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New York State budgeting process

PAD 642

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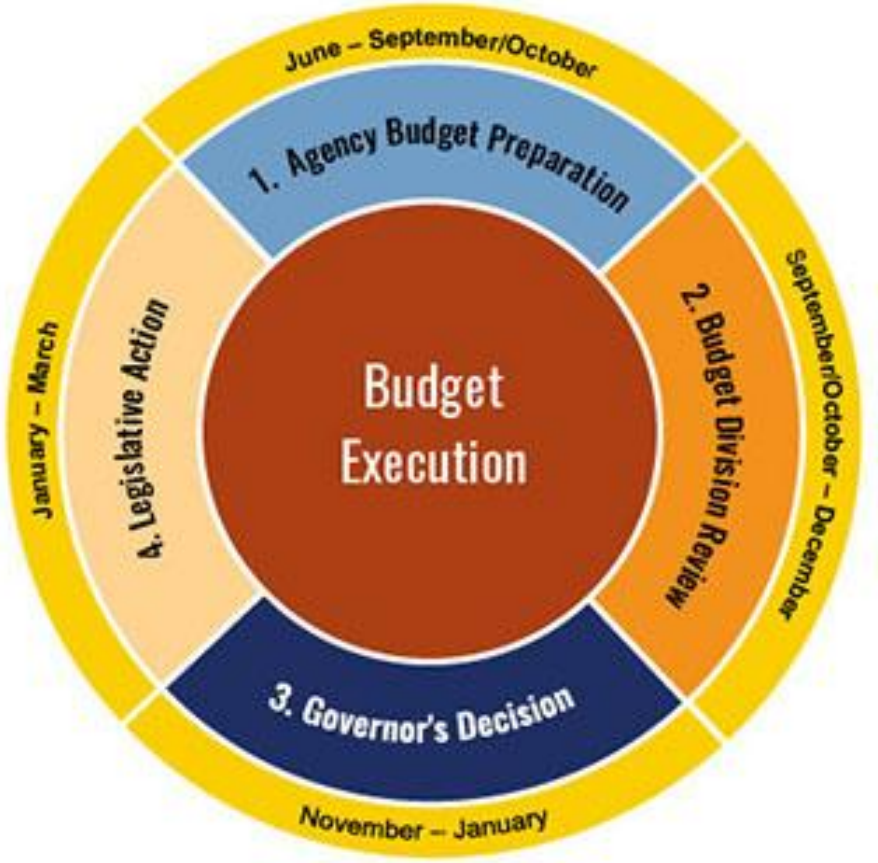
Citizen's guide: The Budget Process in NYS

- Agency Budget Preparation
- Division of the Budget Review
- The Governor's Decisions
- Legislative Action
- Budget Execution

