

## Department of Planning and Budget 2005 Fiscal Impact Statement

**1. Bill Number** HB2555

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

**2. Patron** Cline

**3. Committee** Committee Referral Pending

**4. Title** Surplus agency operating funds; retention by state agency.

**5. Summary/Purpose:**

Requires the Department of Planning and Budget to implement a program to permit any state agency that has surplus operating funds at the end of any fiscal year to retain up to 20 percent of the surplus.

**6. Fiscal Impact Estimates**

The fiscal impact will change from year to year. Twenty percent (20%) of agency discretionary fund balances at the end of FY 2004 equalled \$7.9 million.

**7. Budget amendment necessary:**

Yes. The General Provisions, § 4-1.05 a.1, would need to be amended to modify the Governor's authority to approve the reappropriation of unexpended general fund balances.

**8. Fiscal implications:**

Currently the Governor has discretion to prescribe the use of unexpended general fund appropriations which are not designated by language in the Appropriation Act for a specific purpose. The bill would restrict the Governor's authority to 70% of the discretionary amounts, after deducting 10% of the Water Quality Fund and 20% for the new provision.

**9. Specific agency or political subdivisions affected:**

All state agencies with general fund appropriations..

**10. Technical amendment necessary:**

The word "general fund" should precede "operating funds". Any unexpended nongeneral funds are brought forward on a cash basis by the Department of Accounts subject to approval by the Department of Planning and Budget.

**11.Other comments:**

The Appropriation Act, § 4-11.00, overrides any other law with which it is in conflict, except under the conditions specified in that section. To accomplish what the bill intends would require an amendment to the Appropriation Act.

**Date:** 1/13/05 /jbc

**Document:** G:\05 Bills Fis\Hb2555.Doc Jim Cook

cc: Secretary of Finance