



# **The State of Florida Budget Process; Obtaining and Managing Appropriations**

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# Session B Objectives

- ✓ About the JAC Budget Office
- ✓ The State Budget Cycle
- ✓ Obtaining and Managing Appropriations



# Role and Responsibilities

- Serve the judicial-related offices (JROs), our strategic partners, and stakeholders.
- Post transactions into the Florida Accounting Information Resource System (FLAIR).
- Generate reports from FLAIR and the Legislative Appropriations System/Planning and Budgeting Subsystem (LASPBS).

# Role and Responsibilities

- Process budget transfers and amendments.
- Coordinate submission of the Department's Long Range Program Plan and each budget entity's annual Legislative Budget Request.
- Serve as a liaison between JROs and the Governor's Office of Policy and Budget (OPB) on all budget-related matters.



# What is *The Budget* ?

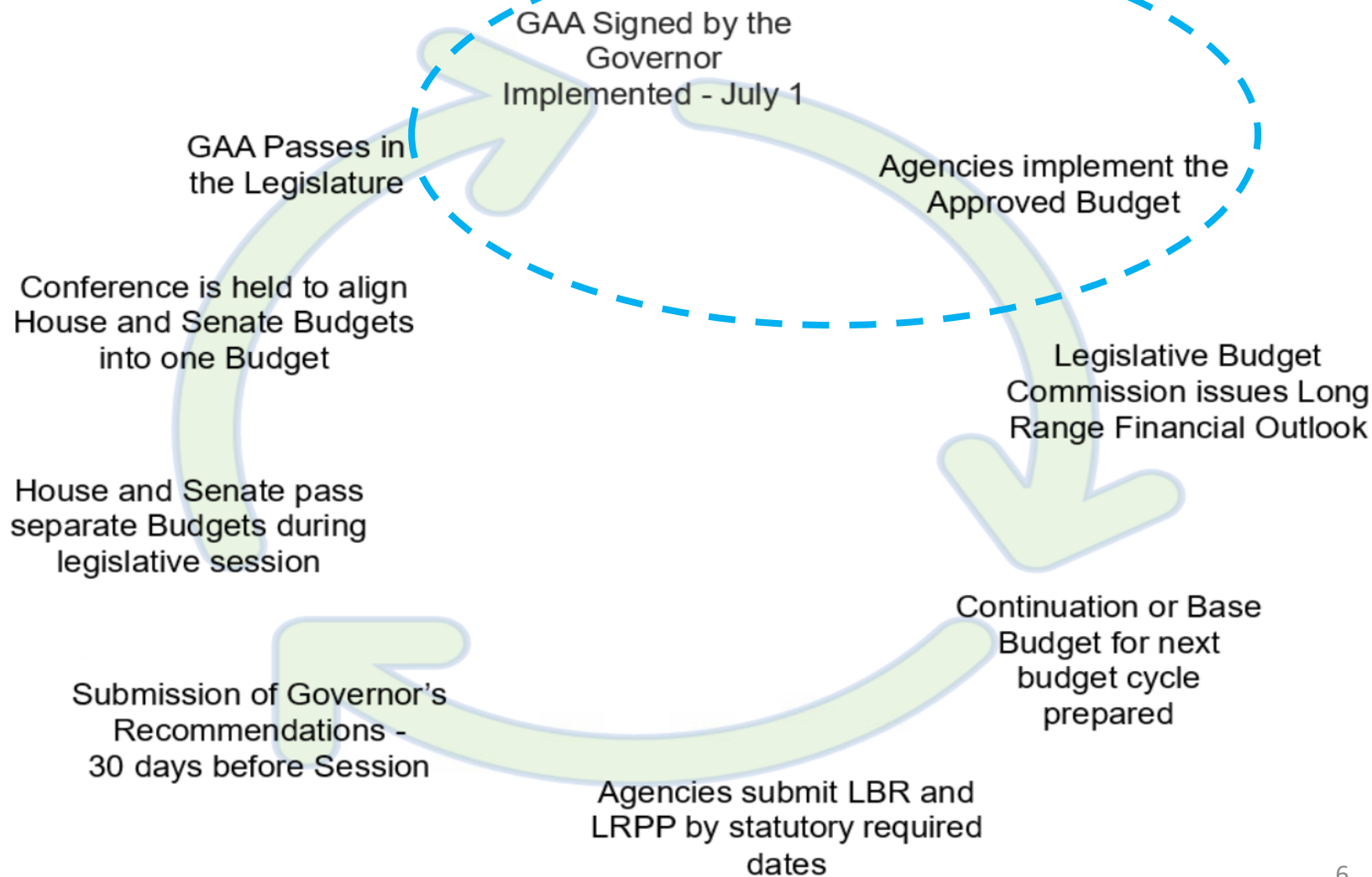
The Florida Constitution requires the Florida Legislature to develop and pass a balanced state budget each year. This is the ONLY bill that Legislators are required to pass each year and is formally known as the General Appropriations Act (GAA).

