



The state budget is guided by the Revenue Stabilization Act. RSA is typically one of the last items passed every session.

To craft the Revenue Stabilization Act, the legislature in consultation with the Governor:

- Determines the Maximum General Revenue support to be distributed over the next fiscal year
- Determines the maximum amount each general revenue fund is to receive from general revenues for the next fiscal year
- Determines the number of priority categories (A,B,C...)
- Sets the minimum level of support required for each general fund and designate it as "A"
- Sets the next level of support for each fund and designates it as the next priority (A-1 or B)
- Continues the steps until the maximum level is reached

As revenues flow, agencies are funded in order of program priorities, with category A being funded first. In the event that A priorities are fully funded, revenues begin to flow to the next category and so on.