

READER'S GUIDE

The FY 2004 Budget Report for the State of Georgia is one of three publications documenting the Governor's budget recommendations to the 2003 General Assembly and subsequent appropriations.

This Budget Report presents the Governor's detailed budget recommendations for FY 2004, which begins July 1, 2003 and ends June 30, 2004. It also includes detailed information about past, current and projected revenue collections; past expenditures and budgets; program policies; and state organizational structures. This document is released in connection with the Governor's budget message to the Georgia General Assembly during the first week of its annual session in January.

An Amended Budget Report released the week prior to the General Assembly regular session in January, details spending changes recommended by the Governor for the current fiscal year. The Amended Budget Report presented to the 2003 General Assembly recommends amendments to the state's budget for the current fiscal year that ends on June 30, 2003.

The Budget in Brief is published in late May after the legislative session ends and covers all expenditures authorized by the General Assembly for the upcoming fiscal year and for the current fiscal year in effect.

THE FY 2004 BUDGET REPORT

Department summaries make up the bulk of the report and departments can have as many as 9 separate information sections, with each section providing a different level of information. Following is an explanation of each section.

ORGANIZATION CHART

Each department's section starts with an Organization Chart that displays the major divisions comprising each department. Agencies, commissions, and authorities attached to that department for administrative purposes are also identified.

The numbers in each block represent budgeted state positions for each division. Positions counts are also provided for those attached agencies, commissions, and authorities that receive direct state appropriations for their operations. The total number of positions budgeted for each department and attached entities is listed underneath each department's title at the top of the page. Budget Units are also noted for other than the primary Unit [Unit A].

FINANCIAL SUMMARY

The Financial Summary for each department budget unit provides several levels of budget information by object

class, including expenditures for two prior years, the current budget, agency requests, and the Governor's recommendations.

The first page of each summary includes the following information concerning expenditures, current budget, and agency requests:

- FY 2001 and FY 2002 actual expenditures;
- FY 2003 current operating budget; and
- FY 2004 agency requests by adjusted base, enhancements (to be funded by corresponding reductions in other areas), and totals.

The second page of each summary includes the following information concerning the FY 2004 Governor's budget recommendations:

- Current Budget – The annual operating budget including approved amendments;
- Budget Reductions – Recommended decreases in the budget in response to the current economic slowdown;
- Annualizers and Adjustments – Includes 3 months funding for pay for performance not funded in FY 2003 and partially funded enhancements from FY 2003. Previous non-recurring and one-time expenditures are deducted, and other adjustments, including workload and transfer of funds among object classes, are incorporated.
- Adjusted Base – Consists of the summation of the Current Budget, Budget Reductions, and Annualizers and Adjustments recommendations; and
- Enhancements – Consists of new programs or expansions of existing programs.

Each Financial Summary includes the total funds recommended or appropriated to each department, including state general funds, federal funds, funds collected and retained by departments, and any other funds available to them. The totals for each category of fund sources are shown at the bottom of the tables. Total State Funds, displayed in bold type, represents state general funds either recommended or appropriated to the departments.

The number of positions and motor vehicles are the last items displayed under each table.

BUDGET SUMMARY

The Budget Summary explains the Governor's recommendations, as displayed by object class on the second page of the Financial Summary section, from the perspective of budget initiatives being recommended by the Governor concerning reduced, new, or expanded programs and services that are to be funded. Each column of the Governor's Recommendations page of the Financial Summary is explained in sequence in the Budget Summary.

READER'S GUIDE

- **Adjustments to Current Budget – Adjusted Base** - The first line lists the existing state appropriations for FY 2003, adjusted to include budget transfers between appropriations that were necessary before work could begin on developing recommendations for FY 2004 spending. These adjustments include budget reductions due to the current economic slowdown, and annualizers and other adjustments. These reductions, annualizers, and adjustments to the FY 2003 appropriation total provide the Adjusted Base. This is the starting point for the Governor in making decisions on his FY 2004 budget recommendations.

