

The Senate Appropriations Committee offered the following substitute to HB 509:

A BILL TO BE ENTITLED
AN ACT

1 To amend Chapter 12 of Title 45 of the Official Code of Georgia Annotated, relating to the
2 Governor, so as to provide for program budgeting; to provide for definitions; to change
3 certain provisions regarding budget estimates; to change certain provisions regarding
4 required reserve of certain appropriations; to provide for the comprehensive revision of
5 provisions regarding the revenue shortfall reserve; to change certain provisions regarding the
6 promotion of state development; to change certain provisions regarding policy documents
7 with respect to strategic state planning; to provide an effective date; to repeal conflicting
8 laws; and for other purposes.

9 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

10 **SECTION 1.**

11 Chapter 12 of Title 45 of the Official Code of Georgia Annotated, relating to the Governor,
12 is amended by striking Code Section 45-12-71, relating to definitions regarding budgetary
13 and financial affairs, and inserting in its place a new Code Section 45-12-71 to read as
14 follows:

15 "45-12-71.

16 As used in this part, the term:

17 (1) 'Annual operating budget' means the operating budget for each budget unit which
18 details the appropriations passed by the General Assembly for that budget unit.

19 (2) 'Appropriation' means an authorization by the General Assembly to a budget unit to
20 expend, from public funds, a sum of money not in excess of the sum specified, for the
21 purposes specified in the authorization and under the procedure described in this part.

22 (3) 'Appropriation Act' means an Act of the General Assembly which authorizes the
23 expenditure of state money.

24 (4) 'Budget' means the complete financial plan for the fiscal year as proposed in the
25 budget report and modified and adopted by appropriation and revenue Acts.

1 (5) 'Budget allotment' means a process of authorizing the withdrawal of state funds from
 2 the treasury based on a determination that the budget allotment request is consistent with
 3 an approved work program.

4 (6) 'Budget class' means one of the kinds of expenditures denoting a class of service or
 5 commodities purchased or properties acquired as specified in the classification of
 6 expenditures provided for in this part for use in expenditure accounting, in the making
 7 of budget estimates, and in the budget reports and budgets.

8 (7) 'Budget estimate' means the statement with accompanying explanations, as provided
 9 in this part, in which a budget unit states its financial requirements and requests
 10 appropriations.

11 (8) 'Budget message' means the required statement by the Governor to the General
 12 Assembly after its convening which gives a summary description of the Governor's
 13 proposed financial policies and plans contained in the budget report, together with
 14 recommendations for additional revenues, if any.

15 (9) 'Budget report' ~~means~~ and 'program budget report' mean recommendations of the
 16 Governor to the General Assembly as to financial plans, ~~and~~ expenditures to be
 17 authorized, and agency program information, with the accompanying statements and
 18 explanations provided for in this part.

19 (10) 'Budget unit' means a department, institution, agency, or other unit of organization
 20 for which separate appropriations are made.

21 (11) 'Core businesses' means policy areas that a budget unit was created to address.
 22 These are fundamental activities or groups of activities critical to the organization's
 23 overall mission.

24 (12) 'Outcome measure' means quantitative and qualitative indicators by which the
 25 performance of a program can be assessed against adopted goals and objectives.

26 (13) 'Program' means a discrete set of activities undertaken to carry out an agency's core
 27 businesses.

28 ~~(12)~~(14) 'Strategic planning' means the process through which a preferred future
 29 direction and organizational mission are established and periodically updated in light of
 30 changing trends and issues and goals, objectives, and strategies are adopted and
 31 implemented to guide an organization toward that preferred future direction."

32 SECTION 2.

33 Said chapter is further amended by striking paragraph (2) of Code Section 45-12-73, relating
 34 to powers and duties of the Office of Planning and Budget, and inserting in its place a new
 35 paragraph (2) to read as follows:

1 (b) Such authorization to require state agencies to reserve such appropriations shall not be
 2 exercised during and shall not apply during the period commencing with the first legislative
 3 day of a regular session of the General Assembly and ending on the day of such session
 4 that the General Assembly adjourns sine die."

5 SECTION 5.

6 Said chapter is further amended by striking Code Section 45-12-93, relating to the revenue
 7 shortfall reserve, and inserting in its place a new Code Section 45-12-93 to read as follows:

8 "45-12-93.

