

Understanding Virginia's Budget Process

Senate Finance Committee Staff

Virginia's budget process

Timeline of important dates

Budget Development

Agency Budget Preparation

August:
DPB issues
instructions to
agencies

September:
Agencies
generate &
submit requests

Review & Recommendation

November:
Governor, DPB,
Cabinet review

December:
Governor submits
document &
bill to G.A.

Budget Deliberation

Legislative Action

January:
Budget bills
referred to
money committees

February:
Senate & House
produce competing
budget proposals

March:
Conference Committee
reports budget bills/
GA approves budget

Gov's Review

March:
Governor signs/vetoes/
vetoes items/or returns
to GA with amendments

Who are the players?

Governor

- As the chief planning and budget officer, the Governor prepares the biennial budget and executes it once the legislature completes its actions.
- The Governor's proposed budget bill is presented to a Joint Session of the House Appropriations and Senate Finance Committees in mid-December.
- Governor gets the first "bite-at-the-apple" when allocating projected revenues. Also must propose reductions when deficits are projected.

What do you need to know?

Governor

- According to Virginia's Constitution, governors are elected to serve a four-year term.
 - The governor has a limited amount of time to accomplish his goals.

- Governors' initiatives are generally tied to campaign promises or to the state's economic conditions.



What can you do?

Governor

- ❑ Secure funding in the Governor's budget.
- ❑ Communicate with cabinet members, state agency officials, and program staff.
- ❑ Explain why governor should be interested.
- ❑ Be concise and accurate.

Who are the players?

The General Assembly

- 40 Senators and 100 Delegates make up the Commonwealth's citizen legislature.

- Since 1971, the General Assembly has met annually.
 - Long sessions are held in even-numbered years and typically last 60 consecutive days.
 - Short sessions are held in odd-numbered years and last 45 consecutive days.
 - Special sessions are convened on an *ad hoc* basis.

Who are the players?

The General Assembly

- Like the Governor, one of the primary responsibilities of the General Assembly is to craft a budget.

- “The Governor proposes and the legislature disposes.”
 - The House and Senate budgets are actually amendments to the Governor’s introduced budget.

 - The General Assembly adds, modifies, endorses or deletes items in the Governor’s proposed budget.

 - The General Assembly also increases or decreases proposed funding levels.

- In even-numbered years, the General Assembly enacts a two-year or biennial budget. In odd years, the House and Senate tend to address unexpected increases or decreases.

Who are the players?

The General Assembly

- The House Appropriations, House Finance and Senate Finance and Appropriation Committee comprise the General Assembly’s “money committees.”
- Through legislation and the budget process, these committees establish the Commonwealth’s fiscal policies.
- **House of Delegates:** Duties are split between the Finance Committee (tax policy) and the Appropriations Committee (spending decisions).
- **Senate:** Duties are combined under the Finance and Appropriations Committee.

Who are the players?

The General Assembly

- The House Appropriations and Senate Finance and Appropriations Committees have the only full-time staff assigned to them.

- These non-partisan staff members provide the Committees:
 - Independent source of information;
 - Professional expertise in various budget disciplines;
 - Recommendations on emerging funding issues; and
 - Guidance on spending and revenue trends.

Who are the players?

The General Assembly

- Staff members critically examine the Governor's introduced budget.
 - Analyze funded and unfunded items;
 - Consider alternative approaches; and
 - Develop and recommend funding policies.

- In addition to the budget, staff also become involved in legislative issues.
 - Abolishing parole;
 - Valuation of the Virginia Retirement System;
 - Funding guidelines for higher education; and
 - Civil commitment of sex offenders.

What do you need to know?

The General Assembly

- Senators and delegates are still learning.
- Members are inclined to pay attention to matters of local importance, related to their professional background, within their committee's jurisdiction, or of personal interest.
- The careers of General Assembly members are often longer than the Governor's, resulting in the development of an institutional memory that exceeds that of the Governor.

What do you need to know?

The General Assembly


- **REMEMBER:** The Commonwealth’s “long-session” is 60 consecutive days.

- Time is a precious commodity for members of the General Assembly.
 - Responsibilities include passing laws, preparing budget amendments, attending committee meetings, participating in floor sessions, communicating with constituents, and traveling to and from their districts.

What do you need to know?

The General Assembly

- The Governor and the General Assembly operate on the margin when it comes to the budget.
- Many funding decisions are required by federal mandates, state law, previous commitments, and formulae related to enrollment and population growth.
- Discretionary spending proposals outside of the “base budget” compete against members’ budget proposals and new items included in the Governor’s proposed budget.



What can you do?

The General Assembly

- ❑ Schedule visits with your Senator or Delegate before they head to Richmond.
- ❑ Monitor the work of legislative commissions that meet during the interim (e.g., Joint Legislative Audit and Review Commission (JLARC), Joint Commission on Health Care, Crime Commission).
- ❑ Attend public hearings on the Governor's introduced budget in January of each year.
- ❑ Schedule visits to Richmond with like-minded individuals when the General Assembly is in session.
- ❑ Communicate with money committee staff.



Virginia's budget

- State revenues are defined as either general funds or nongeneral funds.
- General fund (GF) revenues include income taxes, sales tax, and corporate taxes that can be used for any purpose. GF revenues are primarily used for education, health care, public safety and social services.
- Nongeneral funds (NGF) include federal revenues, tuition and fees, and gas taxes. NGF revenues tend to be earmarked for specific programs or purposes.