While it may seem like all of the budget development work occurs during the Legislative Session, this is actually a year-round cycle that involves several steps.



# Budget Cycle

## New Fiscal Year



# General Appropriations Act

The General Appropriations Act (GAA) is the annual appropriations bill that authorizes the majority of the state's budget for a fiscal year.

The GAA is referred to as The Budget, The Bill, or The Conference Report on SB 2500 or HB 5001 (as applicable).

The GAA includes proviso language which qualifies or restricts appropriations.

★ **Appropriation:** *legal authorization granted by the Legislature to State entities to make expenditures for specific purposes within authorized amounts.*

# Operating Budget

The Operating Budget begins with the total line item appropriations in the GAA. Additional appropriations can be made in “Back of the Bill” and in other substantive bills.

Line item appropriations may be vetoed by the Governor, reducing the Operating Budget.

Administered Funds Appropriations are included in the GAA but are not included in the individual line item appropriations of an agency.



# Non-Operating Budget

Non-Operating budget authority is not appropriated by the Legislature in the GAA.

It is usually based on the current fiscal year's non-operating budget authority and is adjusted for changes that agencies may need due to known factors or reasonable estimates of revenues and expenditures.

For JAC entities, non-operating budget authority primarily consists of Service Charge to General Revenue, Refunds of State Revenue, Refunds of Non-State Revenue, and in some entities, transfers.

# Budget Funding Sources

## General Revenue



State revenue available to the Governor and Legislature for any use.

## State Trust Funds



State fees and fines collected and earmarked by law for specific purposes.

## Grant Trust Funds



Funding secured with written agreements for use for specific purposes.

# Conference Report HB 5001

## Effective July 1, 2024

PROGRAM: JUSTICE ADMINISTRATIVE COMMISSION

Budget Entity Name

EXECUTIVE DIRECTION AND SUPPORT SERVICES

Salary Rate

APPROVED SALARY RATE 6,056,788

FTE

779 SALARIES AND BENEFITS POSITIONS 93.00

FROM GENERAL REVENUE FUND . . . . . 8,217,468

Fund Sources

FROM GRANTS AND DONATIONS TRUST FUND . . . . . 431,205

Category

780 OTHER PERSONAL SERVICES FROM GENERAL REVENUE FUND . . . . . 48,307

781 LUMP SUM RESERVE - STATE ATTORNEYS WITH REASSIGNED DEATH PENALTY CASES

POSITIONS 10.50 FROM GENERAL REVENUE FUND . . . . . 599,860

Line Number

# Appropriation Release

Each July, OPB distributes a memorandum outlining the Annual Release Plan for appropriations to all state agencies.

- General Revenue (GR) is usually released at 25% in the 1<sup>st</sup> Quarter with subsequent releases being calculated quarterly on the unreleased balances.
- Trust Fund (TF) authority is usually fully released in the first quarter.

★ **Release:** *the portion of the appropriation that has been made available or issued for use in accordance with the Annual Release Plan.*

# Appropriation Release

Appropriations and appropriation releases are posted to the Executive Office of the Governor's (EOG's) Appropriation Ledger and the Department of Financial Services (DFS) Chief Financial Officer's (CFO's) budgetary file, State Accounts.

