

## **Appropriations/Budget Process:**

Michigan's fiscal year (FY) begins October 1 and ends on September 30 of the following year. Developing the budgets that guide the administration of state government agencies is a yearlong process. While the next fiscal year's budget is being finalized, the current budget is closely being watched, and planning for subsequent years is in progress.

The appropriation process originates with the Governor who prepares his budget recommendations. The Governor submits their recommended budget to the legislature around the second week of February. The executive budget begins months before the Governor's recommendations reach the legislature. State departments usually begin the planning of their budget more than a year before the start of the fiscal year. They will submit their spending plans to the State Budget Director in the fall prior to the executive submission to the legislature.

Legislative leaders will apportion the executive budget between the House and Senate for initial consideration. The bills will originate in either the House or the Senate. The originating chamber is referred to as the first house. The House and Senate leadership will agree on a schedule for subcommittee, full committee, and floor action on the bills. Most amendments/changes occur during the committee process. Members who do not serve on the appropriations committee may want to confer with the chair of the appropriations committee and subcommittee chairs about policy proposals. After the bill is reported out, it must wait for five calendar days, so members have a chance to familiarize themselves with the bill. Once the first house passes the bill, it goes on to the second house so that they may begin their review process. Often the second house will make changes before returning it to the first house, which may concur or not concur with the changes. If the first house concurs with the changes, the bill will go up for vote. If the first house does not concur with the changes, the bill will go to a conference committee where only the items of difference may be considered.

If an agreement is reached in the conference committee, the report is presented to both chambers where it can be voted up or down, not amended. If accepted by both chambers, the bill is sent to the Governor for review, possible veto, signature, and filing with the Secretary of State. Upon filing, the bill is considered enacted. After the bill is enacted, the process for next year's budget begins.

The appropriations process can be difficult to follow. Listed below is an example timeline highlighting the major actions taken in order complete the budget process for the upcoming fiscal year.

### **Budget Timeline**

**September**                      State Departments begin planning for the next Fiscal Year

**October**                              The new Fiscal Year (FY) begins the 1<sup>st</sup>.

<b>November</b>	State Departments submit their budget recommendations to the State Budget Director.
<b>January</b>	First revenue estimating conference is held. Governor's State of the State Address broadly outlines major policy changes and new policy initiatives.
<b>February</b>	Governor submits recommended budget to the initiating chamber in the legislature.
<b>April</b>	Bill passes in the first house then transmitted to the second house for subcommittee hearings.
<b>May</b>	Bill passes in the second house.
<b>June</b>	House of Origin considers amended or substituted bill. If no concurrence, a conference committee is requested. Final bill passes both the House and Senate.
<b>July</b>	Governor signs or vetoes the bill. If vetoed, legislative action takes place to correct or override problems in the appropriations process.
<b>September</b>	The Fiscal Year ends on the 30 <sup>th</sup> . Work begins on budget for the next fiscal year.

**For more information on Michigan's State Budget please see**  
[www.michiganlegislature.org](http://www.michiganlegislature.org)