

Department of Planning and Budget 2001 Fiscal Impact Statement

1. Bill Number HB2709

House of Origin	<input checked="" type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
Second House	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

2. Patron Albo

3. Committee Rules

4. Title Governor; Budget Bill.

5. Summary/Purpose:

Requires the Governor in submitting the Budget Bill in even-numbered years and his amendments thereto in odd-numbered years to specify the particular proposed increases in expenditures from the prior fiscal year, if the Budget Bill or the amendments propose an increase in state expenditures above the amount of state expenditures for the prior fiscal year by a percentage that is greater than the total of the rates of increase in cost of living and population in the Commonwealth.

6. No Fiscal Impact

7. Budget amendment necessary:
No.

8. Fiscal implications:
None.

9. Specific agency or political subdivisions affected:
Department of Planning and Budget

10. Technical amendment necessary:
No.

11. Other comments:
The bill, if enacted, would apply to the 2002 Budget Bill introduced in December 2001 for the 2002-04 Biennium and to all subsequent Budget Bills.

The enacting clause would need to contain a statement that the Bill proposes increases in state expenditures over the fiscal year ended June 30, 2001, which exceed the total of the rates of increase in cost of living and population "over the same period." This presumably means that the percentages of increase in cost of living and population would need to be calculated for the increase from the fiscal year ended June 30, 2001, to the fiscal year ended June 30, 2002. The federal agencies (Bureau of Labor Statistics and Bureau of the Census) report on a historical basis. They do not make projections for future years. Also, there is a significant time lag in the publication of the federal reports. Accordingly, the percentage increases may not be available for budget development, which begins in the summer preceding introduction of the Bill introduced in December.

The bill does not provide for the situation in which the Appropriation Act as enacted by the General Assembly exceeds the specified percentages. Presumably the above statement in the enacting clause would need to be amended.

The introduced bill would need to contain a separate section and tables displaying new expenditures and increases in expenditures from the fiscal year ended June 30, 2001. The tables would need to be amended in the enrolled bill, so that the enacted Appropriation Act would correctly show the new expenditures and increases in expenditures from the prior fiscal year.

Date: 01/24/00/jbc

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cc: Secretary of Finance