



California Budget  
& Policy Center

# Key Facts About the State Budget Process and How It Relates to the Policy Bill Process

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CALIFORNIA ENVIRONMENTAL JUSTICE  
ALLIANCE, LEGISLATIVE CALL

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[calbudgetcenter.org](http://calbudgetcenter.org)

# **The State Budget Process: Key Players**



**The key players in the  
state budget process are...**



# The Governor



# The Legislature



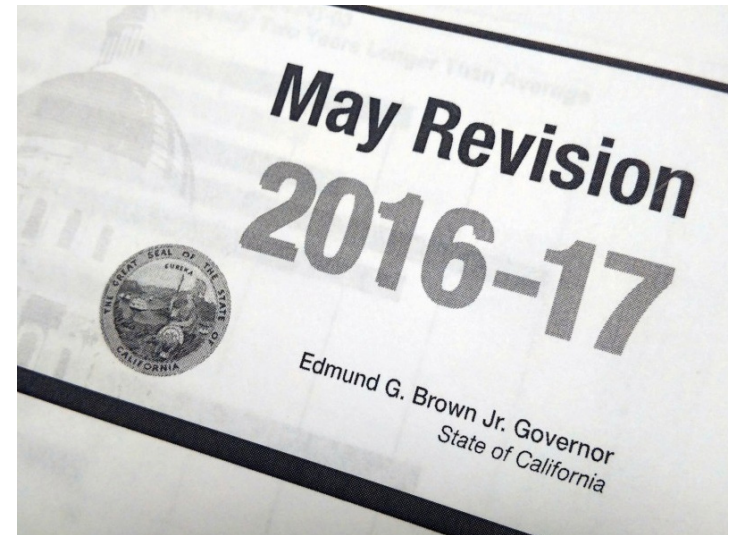
# The Public



**The Governor has the lead  
role in crafting the budget.**



State of California  
DEPARTMENT OF FINANCE



**The Legislature reviews  
and revises the Governor's  
proposals, with help from the  
Legislative Analyst's Office  
(LAO).**





Phil Ting,  
Chair,  
Assembly  
Budget  
Committee



Mac Taylor,  
Legislative  
Analyst



Holly Mitchell,  
Chair, Senate  
Budget and  
Fiscal Review  
Committee





**Members of the public have various opportunities to make their voices heard during the budget process.**





# The State Budget Process: Timeline



# **The budget process is cyclical.**

**Decisions are made throughout the year, both  
in public settings and behind the scenes.**



# Navigating the State Budget Process

Each year the Governor and Legislature work to craft the state's spending plan. While the January-to-June period gets the most attention, the process of developing the budget is an ongoing enterprise, giving Californians ample opportunity to stay engaged and involved year-round.

## The Governor

The Governor has the lead role in developing the state budget. Each year the Governor proposes a spending plan, which is introduced as the budget bill in the Legislature. The Governor can sign or veto the budget bill passed by legislators as well as other bills in the budget package that make policy changes related to the budget. The Governor can also reduce or eliminate individual appropriations using the line-item veto.

## The Legislature

The Legislature – made up of the Assembly and Senate – reviews the Governor's proposed budget and crafts its own version of the spending plan. The Legislature can maintain, modify, or reject the Governor's proposals, with review occurring through each house's budget committee and related subcommittees. The Legislature must pass the budget bill, but not other bills in the budget package, by June 15. The Legislature can override a Governor's veto by a two-thirds vote of each house.

## The Public

The public has various opportunities for input during the budget process. Members of the public can meet with officials from the Governor's administration and with legislators and their staffs, testify before budget committees and subcommittees, and write letters of support and opposition. Through individual engagement or as part of coalitions, members of the public can express their budget priorities and areas of concern.

Members of the public can meet with Governor's staff and legislative staff to discuss any changes or new proposals in the May Revision. The public can continue to offer comments at legislative hearings, although typically not during the two-house conference committee.

