

“How To” Better Understand the State Budget Process

Ohio’s two-year operating budget is developed, debated and finalized in the first six months of every odd-numbered year (2007, 2009, etc.). In 2007, the Governor and Ohio General Assembly will make particularly difficult decisions on spending priorities for public dollars. Tax reductions combined with a tough state economy have resulted in a slight increase in state revenues when state services are even more in demand.

Unlike the federal government where budget deficits are not only permitted but are common practice, the state constitution requires that state budgets be balanced.

Many items in the state budget are important to family physicians. Of particular interest is the Family Practice Line (GRF 235-519) in the Ohio Board of Regents section of the state budget bill that provides state dollars to Ohio’s medical schools to help educate and produce family physicians. (GRF means general revenue fund.) These family physicians, in turn, provide high quality, cost effective care, who locate in areas with need, and who emphasize disease prevention and health maintenance in addition to treating illness. Adequate Medicaid payment/reimbursement for physician services to their Medicaid patients is also a major issue for family physicians.

Ohio’s Budget Cycle

Ohio operates on a two-year budget cycle. Ohio’s fiscal year runs from July 1 through June 30 of the following year.

The State Budget Process

The state budget is developed through a collaborative effort by the various state agencies, Ohio Office of Budget and Management (OBM), governor and Ohio General Assembly. The budget process begins in the summer preceding the budget’s actual introduction when each state agency develops their individual budget request and sends that request to OBM. OBM reviews and helps with necessary revisions before consolidating state agency budget requests into a single, huge proposal that goes to the governor for his/her evaluation and revision.

In early February, the governor presents his/her budget to the Ohio General Assembly. (In the year when a new governor has just taken office in January, that presentation of the executive budget proposal is typically delayed until mid-March; this delay obviously alters the timetable for the budget’s progress through the committee hearing process in the House and Senate.) The budget process always starts on the House side of the Statehouse. In February and March, the Ohio House of Representatives will work on the budget, passing a version that will then go to the Senate. The Senate will then hold its hearings on the budget (April – May) before passing yet another version of the budget. A conference committee will be appointed (three House members and three Senate members) to meet and hammer out the differences in the House and Senate versions. The work of the conference committee typically occurs in June. Both the House and Senate have to vote to approve the budget agreed upon and presented by the conference

committee (commonly referred to as the conference committee report). The final step is the governor's review, possible line-item vetoes, and signature.

Ways to Influence the Budget Process

It is always a good idea to think of budget advocacy as a continuous process. While the budget process occurs only six months out of every 24 months, it is important to make and take every opportunity to show legislators how the state programs they fund benefit the people of Ohio.

Legislative Budget Schedule

A typical schedule of legislative budget proceedings follows:

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| Early February | Governor outlines priorities of his executive budget proposal in his State of the State Address which is delivered to a joint session of the Ohio General Assembly. |
| Mid-February | Governor releases summaries of his/her executive budget proposal to the Ohio General Assembly and the public. |
| Mid - Late February | Executive budget is introduced in the Ohio House of Representatives as a bill and the bill is assigned a number. |
| February – March | The House of Representatives holds hearings, amends and passes its version of the budget bill. |
| April – May | The House version of the budget is introduced in the Senate. The Senate holds hearings, amends and passes its version of the bill. |
| May | OAFP holds its Robert S. Young, M.D. Legislative Conference – a perfect opportunity for family physicians to advocate on items of interest to family medicine in the state budget. |
| June | A conference committee, made up of three members of the House of Representatives and three members of the Ohio Senate, reconcile the differences in the House and Senate passed versions of the budget bill. |
| Late June | Governor may sign the bill, allow the bill to become law without his/her signature, or veto the bill. Rather than veto the entire bill, he/she may choose to exercise his authority to make specific line-item vetoes. Vetoes are sent back to the House and Senate for possible override. A three-fifths majority of both the House and Senate is required to override a veto. |
| July 1 | State's operating budget goes into effect. |