

## **The Pennsylvania Budget Process**

Pennsylvania has a complex system to pass a budget that is almost a year-long endeavor. While the budget is not usually passed annually until July 1, the process actually starts almost one year prior to the final General Assembly vote. Around August of every year all state agencies are asked to submit their budget requests to the Governor's budget office. They use revenue projections to determine their budget base. Generally, agencies are told to keep their requests within a small or no increase percentage.

After each agency submits their budget requests, the Governor's budget office, along with other key members of the Governor's staff, develop a budget document that is unveiled mid-way through the fiscal year in February. The Governor addresses the joint General Assembly with his State-of-the-State Budget speech outlining the projected Commonwealth assets and his thoughts on how state funding should be appropriated. Often the Governor uses this venue to unveil several program priorities for the administration.

Shortly after the budget address, usually in March, the House of Representatives and Senate hold several weeks of appropriations hearings. Typically all state agencies are asked to meet with the House and Senate Appropriations Committees and outline specifics of their agency's proposed budget. Additionally, a number of other entities that receive significant state funding such as the state related educational institutions are also asked to appear before both Committees. These hearings are an opportunity for members of the General Assembly to discuss specific programs and activities associated with various agencies and other groups.

Following the General Assembly's appropriations hearings, a budget is crafted and introduced typically in the spring of the year around April or May. Usually the bill reflects each chamber's budget priorities. The budget bill then goes through the normal legislative process with each chamber having the opportunity to vote on the fiscal plan.

After the General Assembly passes the budget bill, the Governor has the opportunity to sign the bill, veto the bill, permit the bill to become law without signing it, or line-item veto particular items. A line-item veto means specific lines can be stricken out of the document before the Governor signs the bill. If that is the case, the General Assembly can override the line item veto with a two-thirds majority in each body.