Legislative Budget Process

or

Add your own “I’m Just a Bill” School House Rock lyric here.

Legal Issues in Higher Education Conference
September 8, 2016

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General Information before we get started
(don’t mean to be condescending)

- State Fiscal Year runs July through June
- State Tax Year runs January through December
- Regular Legislative Session runs from first Monday in February through last Friday in May

No Legislative Session or its corresponding Budget Process is exactly alike
Oklahoma Constitution

Old Standby – Separation of Powers

Departments of Government - Article IV
- Powers of the government of the State of Oklahoma shall be divided into three separate departments......

Legislative Authority – Article V
- No money shall ever be paid out of the treasury of this State....except in pursuance of an appropriation by law...

Executive Authority – Article VI
- Every bill passed by the Legislature, making appropriations of money embracing distinct item, shall before it becomes a law, be presented to the Governor....
Oklahoma Constitution cont.

Revenue and Taxation – Article X (Hitting the high points)

- State Board of Equalization (Section 21)
  - Governor
  - Lt. Governor
  - State Treasurer
  - State Attorney General
  - State Auditor State
  - Superintendent of Public Education
  - Secretary of Agriculture

- Balanced Budget Procedures (Section 23)
  - Certification of available revenue
  - Appropriation amount from certified revenue not to exceed 95% of the certified estimate
  - No more than 12% increase from total amount appropriated from one year to the next (excluding Constitutional Reserve Fund).
  - Limits on use and percentage used from Constitutional Reserve Fund
Making a Budget - Step One

July – September
- Agencies review current expenditures and assess future budget needs

October
- Submit budget request needs for upcoming fiscal year to:
  Governor through Office of Management and Enterprise Services (OMES)
  State Senate
  House of Representatives
Making a Budget – Step Two

December

Equalization Board Meeting (first of three annual meetings)
- Initial estimate on how much revenue the Legislature will have to appropriate in the upcoming Legislative Session (February through May)
  - Tax Triggers
  - “Off the Top” Allocations
  - Other Revenue Allocations
    - Lottery
    - Education Reform Revolving Fund (HB 1017)

Agency Budget Meetings with Office of Management and Enterprise Services (OMES) and Governor’s staff
- Discuss agency budgets and budget requests for upcoming fiscal year
February

- Governor’s Budget Recommendations to Legislature, includes:
  - Specific agency appropriations
  - Revenue raising/decreasing measures
  - Outlines Governor’s priorities

- Equalization Board (second of three annual meetings)
  - Final estimate on how much revenue the Legislature will have to appropriate in the upcoming Legislative Session (February through May)
    Adjust December’s estimates
  - Final determination of the amount of funds available for appropriation
  - during Legislative Session.
Making a Budget – Step Four

February – April

Legislative Budget Hearings

- Senate Appropriations Committee
  Consists of every Senate Member
  Subcommittees on Appropriations
- House Appropriations and Budget Committee
  Limited number of members
  Subcommittees on Appropriations

Senate and House Appropriation Chairs

- Reviewing agency requests and Governor’s Budget Recommendations
- Reviewing requests for supplemental appropriations for current fiscal year
- Assessing viable Revenue Changes
  Tax Policy Changes
  Capital Bond Financing
  Revolving Fund Distributions
- Meetings with stakeholders
  Subcommittee chairs and members
  Agencies
  Lobbyists
  Advocacy Groups

Budget Negotiating Teams begin to meet

- Governor’s Staff – usually Director of OMES
- Senate Appropriation Chair
- House Appropriation Chair
February – April
- Introduction of appropriation shell bills

- Legislative Budget Hearings
  Senate Appropriations Committee
  Consists of every Senate Member
  Subcommittees on Appropriations
  House Appropriations and Budget Committee
  Limited number of members
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- Senate and House Appropriation Chairs
  Reviewing agency requests and Governor’s Budget Recommendations
  Reviewing requests for supplemental appropriations for current fiscal year
  Assessing viable Revenue Changes
  Tax Policy Changes
  Capital Bond Financing
  Revolving Fund Distributions
  Meetings with stakeholders
  Subcommittee chairs and members
  Agencies
  Lobbyists
  Advocacy Groups

- Budget Negotiating Teams begin to meet
  Governor’s Staff – usually Director of OMES
  Senate Appropriation Chair
  House Appropriation Chair
Making a Budget – Step Five

May

- Final Agreements by Budget Negotiating Teams
  - Revenue
  - Specific Agency appropriations
  - Legislative Vehicles
    - House v Senate bills
    - General Appropriation Bill v. Agency Stand-alone bills
- Joint Conference on Appropriations and Budget (JCAB)
  - Appropriation bills assigned to JCAB
  - Different deadlines and rules than other legislative committees
  - Co-chaired by Senate and House Appropriation Committee Chairs
- Final passage by Legislature and approval by Governor
Making a Budget – Step Six

June

• Equalization Board (third of three annual meetings)
  • Final certification of revenue and legislative appropriation authority for upcoming fiscal year
    Legislative actions that directly impact upcoming fiscal year’s final revenue estimates

Then it starts all over…….