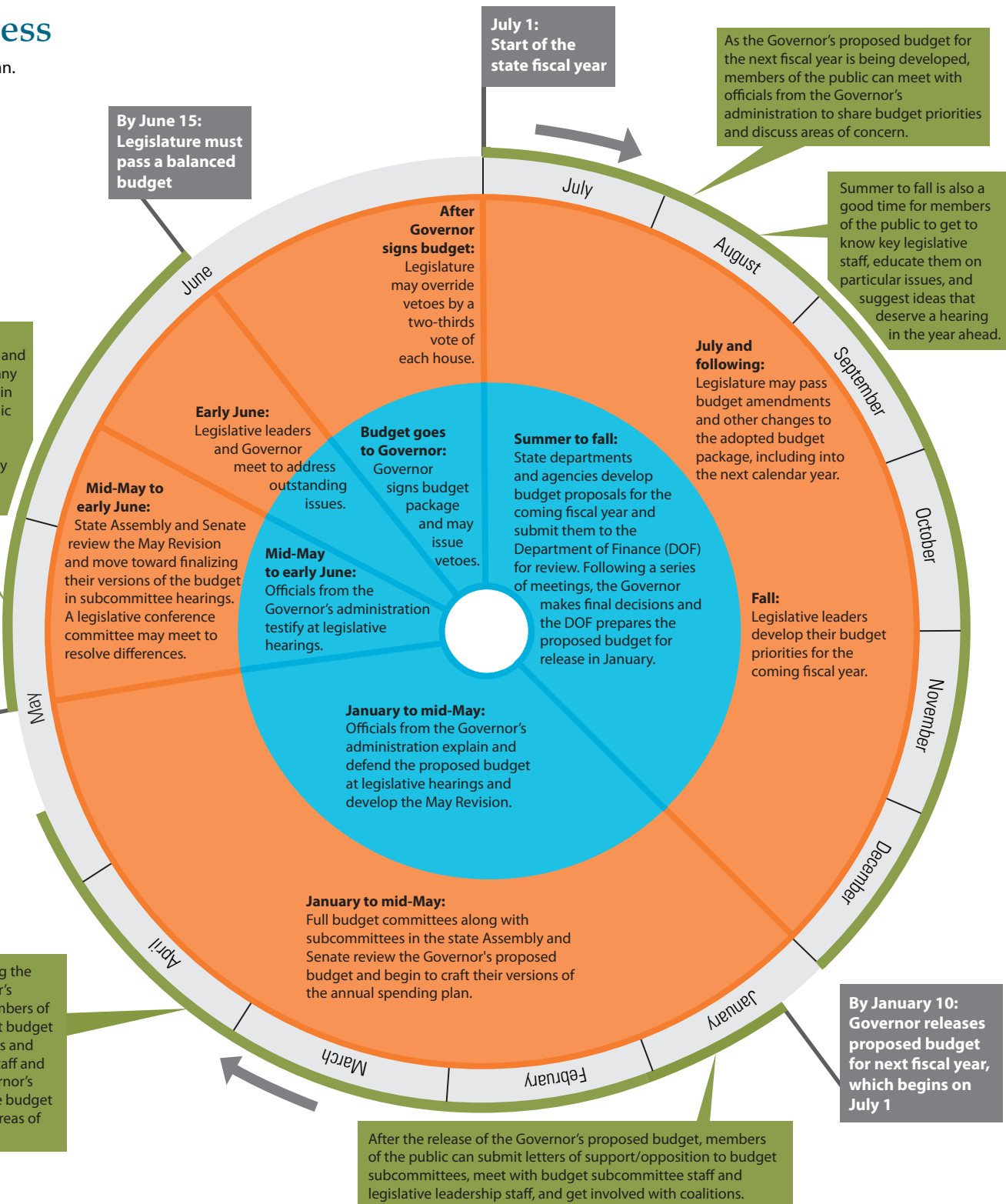
**By May 14:**  
Governor releases revised budget proposal ("May Revision")

In the months following the release of the Governor's proposed budget, members of the public can testify at budget subcommittee hearings and meet with legislative staff and officials from the Governor's administration to share budget priorities and discuss areas of concern.

