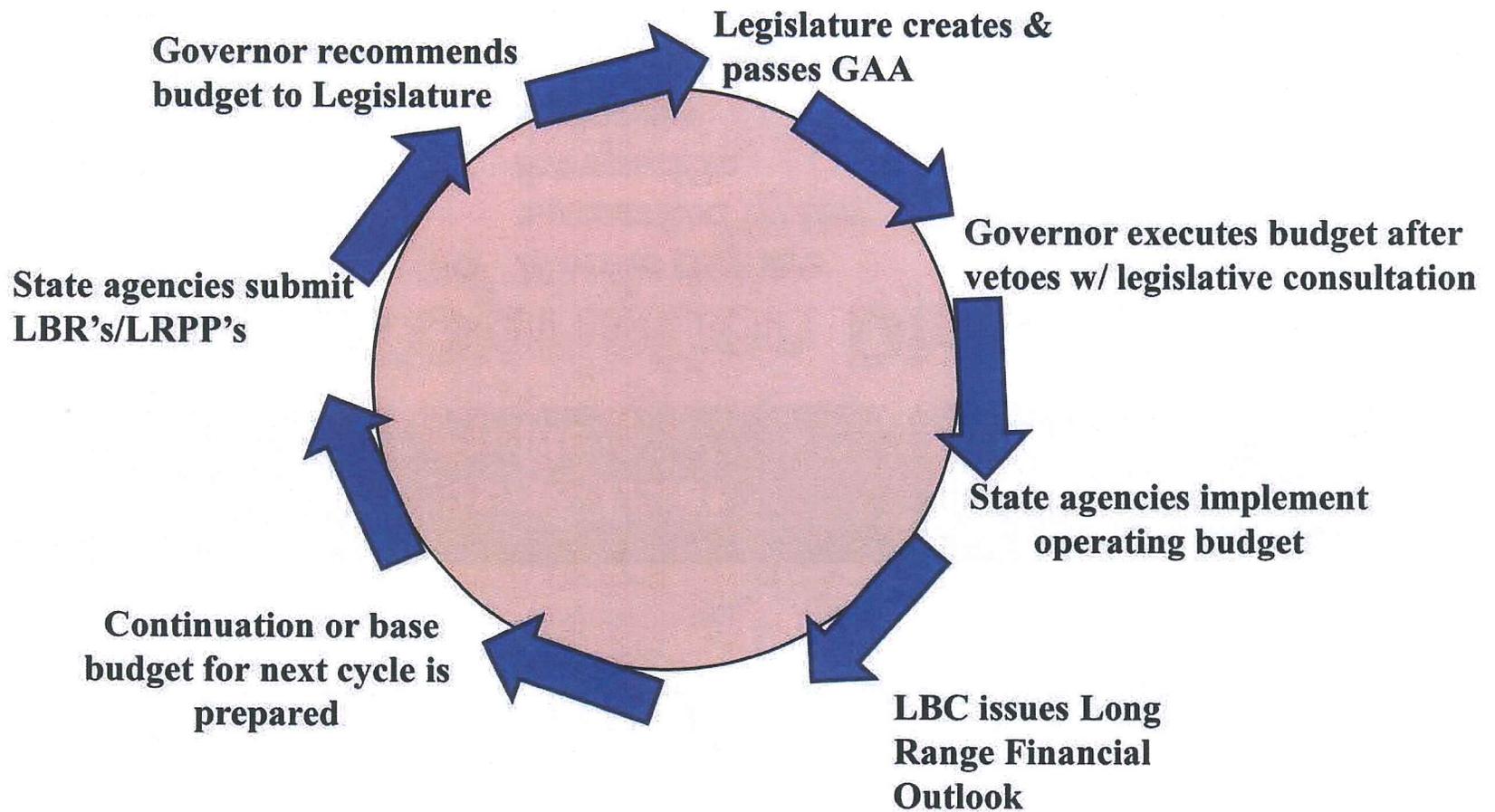
The Appropriation Process & Base Budget

The Appropriations Process

- By September 15th the Legislative Budget Commission issues the Long Range Financial Outlook.
- State agencies submit budget requests on October 15th of each year.
- The Governor makes his budget recommendations 30 days prior to the onset of the legislative session.
- House & Senate committees workshop the budget and each chamber passes an independent appropriations bill.
- The differences between the bills are usually resolved through a conference by members of both chambers.
- The product of the conference process is the Conference Report or the General Appropriations Act.
- The Governor has line item veto authority.
- The Governor with consensus of House & Senate execute the budget and develop the base for the next cycle



Budget Process Cycle



Primary Funding Sources

General Revenue Fund

State Trust Funds

Federal Trust Funds

Appropriation Discretion

- **State Tax Revenues Available to the Governor and Legislature for any use**
- **These are the revenues that programs compete for and the Governor and Legislature must allocate between programs**
- **Monies that are earmarked by law for specific purposes**
- **Governor and Legislature has little discretion in allocating among programs, unless the law is changed**
- **Monies that are provided to the State by the Federal Government**
- **Typically, there is almost no discretion in how these funds are spent as that is specified by the Federal Government**

Definitions

- **"Appropriation"** means a legal authorization to make expenditures for specific purposes within the amounts authorized by law. Appropriation is not cash in a fund. Not all funds or cash are appropriated. Not all appropriation has cash to support it.
- **"Program"** means a set of services and activities undertaken in accordance with a plan of action organized to realize identifiable goals and objectives based on legislative authorization.
- **"Budget entity"** means a unit or function at the lowest level to which funds are specifically appropriated in the appropriations act. "Budget entity" and "service" have the same meaning.
- **"Category"** are the specific appropriations for which expenditures are intended. They specify how a service is to be accomplished.