9 ~~(a) As of June 30 of each fiscal year, the state auditor shall reserve from the state surplus~~
 10 ~~an amount equal to not less than 3 nor more than 5 percent, as directed by the director of~~
 11 ~~the budget, of the net revenue collections of such fiscal year, to the extent that such surplus~~
 12 ~~is available therefor. This reserve shall be entitled the revenue shortfall reserve and shall~~
 13 ~~be in lieu of the working reserve for high-income and low-income periods; provided,~~
 14 ~~however, that the director of the budget may, with regard to all or any part of the fourth and~~
 15 ~~fifth percentile so reserved, direct the return of the same to the general fund of the state~~
 16 ~~treasury for appropriation according to law.~~

17 ~~(b) As of June 30 of each fiscal year, the state auditor shall reserve from the state surplus~~
 18 ~~an amount equal to 1 percent of the net revenue collections of such fiscal year, to the extent~~
 19 ~~that such surplus is available therefor. This amount shall be reserved before the amount~~
 20 ~~shall be reserved for the revenue shortfall reserve as provided in subsection (a) of this Code~~
 21 ~~section. This reserve shall be entitled the midyear adjustment reserve and shall be available~~
 22 ~~for appropriation by the General Assembly of Georgia for such purposes as it may select.~~

23 ~~(c) Any other provision of law notwithstanding, the General Assembly of Georgia is~~
 24 ~~authorized to appropriate \$5 million for State Fiscal Year 1983 from the revenue shortfall~~
 25 ~~reserve.~~

26 ~~(d) Any other provision of law notwithstanding, the General Assembly of Georgia is~~
 27 ~~authorized to appropriate \$12,500,000.00 for State Fiscal Year 1985 from the revenue~~
 28 ~~shortfall reserve, for the purpose of financing the construction of water and sewer projects,~~
 29 ~~through loans to local governments by the Georgia Development Authority.~~

30 ~~(e) Any other provision of law notwithstanding, the General Assembly of Georgia is~~
 31 ~~authorized to appropriate \$208,632,306 for State Fiscal Year 2004 from the revenue~~
 32 ~~shortfall reserve.~~

33 ~~(f) Any other provision of law notwithstanding, the General Assembly of Georgia is~~
 34 ~~authorized to appropriate \$7 million for State Fiscal Year 2005 from the revenue shortfall~~
 35 ~~reserve.~~

36 (a) There shall be a reserve of state funds known as the 'Revenue Shortfall Reserve.'

1 (b) The amount of all surplus in state funds existing as of the end of each fiscal year shall
 2 be reserved and added to the Revenue Shortfall Reserve. Funds in the Revenue Shortfall
 3 Reserve shall carry forward from fiscal year to fiscal year and shall be maintained,
 4 accumulated, appropriated, and otherwise disbursed only as provided in this Code section.

5 (c) For each existing fiscal year, the General Assembly may appropriate from the Revenue
 6 Shortfall Reserve an amount up to 1 percent of the net revenue collections of the preceding
 7 fiscal year for funding increased K-12 needs.

8 (d) The Governor may release for appropriation by the General Assembly a stated amount
 9 from funds in the Revenue Shortfall Reserve that are in excess of 4 percent of the net
 10 revenue of the preceding fiscal year.

11 (e) As of the end of each fiscal year, an amount shall be released from the Revenue
 12 Shortfall Reserve to the general fund to cover any deficit by which total expenditures and
 13 contractual obligations of state funds authorized by appropriation exceed net revenue and
 14 other amounts in state funds made available for appropriation.

15 (f) The combined Revenue Shortfall Reserve and the Midyear Adjustment Reserve
 16 existing on the effective date of this subsection shall become the Revenue Shortfall Reserve
 17 provided for in this Code section.

18 (g) Any other provision of law notwithstanding, the General Assembly is authorized to
 19 appropriate \$ 7 million for State Fiscal Year 2005 from the Revenue Shortfall Reserve.

20 (h) The Revenue Shortfall Reserve shall not exceed 10 percent of the previous fiscal year's
 21 net revenue for any given fiscal year."

22 SECTION 6.

23 Said chapter is further amended by striking subsection (d) of Code Section 45-12-173,
 24 relating to promotion of state development, and inserting in its place a new subsection (d) to
 25 read as follows:

26 "(d) The Governor shall prepare and submit to the General Assembly a ~~development~~
 27 program budget report for the consideration and review of the General Assembly. The
 28 ~~development~~ program budget report shall be submitted within five days after the
 29 organization of the General Assembly for review with the budget document."

30 SECTION 7.

31 Said chapter is further amended by striking subsection (b) of Code Section 45-12-177,
 32 relating to review and establishment of certain goals and policies, and inserting in its place
 33 a new subsection (b) to read as follows:

