

Department of Planning and Budget 2011 Fiscal Impact Statement

1. Bill Number: SB1283

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: McWaters, J.

3. Committee: Finance

4. Title: Assignment of year-end surplus.

5. Summary: Assignment of year-end surplus. Changes the priority for assigning any year-end surplus by requiring that any general fund balance remaining after funds are set aside for required deposits to the Revenue Stabilization Fund would be assigned as follows: 50 percent for deposit into the Transportation Trust Fund and 50 percent for the payment of certain deferred retirement contributions described under paragraph I 5 of Item 469 of Chapter 874 of the Acts of Assembly of 2010 until such deferred retirement contributions have been paid in full. If any surplus remains after such assignments, the remainder would be assigned to the Virginia Water Quality Improvement Fund and other commitments including commitments to certain public institutions of higher education.

6. Budget Amendment Necessary: See Line 8

7. Fiscal Impact Estimates: Indeterminate

8. Fiscal Implications: The bill changes the priorities for the distribution of any available year-end surplus from the priority set out in the current law. The total remaining general fund balance does not change, but the designated funds are allocated in a new priority system. This would increase funding for the Transportation Trust Fund and provide a mechanism for repayment of funds to the Virginia Retirement System (VRS). The change could also reduce funding for water quality and mandatory reappropriations.

The Department of Accounts (DOA) can execute the assignments of this bill without additional resources; however, the provisions of this bill may be in conflict with Governmental Accounting Standards Board (GASB) requirements for recognizing restricted or committed funds. Such recognition of restricted funds (e.g., rainy day funds) and committed funds (e.g., already appropriated funds) reduces amounts available for assignment (e.g., amounts that are intended to be incorporated into future budgets). One such example would be the GASB requirement to report the unappropriated balance anticipated in the general appropriation act for the end of the fiscal year as a commitment of funds that reduces the amount available for any assignments, included the assignment to the Transportation Trust

Fund (TTF) specified by this bill. If this anticipated balance were used for other purposes, the budget for the next fiscal year could be placed out of balance.

9. Specific Agency or Political Subdivisions Affected: All state agencies, especially Department of Accounts (DOA) and the Department of Planning and Budget (DPB).

10. Technical Amendment Necessary: No

11. Other Comments: None

Date:

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