



# The State Budget Process

- Who's involved
- The budget timetable
- Budget documents
- The General Fund- AKA "The Budget"
- Budget language
- Impact of the spending cap

# Key Players in the Budget Process

Governor Recommends  
Legislature Appropriates  
Courts Determine Legality

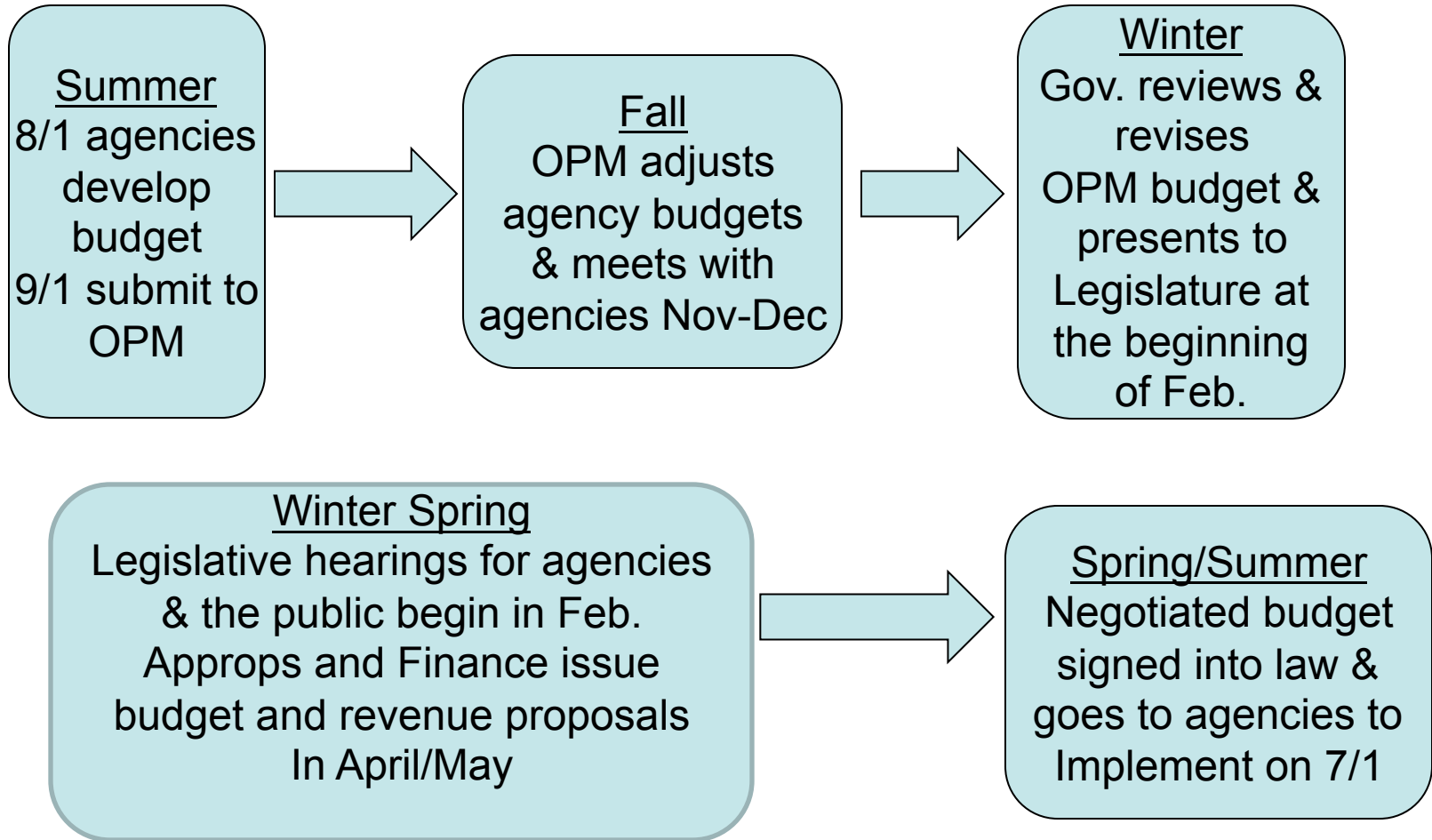
## Separation of Powers



Three Branches of Government

- **STATE AGENCIES**
- **OFFICE OF POLICY AND MANAGEMENT (OPM)- GOVERNOR'S BUDGET OFFICE**
- **OFFICE OF FISCAL ANALYSIS (OFA)- LEGISLATURE'S NON-PARTISAN BUDGET OFFICE: Appropriations Committee, Finance Revenue & Bonding Committee, Legislative Leadership.**

# Budget Calendar



# Comptroller's Open CT Budget Documents & Fiscal Info.

- On the Comptroller's web page you'll find the Open Connecticut icon.
- This site contains a wealth of information about state finance and links to key budget documents.
- It's designed as a one-stop link to all of the fiscal information you'll need.