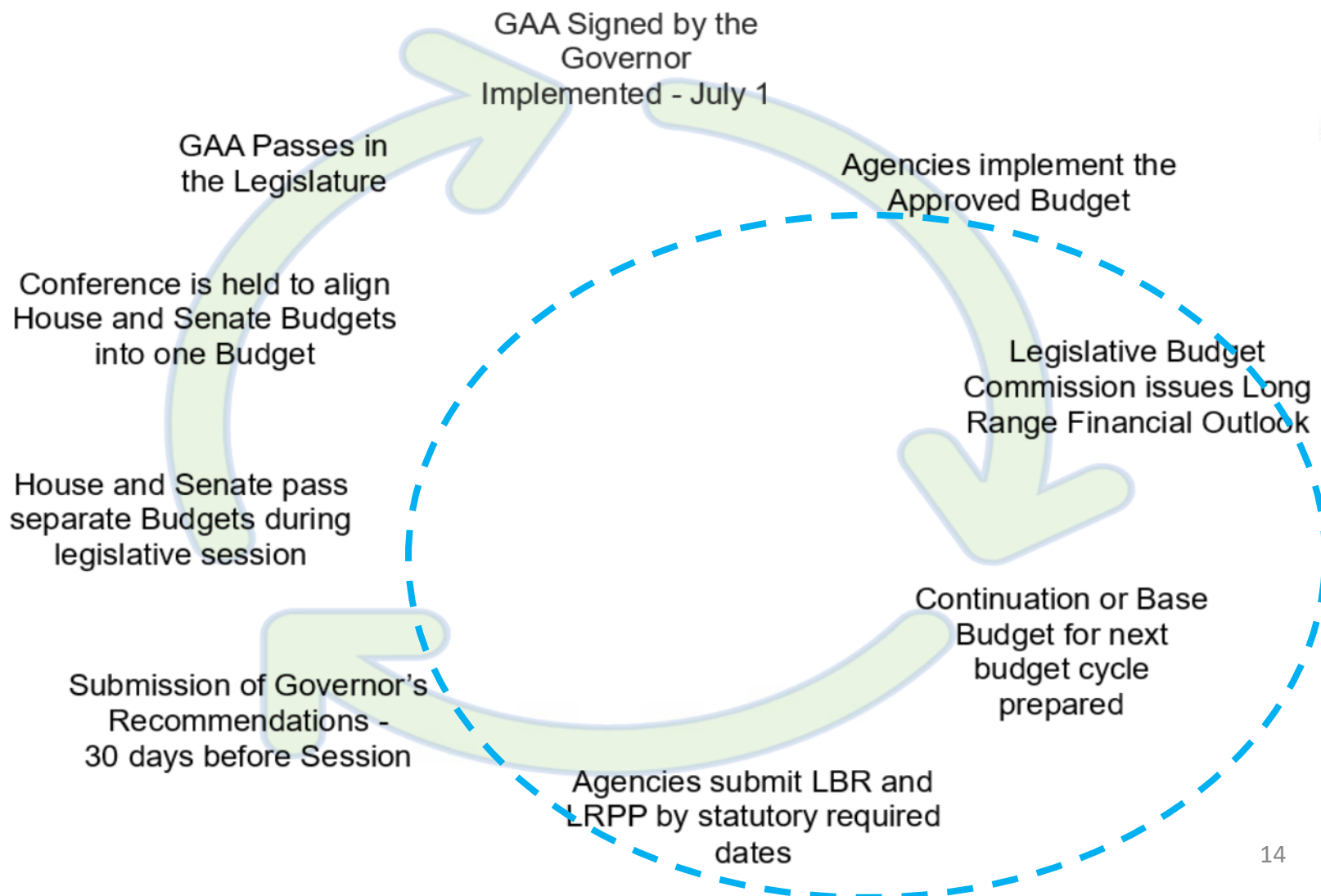
The JAC Budget Office posts the same to FLAIR for the Department accounting records.

Invoices can then be processed for payment by the JAC Accounting Office.



# Budget Cycle

## Requesting Appropriation



# Long Range Financial Outlook

The Long-Range Financial Outlook (Outlook) is issued annually by the Legislative Budget Commission as required by Article III, Section 19(c)(1) of the Florida Constitution.

The Outlook provides a longer-range picture of the state's fiscal position that integrates expenditure projections for the major programs driving Florida's annual budget requirements with the latest official revenue estimates.

The 2023 Outlook includes projections for Fiscal Years 2024-25, 2025-26, and 2026-27. The estimates included in the Outlook are based upon the summer 2023 Revenue Estimating Conference results and recent historical experience.

# Base Budget

Florida's Budget is developed incrementally.

Budget issues are added or subtracted from the base budget or transferred within the base.



★ **Base Budget:** *the continuation of the current year budget minus non-recurring funding plus annualization and interim adjustments.*



# Legislative Budget Request

The Legislative Budget Request (LBR) is a document that contains numerous exhibits and schedules which show the accounting and budgetary picture of an agency for three fiscal years.



