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Statehouse Report Mini-Update MAY 7, 2009

The leaders of the Indiana General Assembly announced a timeframe today for negotiations on a state budget plan to be presented to the governor by June 1, 2009, and culminating in a special session of the legislature several weeks later.

Budget Negotiations and Special Session Timeframe

On Tuesday, May 12, the State Budget Committee will convene to receive a report from the governor on Indiana's financial status, including a review of April revenue numbers, early projections for the month of May, and projections beyond 2009. The Budget Committee is composed of four legislators—one Democrat and one Republican from both the House of Representatives and the Senate—and the Director of the Budget Agency.

The Budget Committee will then ask the Revenue Forecast Technical Committee to prepare a revised revenue forecast for the biennium that begins on July 1, 2009, and ends on June 30, 2011. The Technical Committee represents both political parties and the executive and legislative branches, and uses economic forecasts to produce specific projections of revenue for sales tax, income tax, and other sources.

On May 26, the Technical Committee will present the revised revenue forecast to the State Budget Committee. The numbers will be turned over to the governor's administration, which will prepare a new, complete budget—including a school funding formula.

Then, on June 1, the governor's budget will be presented to a Special Budget Sub-Committee co-chaired by the Chairmen of the House Ways and Means Committee and the Senate Finance Committee. This special Sub-Committee will meet between June 1 and June 15 to consider the governor's budget proposal.

The current goal of the Special Budget Sub-Committee is to have its work completed in time for a special session to be called by the governor on or about June 15—though the governor has the right to call a special session any time prior to June 15 if he chooses.

The final budget bill must be passed prior to the end of the state's fiscal year on June 30, 2009.