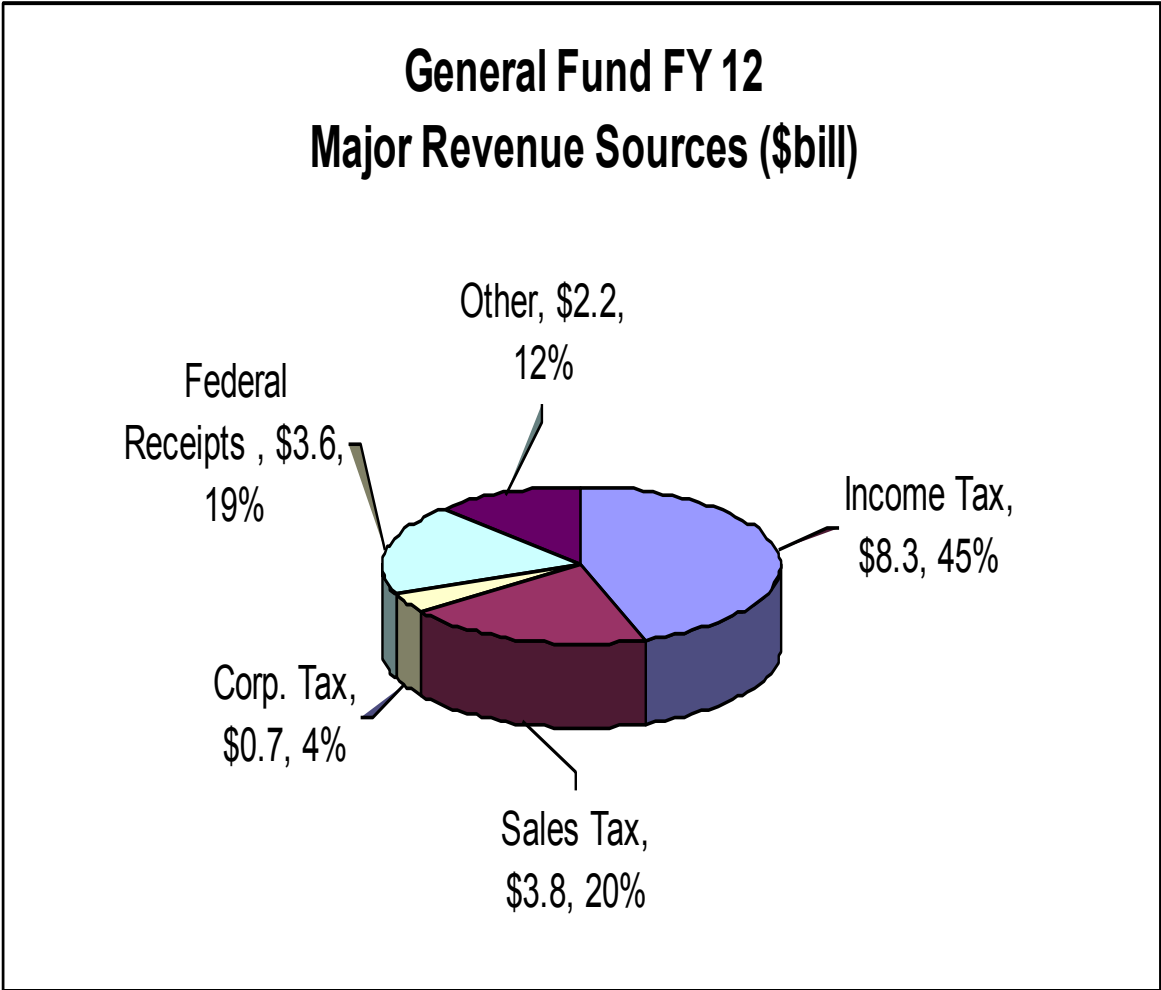
# General Fund Budget

*“It’s clearly a budget. It has a lot of numbers in it.” G.W Bush*

- The state budget for the current fiscal year is just over \$19 billion.
- To put it in perspective, that’s about \$52 million a day or \$5,400 per person (every man, women and child in the state).
- The budget is projected to grow 2% this year. That’s less than half the normal growth rate.

