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HOUSE BILL NO. 112

Offered January 11, 2012

Prefiled December 30, 2011

A BILL to amend and reenact § 2.2-1508 of the Code of Virginia, relating to the submission of executive budget; zero-based budgeting.

Patrons—Bell, Richard P., Cole and Lewis

Referred to Committee on Appropriations

Be it enacted by the General Assembly of Virginia:**1. That § 2.2-1508 of the Code of Virginia is amended and reenacted as follows:**

§ 2.2-1508. Submission of executive budget to General Assembly.

A. On or before December 20 in the year immediately prior to the beginning of each regular session of the General Assembly held in an even-numbered year, the Governor shall submit to the presiding officer of each house of the General Assembly printed copies of a budget document, which shall be known as "The Executive Budget," based on his own conclusions and judgment, containing the following:

1. For each agency, the amount and number of positions appropriated for the current appropriation year and the amount and number of positions recommended for each year of the ensuing biennial period beginning with the first day of July thereafter, accompanied by an explanation of the recommended amount and number of positions. Such information shall also include the total estimated amount appropriated for personnel costs for each agency.

2. A statement of historical and projected trends that influence the general economic conditions in the Commonwealth and a statement of the economic assumptions upon which revenue projections are based.

3. A statement of the Governor's proposed goals, objectives, and policies in the areas of:

a. Administration of justice;
b. Education, including intellectual and cultural development;
c. Individual and family services;
d. Resources and economic development, including specific references to economic development and management of natural resources;
e. Transportation; and
f. General government, including therein or as separate categories areas of multiple impact, such as telecommunications, energy, and urban development.

4. A statement organized by function, primary agency, and proposed appropriation item that sets forth:

a. Identification of common programs and services;
b. Service attainments or lack of attainments and service terminations or reductions for the biennium;
c. Major goals, objectives, and specific outcomes related to expenditures for programs;
d. Program measures and performance standards to be used in monitoring and evaluating services; and the development of appropriate evaluation cycles, within available resources;
e. The amount of each primary agency's budget that is direct aid to localities.

5. A statement of proposed capital appropriations organized by the primary agency that sets forth the program need for the project and the proposed source of funding.

6. A listing of all activity, program-related, agency or departmental evaluations performed in the previous two years with guidance indicating the manner in which the public can gain access to the full text of such studies.

7. A schedule and description of all data processing or other projects in which the Commonwealth has entered into or plans to enter into a contract, agreement or other financing agreement or such other arrangement that requires that the Commonwealth either pay for the contract by foregoing revenue collections, or allows or assigns to another party the collection on behalf of or for the Commonwealth any fees, charges, or other assessment or revenues to pay for the project. Such schedule shall include by agency and project (i) a summary of the terms, (ii) the anticipated duration, and (iii) cost or charges to any user, whether a state agency or institutions or other party not directly a party to the project arrangements. The description shall also include any terms or conditions that bind the Commonwealth or restrict the Commonwealth operations and the methods of procurement employed to reach such terms.

B. On or before December 20 of the year immediately prior to the beginning of the regular session of the General Assembly held in odd-numbered years, the Governor shall submit to the presiding officer

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HB112

59 of each house of the General Assembly printed copies of a budget document, which shall be known as
60 "Executive Amendments to the Appropriation Act," describing all gubernatorial amendments proposed to
61 the general appropriation act enacted in the immediately preceding even-numbered session.

62 C. The Department of Planning and Budget shall prepare "The Executive Budget" and the "Executive
63 Amendments to the Appropriation Act" in a manner and with language that can be easily understood by
64 the citizens of the Commonwealth and that provides, to the extent practical, a cross-reference to the
65 Governor's recommended budget bill or amendments to the Appropriation Act. Such documents shall
66 also be placed on the Internet to provide easy access by the public.

67 D. Beginning with "The Executive Budget" for the 2014-2016 biennium, all "Executive Budgets" shall
68 be prepared and formulated using zero-based budgeting principles.

69 E. Such zero-based budgets shall reflect the amount of funding deemed necessary to achieve the most
70 cost-effective performance of each agency or department pursuant to an accompanying narrative
71 delineating the tasks to be performed by each agency or department, together with the goals and
72 objectives for each agency or department. Such budgets shall have a zero dollar amount as their initial
73 basis and shall not reflect any prior appropriation amount, adjusted or otherwise.