



OVERVIEW OF THE LEGISLATIVE BUDGET COMMISSION

Presentation to the Legislative Budget Commission
September 3, 2009

SECTION 19, ARTICLE III, FLORIDA CONSTITUTION

The Constitution provides:

- The Legislative Budget Commission (LBC) has an equal number of members from each chamber – appointed by Senate President and Speaker of the House
- Senate chairs the LBC from November of odd-numbered years through October of even-numbered years
- House chairs the LBC from November of even-numbered years through October of odd-numbered years
- Quorum = A majority of the commission members of each house plus one additional member from either house
- Action by the LBC requires a majority vote of the commission members present of each house (unit voting required)

LBC is required to issue a long range financial outlook in order to assist the legislature in making budget decisions.

LBC shall exercise all other powers and perform any other duties as prescribed by general law or joint rule.

The legislature is authorized to prescribe by general law conditions under which limited adjustments to the budget, as recommended by the Governor or Chief Justice, may be approved without the concurrence of the full legislature.

STATUTORY PROVISIONS AND JOINT RULES

- Section 11.90, Florida Statutes, directs the LBC to:
 - Review and approve or disapprove budget amendments recommended by the Governor or the Chief Justice of the Supreme Court as provided in chapter 216
 - Develop the long-range financial outlook required in s. 19, Art. III of the State Constitution
 - Review proposed budget amendments associated with information technology that involve more than one agency, that have an outcome that impacts another agency, or that exceed \$500,000 in total cost over a 1-year period - s. 216.0446(2)(b), Florida Statutes
- Joint Rule Seven provides that the LBC shall consist of 7 members appointed by the Senate President and 7 members appointed by the Speaker of the House

BUDGET AMENDMENTS – AUTHORITY & LIMITATIONS

- The approved operating budget (General Appropriations Act plus any other legislative act containing appropriations) authorizes the expenditure of funds in specific categories for specific purposes. Revisions are permissible pursuant to chapter 216.
- Amendments must be requested by the Executive Office of the Governor or Chief Justice
- General guidelines for amendments – s. 216.181(2), F.S.
 - Must be consistent with legislative policy and intent
 - May not conflict with any provision of law
 - May not initiate a new program or a fixed capital outlay project or eliminate an existing program
 - Must be consistent with laws relating to trust fund use and sufficient trust fund revenues must be available
 - May not provide funding or increased funding for items which were funded by the Legislature in an amount less than that requested by the agency in the legislative budget request or recommended by the Governor, or which were vetoed by the Governor
 - May not provide general salary increases which the Legislature has not authorized in the General Appropriations Act or other laws

TYPES OF BUDGET AMENDMENT ACTIONS:

- Notifications by the agency head or Chief Justice
 - The authorization for the budget action rests with the agency head or Chief Justice.

- Legislative Consultation (but not LBC approval)
 - The approval rests with the Executive Office of the Governor or Chief Justice after legislative notice and review period
 - Either the presiding officers together or the chair and vice chair of the LBC together may object to the budget action (in writing)

- LBC Approval
 - Approval must be affirmatively granted by LBC

TYPICAL ACTIONS REQUIRING LBC APPROVAL

- Budget amendments transferring appropriations from a qualified expenditure category to traditional operating categories
- Changes in the amounts appropriated from trust funds in excess of \$1 million
- The transfer of General Revenue appropriations for operations in the executive branch or judicial branch in excess of the amount authorized for consultation or notification amendments
- The transfer of appropriations for Fixed Capital Outlay (FCO). Transfers of FCO excess are permissible for same year, same fund projects, scope of projects may not change
- The roll forward of budget authority into a succeeding fiscal year for project phases in the adopted transportation work program or modifications to the adopted work program which require the transfer of fixed capital outlay appropriations between categories or the increase of an appropriations category

OTHER ACTIONS REQUIRING LBC APPROVAL

- Amounts to be expended pursuant to a settlement agreement when the Legislature has not appropriated such funds
- The transfer of funds to satisfy the budget authority granted for a declared emergency after the expiration of the emergency
- The initiation of new programs or changes in current programs in the executive branch or the judicial branch that are not contemplated by the General Appropriations Act
- The transfer of General Revenue appropriations among the departments of Health, Juvenile Justice, Children and Family Services, and Corrections necessary to match federal funds received by the Office of Community Partners
- Actions increasing the number of positions authorized by the legislature for executive branch agencies and judicial branch entities
- Adjustments to approved annual salary rate
- The implementation of reorganizations in the executive branch or the judicial branch which have been mandated by the Legislature but were not included in the General Appropriations Act
- The transfer of funds from a school district's class size reduction operating categorical to the district's approved fixed capital outlay account for class size reduction (typically one amendment per year)
- See LBC Procedures for more detail