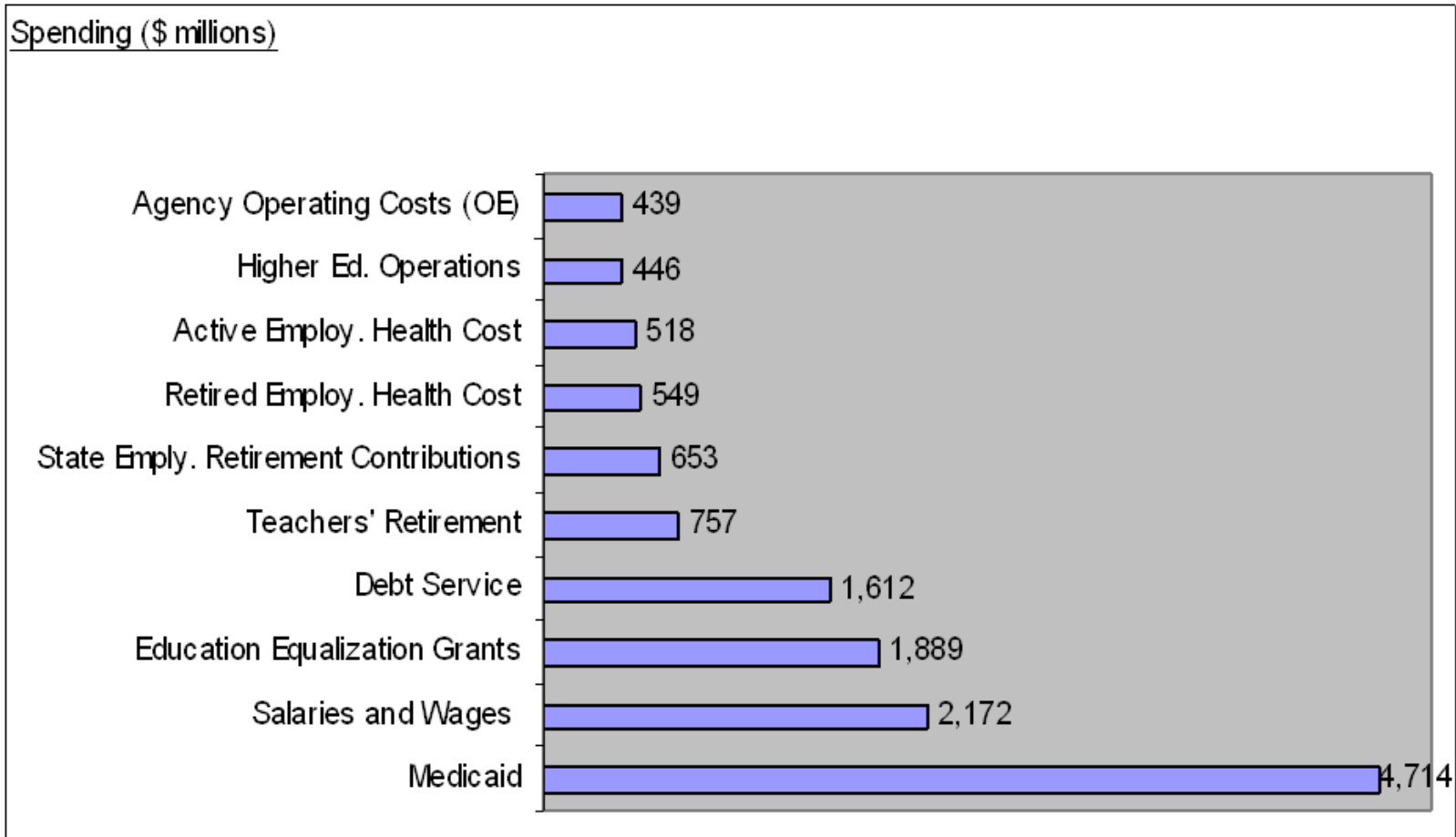
# Budget Revenue

Just 4 revenue sources contribute 9 of every 10 dollars raised in the General Fund



