

# Pennsylvania State Budget Process

## Preparation

- The preparation phase of the budget process for a fiscal year beginning July 1 commences nearly twelve months prior to that date. The first step of the process is the distribution of the Budget Instructions and Program Policy Guidelines by the Governor. The Program Policy Guidelines (PPGs) define major policy issues, spell out priorities and provide direction to the agencies for budget preparation.
- Agency budget requests are developed based on the policy guidelines and submitted to the Secretary of the Budget beginning in the early October.
- During December, the Governor meets with Legislative leaders to apprise them of anticipated spending and revenue levels and to discuss major fiscal issues.
- The Secretary of the Budget and his staff review agency budget requests for accuracy and adherence to the Governor's policy guidelines. The Secretary of the Budget makes recommendations to the Governor regarding the proposals contained in the agency's budget request and the Governor makes final budget decisions. The budget document is then completed and submitted to a joint session of the General Assembly by the Governor through his budget address on the first Tuesday of February each year.

## Approval

- Shortly after receiving the Governor's budget request, the appropriations committees of the House and Senate hold hearings to review agency requests for funds. The appropriations hearings provide the legislators with an opportunity to review the specific programmatic, financial and policy aspects of each agency's programs.
- Following the hearings, the chambers introduce a budget bill. House and Senate members may amend the bill if they desire. If necessary, a Conference Committee meets to iron out any differences between House and Senate versions of the budget.

Members of the House and Senate vote on this compromise budget.

- When a budget bill is passed by the General Assembly, it is sent to the Governor for his signature. The governor has the following options:
  - Sign
  - Veto
  - Take no action
  - Line item veto

When the Governor signs the budget bill, it becomes law.

- Shortly after final passage, state agencies adjust their spending plans to reflect the funding that the new budget provides.

### County Planning Process – Relationship to the State Budget

Every spring a mental health plan is presented which identifies needs, priorities, and wishes. This plan is completed 18 months in advance of the corresponding state budget. So for example, in September 2006 counties are planning for FY 2008/2009. The proposed plan is submitted to OMHSAS for review and approval.

Once the state passes its budget, counties receive initial allocations. Near the end of the second quarter, counties go through a re-budget with OMHSAS. County year end income and expenditures reports are due to OMHSAS in September.

### OMHSAS Advisory Committee Role

The Advisory Committee makes recommendations regarding OMHSAS system direction and program priorities which is a critical role in the budget process at both the state and county level.

- Much of the funding proposal that OMHSAS develops for the Budget Office review and consideration is based on the system priorities established by the Advisory Committee.
- The county plans/budgets submitted to OMHSAS for approval must reflect those same priorities.

For more detailed information on the budget process in Pennsylvania, check out these websites:

<http://www.pitt.edu/~govtrell/commonwealth/pabudget.html>

<http://www.budget.state.pa.us/budget/lib/budget/budgetprocess/budgetprocess.pdf>

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