

<p style="text-align: center;">GEORGIA DEPARTMENT OF CORRECTIONS</p> <p style="text-align: center;">Standard Operating Procedures</p>		
Policy Name: Budget Preparation-Appropriations		
Policy Number: 403.01	Effective Date: 5/7/2020	Page Number: 1 of 5
Authority: Commissioner	Originating Division: Administration and Finance Division	Access Listing: Level I: All Access

I. Introduction and Summary:

- A. To provide an annual calendar of events and requirements related to the development/enactment of Departmental Budget Requests for:
 - 1. Amended Budget (Current Fiscal Year) Supplemental Appropriations, and
 - 2. General Budget (Next Fiscal Year) Appropriations.
- B. These aspects of budget preparation are an integral part the Georgia Department of Corrections (GDC) Program Budget Process. The development process is coordinated by the Budget Office in a particular budget cycle specified by the Governor's Office of Planning and Budget (OPB).

II. Authority:

- A. O.C.G.A.: § 45-12-78;
- B. GDC Board Rules: 125-1-2-.03 and 125-2-1-.01;
- C. GDC Standard Operating Procedure (SOP): 403.04 Budget and Fiscal Controls; and
- D. ACA Standards: 2-CO-1B-02, 2-CO-1B-03, 2-CO-1B-04, 1-CTA-1B-03, 1-CTA-1B-04, 1-CTA-1B-06, 5-ACI-1B-04 (ref. 4-4028), 5-ACI-1B-05 (ref.4-4029), 5-ACI-1B-06 (ref.4-4030), 4-ACRS-7D-18, and 4-ALDF-7D-10.

III. Definitions:

- A. **Designee** - Staff member who is given authority by a person of higher authority to represent them and make decisions on their behalf.
- B. **Program Budget Request** - The method by which a plan for the Department's budget needs for the next fiscal year are developed. The instructions for the process of development are normally given a month in advance of the September 1st budget request submission deadline, based upon the Governor's Office of Planning and Budget (OPB) policy and procedure mandates.
- C. **Annual Operating Budget (AOB)** - The actual allocation of operating funds as passed by the Legislature during the Legislative Session in the Appropriations Bill

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Policy Name: Budget Preparation-Appropriations		
Policy Number: 403.01	Effective Date: 5/7/2020	Page Number: 2 of 5
Authority: Commissioner	Originating Division: Administration and Finance Division	Access Listing: Level I: All Access

and subsequently signed by the Governor. The official submission is given to OPB by May 31st in the exact appropriation level as passed in the appropriations bill. Shortly after the AOB is submitted, one or more amendments, though typically not more than three, are submitted to OPB in order to realign the AOB to properly match budgets with projected expenses. This amendment process is known as the Base Amendment or Clean-Up Amendments.

- D. **Amended Appropriations Act** - The original AOB can be adjusted with the amendment process. Amendments are normally done when transfers of funds are required between Object Classes; program budget or transfers approved by legislators during the session or at the Fiscal Affairs meeting; when money is added or adjusted by the Supplemental Budget Process; to adjust based upon anticipated expenditures; or when budgets are reduced or increased by the Governor/Legislature for special budget needs. Amendments require approval from OPB.
- E. **Amended Requests** - Requests for additional funds needed to offset projected deficits for the current fiscal year. They also allow program budget realignments. Approval by the Legislature and Governor is required. Funds are appropriated during the Legislative Session. Supplemental budget needs are researched and analyzed for the current fiscal year in order to prepare the Department's request and submission to OPB by September 1st.
- F. **Governor's Recommendation** - The Budget Office submits the Program Budget and/or the Amended Request to OPB. A complete review and analysis of requests are done and the Governor's Recommendation is developed. The Governor's Recommendation is the official request used at the start of the Legislative Session. The recommendation normally comes out in early January.
- G. **Legislative Session** - The Department's budget is appropriated during the Legislative Session. This is the final point of approval of the Annual Appropriations and Amended Request. The legislators initially work on the Supplemental Request for the current year. The Supplemental Appropriations Bill is typically passed in February. The appropriations bill for the next fiscal year is then considered and approved typically by late March or early April. This bill is the beginning point of the Annual Operating Budget.
- H. **Expenditure Analysis** - The basis for all major requests (AOB, Amended AOB, Fiscal Affairs, Amendments, etc.) is sound expenditure projections/analysis. The

<p style="text-align: center;">GEORGIA DEPARTMENT OF CORRECTIONS Standard Operating Procedures</p>		
Policy Name: Budget Preparation-Appropriations		
Policy Number: 403.01	Effective Date: 5/7/2020	Page Number: 3 of 5
Authority: Commissioner	Originating Division: Administration and Finance Division	Access Listing: Level I: All Access

frequency should be at least quarterly and prepared in conjunction with input from users (Program Staff, Business Managers, Central Office and Field Units). These analyses consider all budget programs, line items/sub-classes and cost centers at all levels of the department.

