

REVISED
Department of Planning and Budget
2011 Fiscal Impact Statement

1. Bill Number: SB 1053

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: Barker

3. Committee: Finance

4. Title: Assignments by the Comptroller of certain general fund balances

5. Summary: The bill would change current law for the assignment of any year-end general fund balance to provide that the balance shall be used (i) first, for the Revenue Stabilization Fund deposit, and (ii) then, the scheduled repayment of deferred contributions to defined benefit retirement plans maintained by the Virginia Retirement System for state employees. The Governor would be required to include in his budget bill proposed appropriations from the general fund for funding the Revenue Stabilization Fund deposit and the repayment of such deferred contributions. No other assignment of the general fund balance could be made unless the total amounts for clauses (i) and (ii) have been set aside from such surplus.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: Final.

8. Fiscal Implications: Current law does not provide for any assignment of the general fund balance for funding the repayment of deferred contributions to defined benefit retirement plans of the Virginia Retirement System. However, the current general appropriation act includes a requirement for the Governor to propose appropriations for the repayment of contributions to the Virginia Retirement System that are being deferred for the 2010-2012 biennium.

This bill sets out a prioritized list of how the general fund year end balance is to be allocated. Included in this list is “(v) the unappropriated balance anticipated in the general appropriation act for the end of such fiscal year.” This prioritization approach and the placement of this provision deep in the list of uses of general fund balances has the potential to place the budget out of balance, since the year end balance anticipated in the appropriation act is usually counted as a resource in the next fiscal year and is usually appropriated. If this legislation is enacted and such a balance is anticipated, the balance required by this bill may be allocated to other priorities.

9. Specific Agency or Political Subdivisions Affected: Department of Accounts; Department of Planning and Budget.

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10. Technical Amendment Necessary: A technical amendment may be needed to give priority to any balances required by the appropriation act in the subsequent fiscal year.

11. Other Comments: None.

Date: 1/25/2011

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c: Secretary of Finance