# Budget Spending

10 line items =  $\frac{3}{4}$  of all spending



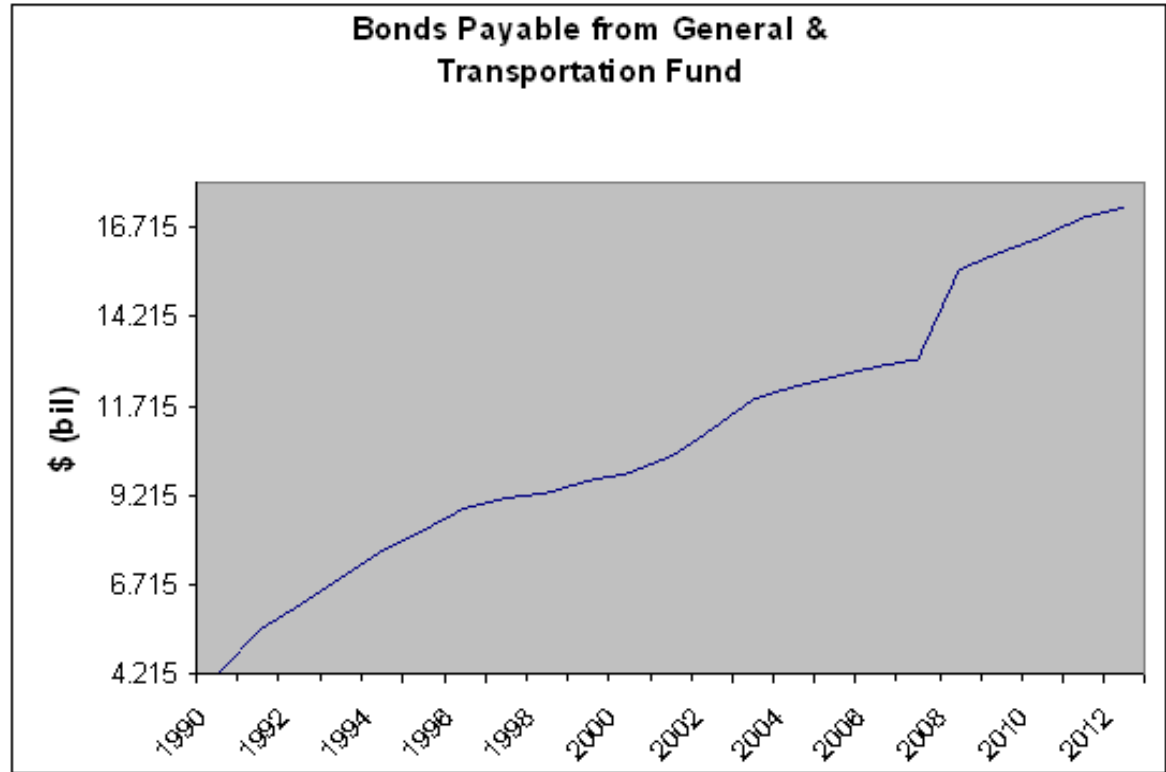
# Beyond the General Fund

- Most public attention is focused on the General Fund
- In FY 12 the state spent over \$9 billion outside of the General Fund.
- Much of this spending was outside of the state's budgetary spending cap.
- There are over 180 funds in addition to the General Fund.



# Debt is Growing

- Bonded Debt has almost doubled over the last decade growing to \$17.3 billion.



# Three Key Part of the Budget

- The Line Item (SID) Appropriation – Shows the fund, department, line item, and dollar amount
- Back of the Budget Language – used to provide detail on use of the dollars, to transfer dollars, and to carry money forward
- Budget Implementers – Provides legal authority for budget expenditures

# Line Item

2012-2013

## LEGISLATIVE

### LEGISLATIVE MANAGEMENT

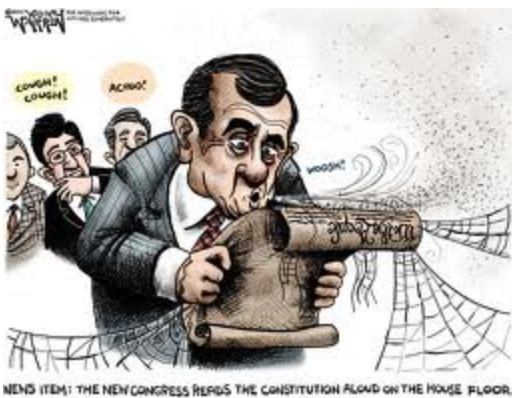
Personal Services	[\$ 48,753,708]	<u>\$45,260,629</u>
Other Expenses	[17,611,168]	<u>14,833,232</u>
Equipment	316,000	
Flag Restoration	75,000	
Minor Capital Improvements	265,000	
Interim Salary/Caucus Offices	464,100	
Connecticut Academy of Science and Engineering	100,000	
Old State House	616,523	
Interstate Conference Fund	380,584	
New England Board of Higher Education	194,183	
AGENCY TOTAL	[68,776,266]	<u>62,505,251</u>