**LBR**: *A request to the Legislature for the funds and budget authority an agency or branch of government believes will be needed to perform the functions that it is authorized, or which it is requesting authorization by law to perform.*

# Agency Legislative Budget Request

Uses the Exhibit D-3A, the most detailed level exhibit of all the LBR documents.

It outlines the fiscal needs and the justification and impacts of the requested funding through issue narratives.

Issue narratives explain the need for an appropriation, and are the building blocks, or framework, of the appropriations bill to identify and describe increases and/or decreases to an agency's budget.

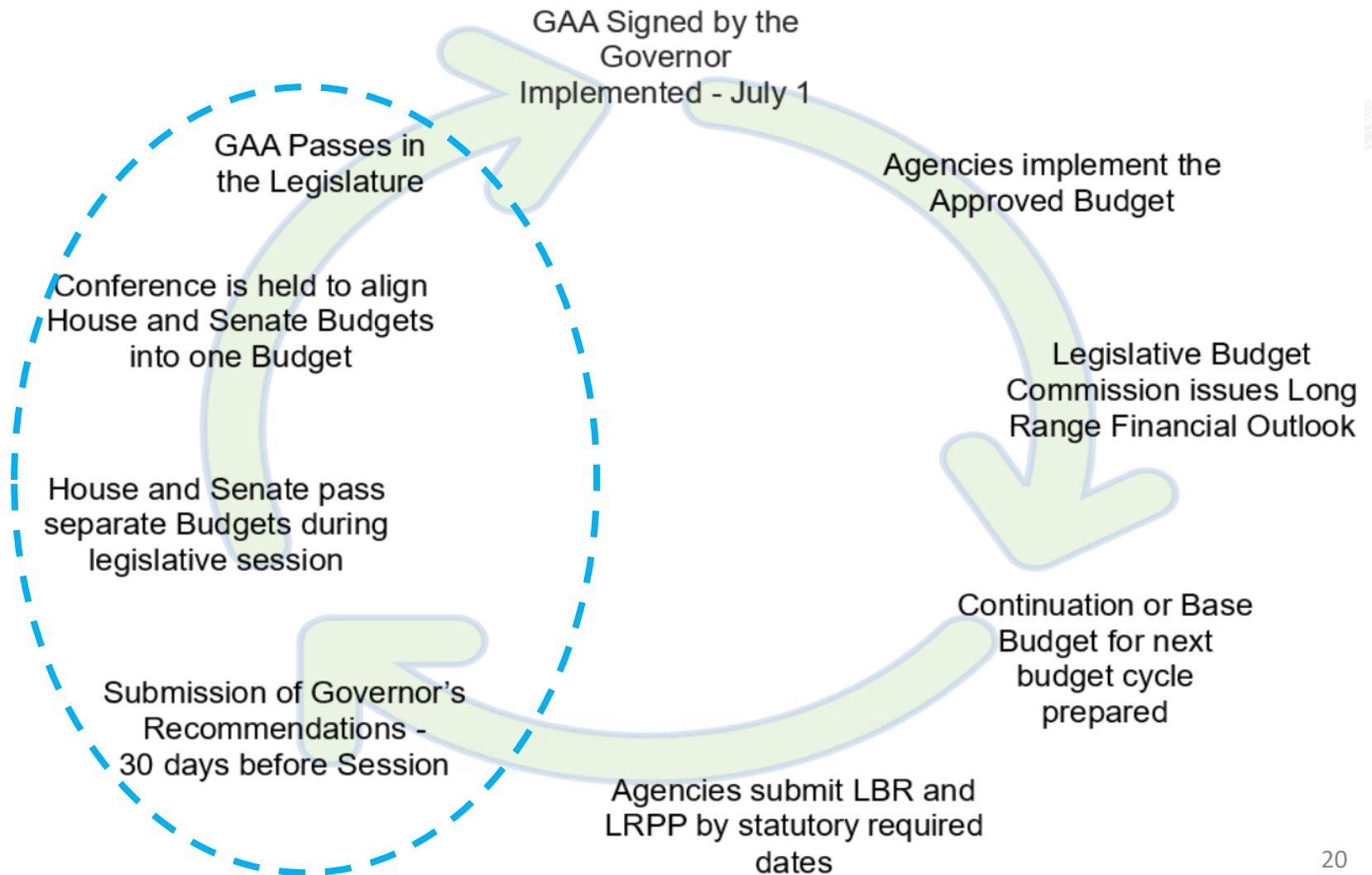
# Recurring and Non-Recurring Appropriation

