

## **State of Hawaii Executive Branch General Budget Process and Timetable**

The State budgets on a biennium basis with the Executive biennium budget submitted to the Legislature for action on odd numbered years and the Executive supplemental budget submitted on even numbered years. The State's fiscal year runs from July to June . Generally, operating appropriations are effective for a one-year period and any unexpended or unencumbered appropriations lapse at the end of the fiscal year. Generally, capital improvement program appropriations are effective for a three-year period (the fiscal biennium plus an additional year) and any unexpended or unencumbered appropriations lapse at the end of the three-year period.

The Constitution requires that the Governor consider the Council on Revenues' revenue forecasts in preparing the Executive budget and the Legislature consider the Council's forecasts in appropriating funds. If the Governor or Legislature does not use the Council's forecasts, a public statement must be made to that effect along with the reason(s) for not using the forecasts. The Council makes quarterly forecasts that coincide with various phases of the budget preparation and execution process: the September forecast is used by the Executive in preparing the Executive budget; the January forecast is used by the Legislature in planning for appropriations during the legislative session; the March forecast is used by the Legislature in making appropriations; and the June forecast is used by the Executive in budget execution.

The following is the general timetable for preparation and execution of the State's Executive Branch budget. Please note that departments usually begin their budget planning (either informally or formally for the Department of Education and University of Hawaii) well in advance of issuance of the budget preparation instructions by the Department of Budget and Finance.

<u>Timeframe</u>	<u>Activity Undertaken</u>
Apr:	Program structure update for upcoming biennium issued by DB&F (even numbered years)
Late Jun:	Program structure updates due from departments (even numbered years)
Late Aug-early Sep:	Budget preparation instructions issued by DB&F
Sep :	Deadline for Council on Revenues quarterly general fund revenue forecast
Early-mid Oct:	Departments submit budget requests to DB&F for review

Early-mid Nov:	DB&F transmits initial budget recommendations to departments & conducts budget appeals
Late Nov:	DB&F transmits revised budget recommendations to departments; departments may appeal DB&F recommendations to Governor
Early-mid Dec:	Executive budget decisions are finalized & transmitted to departments
Mid Dec:	Executive budget documents are prepared
30 days to start of session:	Executive Biennium Budget (odd numbered years) or Executive Supplemental Budget (even numbered years) & Variance Report submitted to Legislature
Beginning of Jan:	Legislative money committees start conducting departmental budget hearings
Jan :	Deadline for Council on Revenues quarterly general fund revenue forecast
Wed in Jan:	Start of regular legislative session; Executive budget bill submitted to Legislature
Working Day of Week Following Start of Session:	Traditionally Governor's State of State Address & deadline to submit Executive's legislative package
Mar :	Deadline for Council on Revenues quarterly general fund revenue forecast
End of Apr-beginning of May:	End of regular legislative session ( session day excluding recesses)
day from end of session:	Deadline for Governor to give notification of possible bill vetoes
day from end of session:	Deadline for Governor to veto bills or automatically becomes law
Jun :	Deadline for Council on Revenues quarterly general fund revenue forecast
Early-mid Jun:	Budget execution policies issued by Governor; appropriation warrants issued by DAGS

Late Jun: Departments submit upcoming fiscal year allotment advices & expenditure plans to DB&F for review & approval

Jul : Fiscal year begins

Jul -Jun : Departments execute budget within parameters set by general law, budget bill provisions, & budget execution & statewide policies

Jun : Fiscal year ends