

H.75

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 and their sources of funding reflect the priorities for expenditures of public funds enacted by the legislature, and that major reductions or adjustments ~~in such appropriations~~, when required by reduced state revenues or other reasons, ought to be made whenever possible by an act of the legislature reflecting its revisions of those priorities. Nevertheless, if the general assembly is not in session, authorized appropriations and their sources of funding may be ~~reduced~~ adjusted and funds may be transferred pursuant to the provisions of this section.

(b)(1) If the official state revenue estimates of the emergency board for the general fund, the transportation fund, or federal funds, determined under section 305a of this title have been reduced by one percent or more from the estimates determined and assumed for purposes of the general appropriations act or budget adjustment act, and if the general assembly is not in session, in order to ~~reduce~~ adjust appropriations and their sources of funding under this

subdivision the secretary shall prepare a plan ~~to reduce appropriations~~ for approval by the joint fiscal committee, and authorized appropriations and their sources of funding may be ~~reduced~~ adjusted and funds transferred pursuant to ~~an expenditure reduction~~ a plan approved under this section.

(2) If the secretary of administration determines that 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 prepare and implement an expenditure reduction plan, and implement appropriations reductions in accordance with the plan. The secretary may implement a plan under this subdivision without the approval of the joint fiscal committee if reductions to any individual appropriation do not exceed five percent of the appropriation's amount for personal services, operating expenses, grants, and other categories, and provided that the plan is designed to minimize any negative effects on the delivery of services to the public, and shall not have any unduly disproportionate effect on any single function, program, service, ~~or benefit, or~~ county. Plans not requiring the approval of the joint fiscal committee shall be filed with the joint fiscal office prior to implementation. If the secretary's plan consists of disproportionate reductions greater than five percent in any line item, such plan shall not be implemented without the approval of the joint fiscal committee.

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

~~(d) An expenditure reduction~~ A plan prepared for approval by the joint fiscal committee by the secretary shall indicate the amounts to be ~~reduced from~~ adjusted in each appropriation, and ~~from in~~ in personal services, operating expenses, grants, and other categories, shall indicate the effect of each adjustment in appropriations and their sources of funding, and each fund transfer, on the primary purposes of the program, and shall indicate how it is designed to minimize any negative effects on the delivery of services to the public, and any unduly disproportionate effect the plan may have on any single function, program, service, ~~or benefit,~~ or county.

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

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

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

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

~~(f)(e)(1)~~ The joint fiscal committee shall have 21 days from the date of submission of a plan under subdivision (b)(1) of this section to consider the plan, and may approve ~~an expenditure reduction~~ or disapprove the plan submitted under subdivision (b)(1) of this section upon affirmative a vote of a majority of the members of the committee. If the committee vote results in a tie, the plan shall be deemed disapproved; and if the committee fails for any other reason to take final action on such plan within 21 days of its submission to the committee, it shall be deemed to be ~~approved~~ disapproved. ~~For purposes of this section the committee shall be convened at the call of the chair or at the request of at least three members of the committee.~~ During the 21-day period for consideration of the plan, the committee shall conduct a public hearing and provide an opportunity for public comment on the plan.

(2) If the committee disapproves the plan, is disapproved, then in order to communicate the priorities of the general assembly, the committee shall make recommendations to the secretary for amendments to the plan. ~~The~~ Within seven days after the committee notifies the secretary of its disapproval of a plan, the secretary may ~~resubmit~~ submit a final plan to the committee ~~for approval~~. The committee shall have 14 days from the date of submission of a final plan to consider that plan and to vote by a majority of the members of the

committee to approve or disapprove the plan; but if the committee fails to approve or disapprove the plan by a majority vote, the plan shall be deemed disapproved. If the secretary's final plan includes any changes from the original plan other than those recommended by the committee, then during the 14-day period for consideration of the final plan, the committee shall conduct a public hearing and provide an opportunity for public comment, with the scope of the hearing and the comments limited to the changes from the original plan.  
~~A disapproved plan shall not be implemented. In the event of an additional reduction in the official state revenue estimate, the secretary of administration may request approval of an amended expenditure reduction plan.~~

(3) In determining whether to approve the secretary's a plan submitted by the secretary under this subsection, the committee shall consider whether the plan minimizes any negative effects on the delivery of services to the public, and whether the plan will have any unduly disproportionate effect on any single function, program, service, ~~or~~ benefit or county.

(4) Any plan disapproved under this section shall not be implemented.

(5) For purposes of this section, the committee shall be convened at the call of the chair or at the request of at least three members of the committee.

~~(g)~~(f) In the event of a reduction in the official revenue estimate of one percent or more, the secretary may implement an expenditure reduction plan in the manner provided for in subdivision (b)(2) of this section, provided that the

reduction in appropriations is not greater than one percent of the prior official revenue estimate.

(g) No plan may be approved or implemented under this section which:

(1) would reduce appropriations from any fund by more than the cumulative reductions in the official state revenue estimates of the emergency board for the general fund, the transportation fund, or federal funds, determined under section 305a of this title, from the estimate originally determined and assumed for purposes of the general appropriations act or budget adjustment act; minus the total reductions in appropriations already taken under this section in that fund in the fiscal year; or

(2) would result in total reductions under this section in appropriations in the fiscal year from any fund by more than four percent of the estimate originally determined and assumed for purposes of the general appropriations act or budget adjustment act; or

(3) would adjust revenues or expenditures of the education fund as prescribed by law.

(h) The provisions of this section shall apply to each official state revenue estimate of the emergency board in the fiscal year and when the general assembly is not in session.