- **Enhancement Funds** - The section explains the various enhancement recommendations. Also included in this grouping are any recommended capital outlay projects and programs. Capital outlay may include property acquisition, construction, renovation, major repair, and unique equipment needs that generally exceed the ability of agencies to fund within their regular operating appropriations.

FUNCTIONAL BUDGET SUMMARY

Functional budgets by total and state funds are displayed in this section for the current year's appropriations, and the Governor's recommendations for the upcoming fiscal year.

ROLES AND RESPONSIBILITIES

This page describes basic department responsibilities as determined by law, policy or mandate. It also describes how departments are organized to carry out their missions.

STRATEGIES AND SERVICES

This section discusses the major budget and policy changes taking place in each department. The discussion focuses on major initiatives that are in the final stages of implementation, those that are currently being implemented and possibly expanded, and new initiatives that are being proposed for the future.

CAPITAL OUTLAY SECTION

The state's Capital Improvement Program was expanded to 5 years to be more consistent with the timeframe of the State Strategic Plan and most agencies strategic plans. In addition to listing each agency's capital outlay requests and the Governor's recommendations for FY 2004 Capital Outlay Projects, the Capital Improvement Program also displays Capital Outlay Projected Needs for FY 2005 through 2008, as identified by the agencies.

The multi-year Capital Improvement Program recognizes that most major capital projects should have sufficient planning, analysis, and predesign work completed prior to a formal request for design and construction funds.

It also requires agencies to view the budget requests as the first year of their multi-year capital plan.

Both the FY 2004 capital requests and recommendations and the FY 2005-2008 projections are organized and displayed by groups of projects with a common interest, with each group being subdivided using five project type categories.

First, projects are grouped by such general or common subject areas as institutions, authorities, commissions, centers, or by common relationships, such as Major Markets, Wildlife Resources, Local School Systems, or Youth Development Centers.

Second, the major groupings are subdivided into the following capital project type categories: Property Acquisition, New Construction, Renovations and Improvements, Major Repairs, and Equipment. The Governor's recommendation for amount and type of funding is provided for each requested project.

The FY 2004 capital outlay section also provides, for informational purposes only, capital outlay funding recommendations contained in the Governor's Amended FY 2003 Budget Report.

RESULTS-BASED BUDGETING SECTION

Results-Based Budgeting (RBB), which first began in FY 1998, was created to make state agencies more accountable to Georgia's taxpayers. Executive-branch agencies identify key programs, set long-range goals for the programs, and establish and measure the results that programs achieve each year in progress toward meeting the goals. By comparing the actual results to desired results and by examining the trends in achievement, state decision-makers, the Governor's Office of Planning and Budget (OPB), agency staff, and the public are able to identify effective and ineffective programs. OPB follows up on this information to determine the reasons for both problems and successes. The Governor, the General Assembly, and OPB then use this information to inform policy-makers and support the state's budget and appropriation process.

RBB information is presented in two parts - Program Summaries and Program Fund Allocations.

- **Program Summaries** - The first phase was initiated in the FY 1998 Budget Report and provided information on each program by name, purpose and goals. The second phase, documented in the FY 1999 Budget Report, identified desired results expected from each program during FY 1999. The second phase also refined and identified programs more in line with the state's original expectations. The FY 2000 Budget Report started phase three by beginning the collection of multi-year data for actual results. The FY 2001 document completes phase

READER'S GUIDE

three by including actual results for RBB programs against previously identified desired results. The FY 2004 Budget Report continues to provide trend data by which to assess program impact.

- Program Fund Allocations - The Program Fund Allocations summary provides the FY 2002 actual expenditures, FY 2003 current appropriations, and the Governor's FY 2004 budget recommendations for each program. Total and state funds are shown separately.

APPENDIX

Several items of supplemental and general background information are displayed in the appendix, including: the state surplus for the prior 2 years; a 3-year record of budgeted positions; historical and current data about state bonds and debt; an explanation of the basis of budgeting and accounting; an overview of Georgia's budget process; a brief statistical overview of the state; the identification of acronyms; and a glossary of budget-related terms.