

Department of Planning and Budget 2009 Fiscal Impact Statement

1. Bill Number: SB893

House of Origin X Introduced Substitute Engrossed
Second House In Committee Substitute Enrolled

2. Patron: McDougale

3. Committee: Finance

4. Title: **Submission of executive budget; personnel costs for state agencies.**

5. Summary: Requires the total amount appropriated for personnel costs for each agency to be included in the budget bill for each agency. The bill also provides that the amount appropriated to each agency for personnel costs shall only be used for personnel costs and that any appropriation set aside for personnel costs that remains undistributed at the end of any fiscal year shall revert to the general fund of the state treasury.

6. Fiscal Impact Estimates: Not Available

7. Budget Amendment Necessary: See Item 8

8. Fiscal Implications: One of the provisions of this bill would require that the personnel costs for each agency be printed in the introduced budget bill. Currently, the budget bill does not include any level of detail below service area amounts. To accomplish the provisions of this bill in an automated fashion, the amount of detail that the budget bill system is capable of displaying would need to be changed. This would require programming changes to the budget bill system operated by the Division of Legislative Automated Services (DLAS) and to the system used by the Department of Planning and Budget (DPB) to compile and transmit the introduced budget bill details to the budget bill system. Cost estimates are not available at this time but additional costs in terms of dollars and increased staff time would be experienced by DPB and DLAS.

The other provision of the bill requires that amounts budgeted for personnel costs can only be used for personnel costs. Agencies budget a certain amount for personnel costs at the beginning of a bienium. However, during the course of budget execution they may experience vacancy savings. These vacancy savings are often used to cover the cost of unanticipated non-personnel related costs. This bill would eliminate that practice. In such cases, agencies would no longer have the flexibility to cover the costs of such unanticipated expenses with vacancy savings.

The bill's proposed language regarding the reversion of unspent personal services balances is not limited to general fund personnel costs. This could be problematic since many nongeneral fund dollars (such as federal funds, trust and agency, and some dedicated special funds) are prohibited from transfer to the general fund.

9. Specific Agency or Political Subdivisions Affected: All state agencies.

10. Technical Amendment Necessary: No

11. Other Comments: None

Date: 1/21/2009 JDH

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cc: Secretary of Finance