After the release of the Governor's proposed budget, members of the public can submit letters of support/opposition to budget subcommittees, meet with budget subcommittee staff and legislative leadership staff, and get involved with coalitions.

As the Governor's proposed budget for the next fiscal year is being developed, members of the public can meet with officials from the Governor's administration to share budget priorities and discuss areas of concern.

Summer to fall is also a good time for members of the public to get to know key legislative staff, educate them on particular issues, and suggest ideas that deserve a hearing in the year ahead.



# **The state budget process has three distinct periods.**

**July to December**

**January to Mid-May**

**Mid-May to June**





# July to December

**Department of Finance crafts the Governor's proposed budget.**

**Legislative leaders develop budget priorities.**

**Legislative staffers look ahead to the upcoming budget hearings and deliberations.**



# January to Mid-May

**Proposed budget released by January 10.**

**Budget committees review proposed budget.**

**Governor's staff explains and defends the proposed budget.**



# Mid-May to June

**Governor's May Revision released by May 14.**

**Assembly and Senate finalize their versions of the budget.**

**"Big 3" negotiate a final budget deal.**



# **Two Pathways for Improving State Policies: The Budget Process vs. the Policy Bill Process**



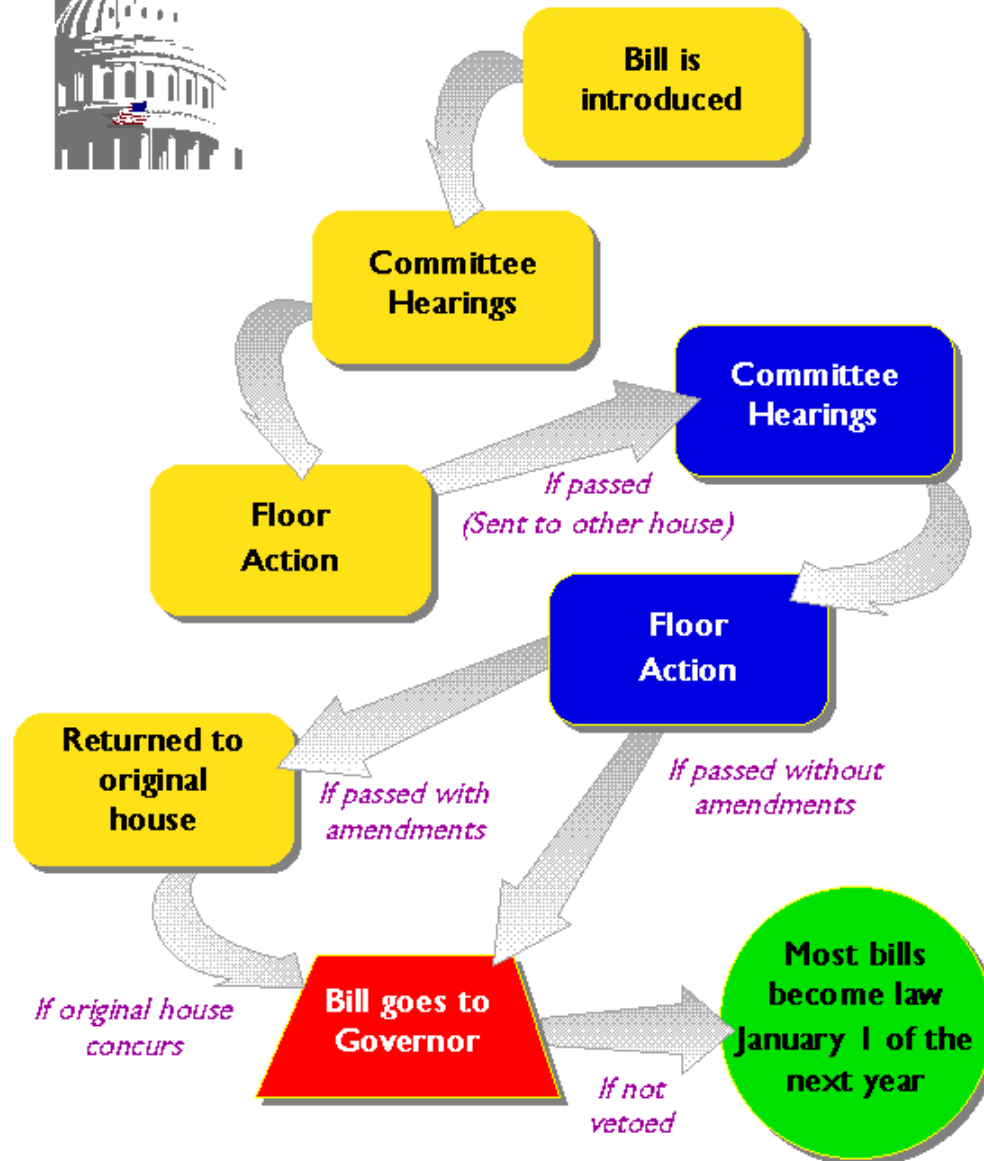
**Policy bills move through policy and appropriations committees in each house, not budget committees.**

