

H.75

Introduced by Representatives Poirier of Barre City and Bray of New Haven

Referred to Committee on

Date:

Subject: Taxation and finance; appropriations; interim budget; reductions

Statement of purpose: This bill proposes to authorize the secretary of administration to prepare and implement only those expenditure reduction plans and appropriations reductions for which the current fiscal year revenues for the general fund, transportation fund, or federal funds are likely to be reduced from the official revenue estimates by less than one percent. The secretary may implement such a plan if reductions to any individual appropriation do not exceed one percent of the appropriation's amount.

An act relating to interim budget and appropriation adjustments

It is hereby enacted by the General Assembly of the State of Vermont:

Sec. 1. 32 V.S.A. § 704 is amended to read:

§ 704. INTERIM BUDGET AND APPROPRIATION ADJUSTMENTS

(a) The general assembly recognizes that acts of appropriations reflect the priorities for expenditures of public funds enacted by the legislature, and that major reductions or adjustments in such appropriations, when required by

1 reduced state revenues or other reasons, ought to be made whenever possible
2 by an act of the legislature reflecting its revisions of those priorities.

3 Nevertheless, if the general assembly is not in session, authorized
4 appropriations may be reduced pursuant to the provisions of this section.

5 ~~(b)(1) If the official state revenue estimates of the emergency board for the~~
6 ~~general fund, the transportation fund, or federal funds, determined under~~
7 ~~section 305a of this title have been reduced by one percent or more from the~~
8 ~~estimates determined and assumed for purposes of the general appropriations~~
9 ~~act or budget adjustment act, and if the general assembly is not in session, in~~
10 ~~order to reduce appropriations under this subdivision the secretary shall~~
11 ~~prepare a plan to reduce appropriations for approval by the joint fiscal~~
12 ~~committee, and authorized appropriations may be reduced pursuant to an~~
13 ~~expenditure reduction plan approved under this section.~~

14 ~~(2)~~ If the secretary of administration determines that the current fiscal
15 year revenues for the general fund, transportation fund, or federal funds are
16 likely to be reduced from the official revenue estimates by less than one
17 percent, the secretary may prepare and implement an expenditure reduction
18 plan, and implement appropriations reductions in accordance with the plan.
19 The secretary may implement a plan under this subdivision ~~without the~~
20 ~~approval of the joint fiscal committee~~ if reductions to any individual
21 appropriation do not exceed ~~five~~ one percent of the appropriation's amount for

1 personal services, operating expenses, grants, and other categories, and
2 provided that the plan is designed to minimize any negative effects on the
3 delivery of services to the public, and shall not have any unduly
4 disproportionate effect on any single function, program, service, or benefit.
5 Plans ~~not requiring the approval of the joint fiscal committee~~ shall be filed with
6 the joint fiscal office prior to implementation. ~~If the secretary's plan consists~~
7 ~~of disproportionate reductions greater than five percent in any line item, such~~
8 ~~plan shall not be implemented without the approval of the joint fiscal~~
9 ~~committee.~~

10 (c) An expenditure reduction plan prepared by the secretary shall indicate
11 all proposed reductions in expenditures authorized by a general appropriations
12 or budget adjustment act, and shall indicate the effect of the expenditure
13 reduction on the primary purposes of the program for which the appropriation
14 was made.

15 ~~(d) An expenditure reduction plan prepared for approval by the joint fiscal~~
16 ~~committee shall indicate the amounts to be reduced from each appropriation,~~
17 ~~and from personal services, operating expenses, grants, and other categories,~~
18 ~~and shall indicate how it is designed to minimize any negative effects on the~~
19 ~~delivery of services to the public, and any unduly disproportionate effect on~~
20 ~~any single function, program, service, or benefit.~~

1 ~~(e) An expenditure reduction plan under subdivision (b)(2) of this section~~
2 ~~shall not include any reduction in:~~

3 ~~(1) appropriations authorized and necessary to fulfill the state's debt~~
4 ~~obligations;~~

5 ~~(2) appropriations authorized for the judicial or legislative branches,~~
6 ~~except that the plan may recommend reductions for consideration by the~~
7 ~~judicial or legislative branches; or~~

8 ~~(3) appropriations for the salaries of elected officers of the executive~~
9 ~~department listed in subsection 1003(a) of this title.~~

10 ~~(f) The joint fiscal committee may approve an expenditure reduction plan~~
11 ~~submitted under subdivision (b)(1) of this section upon affirmative vote of a~~
12 ~~majority of the members of the committee. If the committee fails to take final~~
13 ~~action on such plan within 21 days of its submission to the committee it shall~~
14 ~~be deemed to be approved. For purposes of this section the committee shall be~~
15 ~~convened at the call of the chair or at the request of at least three members of~~
16 ~~the committee. If the committee disapproves the plan, in order to~~
17 ~~communicate the priorities of the general assembly, the committee shall make~~
18 ~~recommendations to the secretary for amendments to the plan. The secretary~~
19 ~~may resubmit a plan to the committee for approval. A disapproved plan shall~~
20 ~~not be implemented. In the event of an additional reduction in the official state~~

1 ~~revenue estimate, the secretary of administration may request approval of an~~
2 ~~amended expenditure reduction plan. In determining whether to approve the se~~
3 ~~cretary's plan the committee shall consider whether the plan minimizes any~~
4 ~~negative effects on the delivery of services to the public, and whether the plan~~
5 ~~will have any unduly disproportionate effect on any single function, program,~~
6 ~~service, or benefit.~~

7 ~~(g) In the event of a reduction in the official revenue estimate of one~~
8 ~~percent or more, the secretary may implement an expenditure reduction plan in~~
9 ~~the manner provided for in subdivision (b)(2) of this section, provided that the~~
10 ~~reduction in appropriations is not greater than one percent of the prior official~~
11 ~~revenue estimate.~~