



## BUDGET PROCESS IN IOWA

*Serving the Iowa Legislature*

***Appropriation: The term used within the legislative process meaning state money authorized by the Legislature for use by departments of state government.***

### **Budget Process**

The Governor and the State Legislature appropriate the state resources after the revenue receipts are estimated by the Revenue Estimating Conference.

- The fiscal year is the 12-month financial period used for record keeping, budgeting, appropriations, and revenue collecting. Iowa's fiscal year begins July 1st and ends June 30th of the following year.
- State agencies prepare budget requests within the guidelines set by the Governor and submit their requests to the Department of Management by October 1<sup>st</sup>, for the following fiscal year.
- The Revenue Estimating Conference meets by December 15th to set revenue estimates which will serve as a basis for the General Fund budget for the following fiscal year. This conference is made up of three members: the Governor (or Governor's designee), the Director of Legislative Services Agency, and a third member agreed to by the other two. Estimated revenue receipts of the General Fund are primarily from sales tax, personal income tax, corporate income tax, and use tax, as well as other sources of tax and fee revenue.
- The Governor reviews the budget requests by state agencies, conducts public hearings, and submits recommendations to the Legislature in January.
- By statute, the Governor's budget must be balanced and must meet expenditure limitations.
- The Legislature conducts joint budget hearings during January and February. Recommendations from the seven legislative joint budget subcommittees (Appropriations Subcommittees) are passed on to the full Appropriations Committees and to the floor for debate in each chamber. The subcommittees are categorized according to general subject areas.
- Once approved in the same form by both chambers, a budget bill is sent to the Governor.
- The Iowa Constitution grants the Governor line-item veto authority in appropriations bills. If the Governor chooses to exercise this power, the General Assembly may override the item veto before adjournment or during a special session.
- Unless otherwise specified, the budget is then in effect beginning July 1, following the Legislative Session.

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*Iowa General Assembly web site: [www.legis.iowa.gov](http://www.legis.iowa.gov)*