**Policy bills can be passed by a simple majority vote of each house and take effect on January 1 of the following year if signed into law.**





# How a Bill Becomes a Law





**The cost of a proposal  
helps to determine its path  
through the Legislature.**



In order to move from concept to reality, proposals to change state policies generally need funding.

Sometimes  
a little:



Sometimes  
a lot:



Proposals that would have a *relatively small impact* on the state budget...



...can move either as policy bills or through the budget process.



In contrast, proposals that are *relatively costly*...



...generally need to move through the budget process, but may benefit from *initially* or *simultaneously* moving through the policy bill process.



**The policy bill process and the budget process each have unique advantages.**



# Advantages of the Policy Bill Process

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- Regardless of a proposal's cost, moving it – at least initially – through the policy bill process:
  - Can raise the profile of the proposal.
  - Provides a “vehicle” around which to organize.
  - Helps to build support for the proposal among a larger number of lawmakers (legislative “champions”).
  - Helps to identify – and provides an opportunity to address – potential problems with the proposal.
  - Allows the proposal to receive a cost estimate from the appropriations committee in at least one house, which could prove useful in advocacy efforts.





# Advantages of the Budget Process

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- By going through the budget process, a proposal:
  - Can be added to the Assembly or Senate's version of the budget by just a handful of legislators – those who sit on the relevant budget subcommittee.
  - Becomes part of a larger package that balances a broad range of priorities – including the Governor's – which could help it win the Governor's support.
  - Can be implemented relatively quickly since bills in the budget package may take effect right after being signed into law.



**Regardless of the legislative pathway, effective advocacy is needed to move a proposal forward.**

**Smart and persistent advocacy – spanning months or even years – can help build support for a proposal and lay the groundwork for eventual policy success.**



# Additional Resources



# Additional State Budget Process Resources From the California Budget & Policy Center

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- **Guide:** *Dollars & Democracy: A Guide to the State Budget Process* (will be updated in December 2017)
  - [http://calbudgetcenter.org/wp-content/uploads/Dollars-and-Democracy\\_A-Guide-to-the-State-Budget-Process-12.2016.pdf](http://calbudgetcenter.org/wp-content/uploads/Dollars-and-Democracy_A-Guide-to-the-State-Budget-Process-12.2016.pdf)
- **Infographic:** *Navigating the State Budget Process*
  - <http://calbudgetcenter.org/wp-content/uploads/Navigating-the-State-Budget-Process-12.2015.pdf>





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