

HOUSE RESEARCH

Bill Summary

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Overview

This bill amends laws governing the executive branch's unallotment authority. Among the amendments are:

- When the executive branch defers or suspends statutory obligations in order to implement allotment reductions, the executive branch must reduce payments proportionately or based on other available resources of the recipients, but may not otherwise modify formulas or eligibility standards.
- The executive branch may not unallot more than two percent of the general fund appropriations for a biennium, and may not unallot more than ten percent of a single general fund appropriation.

Section

- 1 General fund balance analysis.** Requires the commissioner of management and budget to prepare a fund balance analysis after each legislative session, showing forecast general fund revenues and expenditures for the current and next following bienniums, as modified by laws enacted at that session. Provides that this analysis must be prepared in consultation with the chairs of the Senate Finance and House Finance and Ways and Means Committees and legislative staff designated by the chairs.
- 2 Reduction in allotments.** This section makes several amendments in the law governing general fund unallotment:
 - Current law authorizes the executive branch to defer or suspend prior statutorily created obligations that would otherwise prevent reductions in allotments. This section states that in reducing allotments for statutorily created obligations, the executive branch may reduce payments to all recipients in proportion to their payments or in proportion to the sum of their payments plus their other revenue, but must not otherwise modify formulas, eligibility standards or similar statutory

criteria.

- The sum of reductions to general fund allotments during a biennium must not exceed two percent of the total general fund appropriations for the biennium. The sum of reductions to allotments of a single general fund appropriation must not exceed ten percent of the appropriation, and no program may be eliminated. Deferrals or suspensions of payments beyond the biennium are counted for purposes of these limits.
- The Legislative Commission on Planning and Fiscal Policy replaces the Legislative Advisory Commission as the group that the executive branch must consult with before reducing the amount in the budget reserve and before reducing allotments.

3 **Effective date.** This act is effective the day following final enactment and applies to reductions made on or after that date. It is not intended to affect the validity or invalidity of actions taken before its effective date.