

Department of Planning and Budget
2003 Fiscal Impact Statement

1. Bill Number HB1467

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed

Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron Purkey

3. Committee Appropriations

4. Title Automatic reduction in general fund appropriations by Governor.

5. Summary/Purpose:

Whenever general fund revenue collections for a period of six months or more show that year-to-date revenue growth is in excess of one percent below the official estimate upon which the appropriation act is based for such fiscal year, the Governor shall institute an across-the-board percentage reduction in general fund appropriations to all executive branch agencies, which shall equal at least one-half of the revenue shortfall. Such actions shall be communicated to the chairmen of the money committees within five days of its adoption.

6. Fiscal impact cannot be determined.

7. Budget amendment necessary: No

8. Fiscal implications: The fiscal impact of this proposal cannot be determined. The revenue impact will depend on the year-to-date revenue growth for a six-month period. This proposal would apply in those situations where the revenue growth was one percent or more below the official estimate. The corresponding expenditure impact would be at least one-half of the revenue shortfall applied in an across-the-board general fund reduction to all executive branch agencies. The Governor could exempt certain agencies upon certification that the action would affect the public safety of the citizens of the Commonwealth. There will also be administrative costs to implement the budget reductions in the agencies.

9. Specific agency or political subdivisions affected : All executive branch agencies and institutions of higher education

10. Technical amendment necessary: No

11. Other comments: The proposal does not apply to legislative or judicial branch agencies, or to independent agencies.

Date: 01/08/03/amk

Document: G:\03FISs\HB1467.DOC

cc: Secretary of Finance