IV. Statement of Policy and Applicable Procedures:

A. Budget Preparation Process:

1. Program Budget Request Components:

- i. The Program Budget Request is generally divided into major categories, such as continuation, enhancements, reductions, workload adjustments and redistributions. The procedures outlined in this SOP for the budget preparation process generally apply to all categories. However, the preparation process may change significantly from year to year, especially during times of severe fiscal constraints. Management is responsible for coordinating budget development efforts with the Budget Services Section for sections/programs.
- ii. The Budget Analysts, Budget Administrators, and Budget Director are responsible for preparing a budget request adequate to support GDC Programs.

B. Budget Planning Process:

1. Each year, the Budget Office receives the official set of instructions from OPB. These instructions are used as the basis for the development of internal forms/schedules and related guidelines.
2. The Budget Office establishes policy, procedure, and practice to be used by the Divisional/Facilities/Section Managers for budget preparation, revision and enhancement requests.
3. The Warden/Director or Designee participates in budget deliberations with the Budget Office. Participation includes requesting funds for the institution's daily operations, capital projects, any long range objectives, program development, and additional staff requirements.

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Policy Name: Budget Preparation-Appropriations		
Policy Number: 403.01	Effective Date: 5/7/2020	Page Number: 4 of 5
Authority: Commissioner	Originating Division: Administration and Finance Division	Access Listing: Level I: All Access

C. Budget Formulation:

1. All remaining line items or program/functional budget requests are prepared by the Budget Office in coordination with the Warden, Section Manager, Director or Designee. The Budget Office establishes certain formulas for operating requests and utilizes expenditure reports as well as any historical data available to populate the remaining line items.
2. The Budget Office Director coordinates the continuation, enhancement, reduction, redistribution and workload adjustment requests with the Assistant Commissioner of Administration and Finance. A summary of the request and analysis of what the Department can request according to OPB guidelines are prepared for the Commissioner's review and approval.
3. Once approved, the Budget Office finalizes all continuation, enhancement, reduction, redistribution and workload adjustment requests, and prepares packages for all requests. The Budget Director presents final recommendations to the Assistant Commissioner of Administration and Finance.

D. Submission of Budget Request:

1. The Agency's Budget Request is submitted to OPB by the designated date set by the Director of OPB, which shall be no earlier than August 1st of each year. The OPB Analysts will then begin their review/development of recommendations for the Governor after the submission is received.
2. The Budget Office serves as control point for additional information/analytical requirements requested by OPB analysts during their review, to provide timely, consistent and accurate information in support of the request and to keep appropriate GDC personnel informed of OPB requirements and recommendations. The Governor customarily holds a formal hearing with the Commissioner prior to finalizing the recommended budget.

E. The Appropriations Process:

1. State law requires that the General Assembly have access to the Governor's Budget Report within five (5) days of convening in January. The General Assembly reviews the Governor's formal budget recommendations and develops an Appropriations bill. This legislation, which declares how State

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Authority: Commissioner	Originating Division: Administration and Finance Division	Access Listing: Level I: All Access

funds are appropriated to the various State agencies, begins in the House of Representatives. It is reviewed, amended and eventually approved, at which time it is transferred to the Senate. The Senate then deliberates and adopts a substitute to the House Bill, which they send back to the House for acceptance or rejection. Typically, discrepancies between the two versions of the bill lead to the convening of a Conference Committee made up of members from both chambers. This committee comes up with a compromise proposal to be voted on by both the House and Senate.

2. The Budget Office serves as the control point for additional information or analytical requirements of the Department of Audits, House and Senate, Appropriations Committees, Legislative Counsel, and other Legislators during their reviews, hearings and deliberations. In this manner, timely, consistent, and accurate information is provided in support of the request. The Executive staff is informed of all requests during the appropriations process.
3. Once the same bill has passed both chambers, it is sent to the Governor who then has forty (40) days to sign the legislation before it automatically passes into law. The Governor maintains the constitutional right to strike portions of the budget bill through his line-item veto.
4. The amended/current year bill is usually completed by mid-February and the general/next fiscal year is completed by late March. The Amended Appropriations Act becomes the basis for the Department's Budget for the remainder of the current fiscal year and the General Appropriations Act becomes the basis for the initial Annual Operating Budget for the upcoming fiscal year.

V. **Attachments:** None.

VI. **Record Retention of Forms Relevant to this Policy:** None.