

## Introduction to the Budget – First day of Committee Meeting after Appointments

- Welcome back and congratulations to new members
- Plan for the next hour:
  - Budgets in FY 2021 (Act 120 Transitional Budget; Act 154 Restatement Budget)
  - Review the way the budget is organized (Format DOC# 223469)
  - Letter from Chairs to the Administration re: testimony
  - List of budgets that we hear from in the first year of the biennium (DOC#328285)
- **Reversions, Direct Applications, Transfers: Part D.101 of the Budget**
  - Reversions occur when funds that were appropriated in a bill are not used, for whatever reason, and they get reverted (moved back to) the original fund from which the appropriation was made. You will see funds that are reverted in Sec. D 101 of the budget. An example of funds that are reverted in FY 2021 is the Legislature, Joint Fiscal Office, and the Lieutenant Governor.
  - Direct Application: Direct Applications refer to funds that reside in one fund that are then transferred to another fund. This most often refers to a special fund balance that is transferred to the general fund. In Sec. D.101(b)(1) these direct applications are referred to as transfers to the general fund.
- **Excess Receipts** related to **Federal and Special funds**. The budget represents a plan for the expenditure of funds. There are cases where the estimated amount of federal and special funds included in the budget are lower than what is actually available. In cases where more money is available than what is appropriated the department in question may request from the Secretary of Administration the ability to draw down excess receipts increasing their spending authority.
- **Reallocations**: Sec. B.1108 of Act 154 includes language regarding CRF Reallocation of unobligated and unexpended funds that will not be spent by December 20, 2020.
- Welcome to the Budget Power Point (DOC #329145)
  - Act 120 FY 2021 Transition budget made appropriations for the first quarter of FY 2021.
  - Act 154 FY 2021 Full year budget. This budget repealed most of the provisions of Act 120 and replaced them with full year appropriations.