



## YPI CHARTER SCHOOLS

June 13, 2022

**TO:** YPI Charter Schools  
Board of Directors

**FROM:** Yvette King-Berg  
Executive Director

**SUBJECT:** Governor's May Revision

### BACKGROUND

*From "The Budget Process: A Citizen's Guide to Participation" -*

The legislative review of the state budget begins in January with the Governor's proposal for the new fiscal year. The State Constitution requires the Governor to submit a balanced budget proposal to the legislature by January 10<sup>th</sup> of each year. The proposal details the state's spending plan for the fiscal year beginning on July 1.

The Constitution requires that the Governor's proposal be introduced in both the Assembly and the Senate as identical budget bills.

A large portion of state spending is constrained by the Constitution or Court action. Many of these constraints have been imposed by the voters through the initiative process. Proposition 13 of 1978 limits the amount of property tax that can be levied and increases state control over local finances; Proposition 4 of 1979 limits the amount of money that the state can appropriate; Proposition 98 of 1988 mandates funding levels from pre-kindergarten to community college.

A new budget is adopted for the state every year. The fiscal year runs from July 1 through June 30.

After its introduction, the legislature has until June 15 to pass the budget. This five-month period – a comparatively short time frame for consideration and passage of the state's multi-billion-dollar general fund budget – is the critical period for public comment on the state's spending priorities.

The Legislative Analyst's Office (LAO), the legislature's nonpartisan fiscal advisor, publishes a series of reports that review the Governor's budget proposal, starting in January. The LAO's

analyses are typically incorporated in the budget discussion in both houses of the legislature. The reports include program background information, economic projections and recommended revisions to the governor's budget proposal.

In each house, the budget committee reviews the bill through May. During the subcommittee hearings, the legislature has its broadest discussion of budget alternatives and makes many changes to the original proposed budget.

By May 14, the Governor will announce an updated revenue forecast, which accounts for any changes in revenues since January. Currently, the Governor proposes more changes to his budget proposal. This update is known as the "May Revise" or "May Revision". The legislative subcommittees have about a week to consider the changes proposed.

## **ANALYSIS**

The Governor has released the May Revise. ExED will continue to update us on the details and final fiscal impact.

## **RECOMMENDATION**

This is an information item only and no action is required.