- ★ **Recurring Appropriation**: *budget authority that is continuous and becomes part of the base budget.*
- ★ **Non-Recurring Appropriation**: *budget authority that does not continue beyond the year that it was initially appropriated and does not become part of the base budget.*

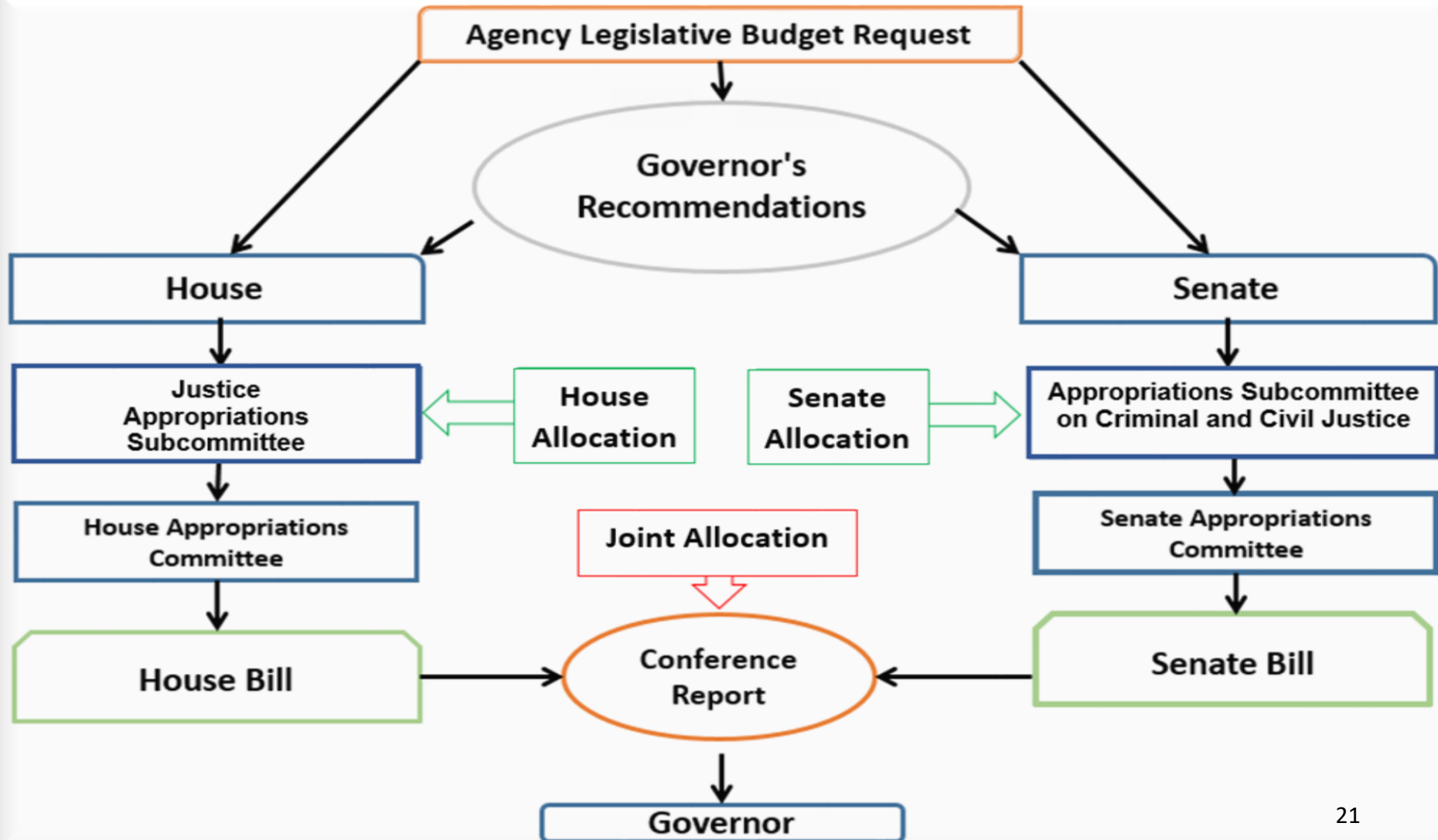
**Example:** The Acquisition Motor Vehicle appropriation is only applicable in the year that the appropriation was given. While the funding amount will appear on the following year's Exhibit D-3A in the base budget, there will be a corresponding issue that "backs out" the amount from the base.

