

State Budget Development Process

The Florida Constitution requires the Florida Legislature to develop and pass a balanced state budget each year. Indeed, this is the ONLY bill that Legislators are required to pass each year. Unlike the federal budget, the state budget – formally known as the General Appropriations Act (GAA) – must be balanced. While it may seem like all of the budget development work occurs during the Legislative Session, this is actually a year-round project that involves several steps.

Step 1: Agency Instructions

In July of each year, the governor and legislative leadership provide written instructions to state agencies to develop their budget requests. These guidelines may request that some or all state agencies submit budget requests reflecting a specific budget reduction percentage.

Step 2: Revenue Projections

In August and September, a Long-Range Financial Outlook Report must be developed that compares projections of state revenue with the cost of major programs, such as Medicaid, in the annual budget. State law dictates that the report provide a three-year picture of Florida's fiscal strategy. Much of the work to develop the report, particularly the revenue estimates, is carried out by the Office of Economic and Demographic Research (EDR)

Step 3: Agency Planning

Once the Outlook is produced, state agencies and the judicial branch create their own Long-Range Program Plan (LRPP). The plans outline the next five years of priority programs, project needs, and agency implementation goals. LRPP's are due annually by the end of September.

Step 4: Budget Requests

During October through January, state agencies and the judicial branch use their LRPP and the Long-Range Financial Outlook to shape their annual Legislative Budget Requests (LBRs) that provide a breakdown of the amount of money each agency needs to perform the functions authorized and required by law. LBRs are due from each agency by October 15 of each year. The agencies then explain their budget requests in public hearings and give presentations to the various legislative appropriations committees during Interim Legislative Committee meetings held prior to the opening of the next Legislative Session.

Step 5: Governor's Budget Recommendations

The governor uses the LBRs to make a budget recommendation. State law requires the governor to submit the budget recommendation at least 30 days before the beginning of the legislative session, so the governor's budget recommendation is typically released in February.

Step 6: House and Senate Appropriations

The Florida House and Senate begin to craft what will become the state's budget during the legislative session, and turn to the governor's recommendations and the Legislative Budget Requests as resources. Using revised figures provided by a March conference of state economists and information gathered during appropriation committee meetings, the legislative leadership decides how much each subject area -- such as education -- has to spend. The various appropriation committees create their chamber's version of the budget. The appropriation bills are filed, open to amendment by all members, and passed by each chamber.

Step 7: Budget Conference

Near the end of each legislative session, Joint Budget Conference Committees are formed to negotiate over differences between the House and Senate budget bills. Issues that cannot be agreed upon by each chamber's subject area committees are 'bumped' to the House and Senate Appropriation Committee chairs who are charged with making all final adjustments and eliminate any outstanding differences between the two budgets. The result of these budget agreements is filed as the Conference Committee Report.

There is a 72-hour "cooling off" period after the Conference Committee Report is released to allow for public review before the adoption of the report by both chambers. Each chamber then votes on the final version of the budget. The Conference Report may not be amended and must be approved in its entirety. If a chamber fails to adopt the Conference Report, the conference process must begin over again.

Step 8: Governor's approval and veto power

The budget is then delivered to the governor for review and approval. The governor has the option to use a line-item veto, which allows the him or her to cancel specific appropriations. A two-thirds majority vote is needed to overturn any budget item vetoed by the governor.