

## **Florida Fiscal Year 2020-21 Budget**

On Monday, June 29, 2020, the Governor finalized the Fiscal Year (“FY”) 2020-21 Budget by signing the General Appropriations Act (GAA) adopted by the Legislature, after making line-item vetoes totaling \$1 billion. The historically significant amount of vetoes were made to address revenue shortfalls and COVID related expenses which were not known or contemplated at the time the Legislature adopted the GAA on March 19, 2020. After the Governor’s vetoes, the FY 2020-21 Budget totals \$92.2 billion, which is \$1.22 billion (1.3%) more than the FY 2019-20 Budget of \$90.98 billion. The General Fund budget totals approximately \$34.7 billion and will be funded primarily from general revenue collections and \$182 million in trust fund transfers.

In addition to the \$1 billion in line-item vetoes, the Governor will also hold back an estimated \$750 million of annualized spending authority from the FY 2020-21 Budget by reducing the quarterly budget releases to state agencies by 1.5% to provide additional financial flexibility to address potential revenue shortfalls. The State has also received \$4.6 billion of funding under the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”) which is available to defray COVID costs and can be used for cash flow purposes, if needed, but has not been included in the FY 2020-21 Budget.

Depending on the depth and duration of the economic and fiscal impacts of COVID, at some point it may be necessary to make changes to the FY 2020-21 Budget. State revenue shortfalls are identified and quantified through the State’s Consensus Revenue Estimating Conference (the “Conference”). The Conference process is scheduled to begin on July 7 and revised consensus revenue estimates are scheduled to be completed in mid-August. The results of the Conference, as well as revenues collected in the first few months of the fiscal year, flexibility and clarity around the use of moneys received under the CARES Act, and any additional federal funding that may be forthcoming, will help inform the need for budget adjustments to the FY 2020-21 Budget.

Dated July 2, 2020.