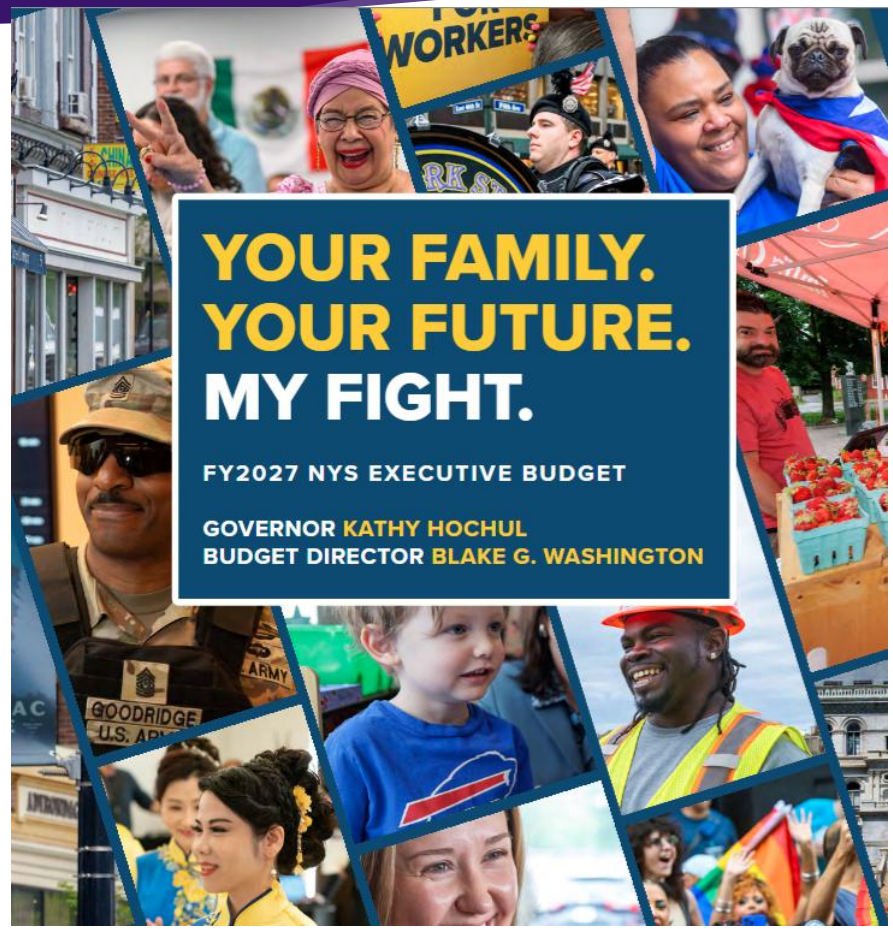


Documents for New York State Budget

- Governor's budget presentation
- Executive Budget Briefing Book
- Executive Budget Financial Plan
- Five-Year Capital Program and Financing Plan
- Economic and Revenue Outlook
- Agency Presentations
- Budget Legislation

  State Operations; Legislature and Judiciary; Debt Service;

  Aid to Localities; Capital Projects
- Open budget website



Agency budget preparation in NYS

- Budget request processes vary by agency size, complexity, and practice. Typically:
  - Program-level development: Staff prepare initial requests at the program or subdepartment level.
  - Internal review: Agency heads or fiscal officers may hold hearings where program managers present budget needs.
- Budget preparation timeline
  - May–June: Agencies begin internal budget analysis.
  - Call letter issuance: The Budget Director formally launches the process with a policy memorandum outlining the Governor's priorities, fiscal constraints, and submission deadlines.
  - Early-Mid Fall: Agencies finalize budget packages, ensuring alignment with the call letter and budget office guidelines before agency head approval.
- FY 2027 DOB call letter: Link

Division of the Budget (DOB) review in NYS

- Early-Mid Fall: Initial Review - DOB examination units analyze requests, seek clarifications, and determine funding needed to maintain current programs.
- November: Formal Budget Hearings
  - Budget Director holds constitutional budget hearings with agency heads.
  - Governor's Office & Legislature participate, discussing program priorities and funding needs.
- Late November: Budget Formulation
  - DOB examiners refine agency requests into preliminary budget and personnel recommendations.
  - Fiscal planning staff updates economic forecasts, revenue analysis, and federal funding trends.
- Early December: Final Review & Presentation
  - DOB finalizes revenue and expenditure recommendations for the Governor.
  - Budget staff compile detailed tables, narratives, and revenue forecasts to support the executive budget proposal.

The Governor's Decisions in NYS

November – January

- Governor's staff work with the Division of the Budget (DOB) while also preparing the State of the State address.
- Governor is briefed on economic and revenue forecasts to ensure alignment with executive priorities.
- A series of budget sessions between the Governor and DOB staff refine final recommendations.
- Major fiscal and policy issues are addressed, potentially leading to revisions in agency budgets.

Legislative Action on the budget in NYS

- Governor's Budget Submission (Mid-January): appropriation, revenue, and budget bills; five-year Financial Plan; Five-Year Capital Program and Financing Plan; and other financial information

<u>January to March</u>

- Senate Finance and Assembly Ways and Means analyze the Governor's spending proposals and revenue estimates, holds public hearings
- Based on their separate and joint deliberations, the two houses reach agreement on spending and revenue recommendations, which are reflected in amended versions of the Governor's proposed appropriation bills and related legislation, and approved by both houses.
- The appropriation bills, except for those items which were added by the Legislature, become law without further action by the Governor. The Governor may use the line item veto to disapprove items added by the Legislature. The Legislature may override the Governor's veto by a vote of two-thirds of the members of each house.
- The appropriation bills legally authorize the expenditure of funds during the new fiscal year.