# Budget Cycle

## Obtaining Appropriation



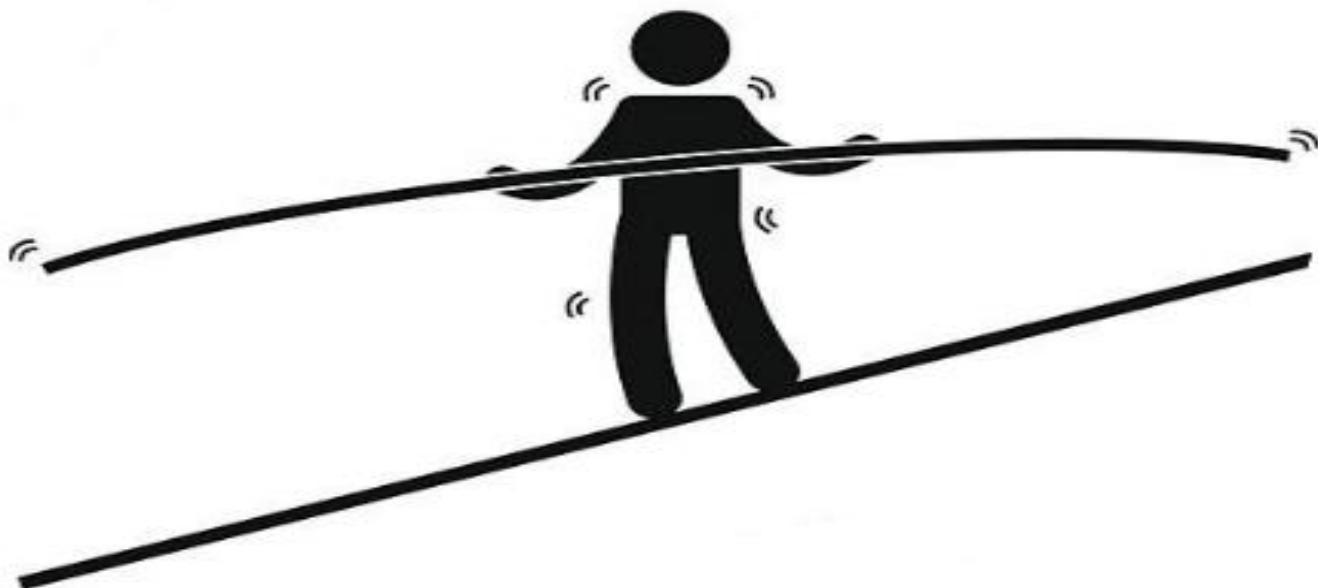
# The Appropriation Process



# Managing the Appropriation

Changes to the approved budget can be made upon request through OPB and the Legislative Budget Commission (LBC), as applicable, and must comply with certain guidelines in order to be approved.

- Pursuant to ss. 216.181 and 216.292, F.S.



# Budget Transfer

5% or \$250,000, whichever is greater, is allowed to be transferred:

- Within a budget entity: movement between appropriation categories within the same funds.
- Between budget entities: movement between agencies within the same appropriation categories and funds.
- Requires OPB review and three working days on legislative consultation.

# Budget Amendment

Budget Amendments can be used to request a multitude of changes including increasing an Appropriation in a fiscal year:

- Increases under \$1 Million may be authorized by OPB whenever it is deemed necessary by reason of changed conditions.
- Increases exceeding \$1 Million may be authorized with the additional approval of the LBC and requires extensive justification and detail.
- Requires OPB review and 14 consecutive days on legislative consultation followed by LBC approval, when applicable.



# Legislative Budget Commission

The LBC is standing committee of the Legislature comprised of fourteen (14) members created to:

- Review and approve or disapprove agency requests to amend original approved budgets.
- The Chair and Vice Chair of the Commission, on behalf of the Legislature, may object to any agency action that exceeds the authority delegated to the executive or judicial branches.

# Website Resources

Link to the [JAC Budget Office Webpage](https://www.justiceadmin.org/ClientAgencies/budget.aspx)

<https://www.justiceadmin.org/ClientAgencies/budget.aspx>

- OPB Memorandums and Budget Legislation
- Budget Amendment Forms
- LBR Templates and Resources
- Frequently Asked Budget Questions and Answers

Link to the [Florida Fiscal Portal](http://floridafiscalportal.state.fl.us/)

<http://floridafiscalportal.state.fl.us/>

Contains historical Department LBRs, LRPPs, Governor's Budget Recommendations, and various other documents.

# We're Here for You

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Questions?