# Back of the Budget

Sec. 11. (*Effective July 1, 2012*) (a) The unexpended balance of funds appropriated in section 67 of public act 11-61 to the Office of Financial and Academic Affairs for Higher Education, Other Expenses, for the fiscal year ending June 30, 2012, for the purpose of developing a strategic master plan for higher education in Connecticut, shall not lapse on June 30, 2012. Such funds shall be transferred to Legislative Management as follows: (1) \$ 28,854 to Connecticut Academy of Science and Engineering for the purpose of a study to evaluate the effectiveness of state programs to provide a skilled workforce, and (2) the balance of such funds to Other Expenses for the purpose of developing a strategic master plan for higher education in Connecticut, for the fiscal year ending June 30, 2013.

# Budget Implementer

- **Senate Bill No. 501**
- **June 12 Special Session, Public Act No. 12-2**
- **AN ACT IMPLEMENTING CERTAIN PROVISIONS CONCERNING GOVERNMENT ADMINISTRATION.**
- Be it enacted by the Senate and House of Representatives in General Assembly convened:
- Section 1. Subsection (a) of section 46a-13k of the 2012 supplement to the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):
- (a) There is established, within the Office of Governmental Accountability established under section 1-300, an Office of the Child Advocate. The Governor, with the approval of the General Assembly, shall appoint a person with knowledge of the child welfare system and the legal system to fill the Office of the Child Advocate. Such person shall be qualified by training and experience to perform the duties of the office as set forth in section 46a-13l. Upon any vacancy in the position of Child Advocate, the advisory committee established pursuant to section 46a-13r shall meet to consider and interview successor candidates and shall submit to the Governor a list of not fewer than five and not more than seven of the most outstanding candidates, not later than sixty days after the occurrence of said vacancy, except that upon any vacancy in said position occurring after January 1, 2012, but before the effective date of this section, the advisory committee shall submit such list to the Governor on or before July 31, 2012. Such list shall rank the candidates in the order of committee preference. Not later than eight weeks after receiving the list of candidates from the advisory committee, the Governor shall designate a candidate for Child Advocate from among the choices on such list. If at any time any of the candidates withdraw from consideration prior to confirmation by the General Assembly, the designation shall be made from the remaining candidates on the list submitted to the Governor. If, not later than eight weeks after receiving the list, the Governor fails to designate a candidate from the list, the candidate ranked first shall receive the designation and be referred to the General Assembly for confirmation. If the General Assembly is not in session, the designated candidate shall serve as acting Child Advocate and be entitled to the compensation, privileges and powers of the Child Advocate until the General Assembly meets to take action on said appointment. The person appointed Child Advocate shall serve for a term of four years and may be reappointed or shall continue to hold office until such person's successor is appointed and qualified. Upon any vacancy in the position of Child Advocate and until such time as a candidate has been confirmed by the General Assembly or, if the General Assembly is not in session, has been designated by the Governor, the Associate Child Advocate shall serve as the acting Child Advocate and be entitled to the compensation, privileges and powers of the Child Advocate.



# Spending Cap

- Implemented in FY 92- Constitutional Amendment
- Calculated from Previous Year's Base (Total Appropriated Funds)
- $\$ \text{ Cap} = \text{Base Year Appropriations} \times 5\text{-Year Average Income Growth (or Prior Year Year's Inflation Rate, Which Ever is Higher)}$
- Excluded: Debt Payments, Grants to Distressed Municipalities , Federal Mandates & Court Orders (1st year only), and as of FY 14 the federal share of Medicaid.

# Breaking the Cap

- A 3/5ths vote is required to override the cap
- The cap has been overridden in every year that the state had a surplus
- This has allowed spending \$2 billion in excess of the capped amount
- In FY 05 the cap was overridden before the fiscal year even began

A consideration not a permanent barrier



# It Begins and Ends With The Agency

- Advocate in the summer when the agency is formulating the program's budget.
- If possible show savings or cost offsets- make it budget neutral
- Make the program spending work for the agency- administrative simplicity
- **The budget dollars mean nothing unless the agency implements the program**