What’s In the Base Budget Bills?

1. **Previous Year Less One-time.** Legislative Rule defines base budgets as “amounts appropriated by the Legislature for each item of appropriation for the current fiscal year that are not designated as one-time in an appropriation.” (JR3-2-402) Typically only General Fund, Education Fund, and Uniform School Fund are designated as “one-time”.

2. **Dedicated Credits and Federal Funds up to 125% of Previous Year.** Rule also includes in base budgets “changes to [the above] amounts approved by the Executive Appropriations Committee.” (JR3-2-402). In December, EAC approved inclusion of changes to dedicated credits and federal funds allowed by law. UCA Title 63J allows agencies to spend up to 125% of appropriated dedicated credits and federal funds without further legislative action.

3. **Reductions in Restricted Account Appropriations.** EAC also approved in December changes to base budget for requested decreases in previous year restricted account appropriations. Increases from restricted accounts must be considered as building-block requests.

4. **Nonlapsing Balances and Transfers.** Certain appropriations are derived mathematically depending upon all other factors. Beginning nonlapsing balances should equal the previous year’s closing nonlapsing balances. Budget year closing nonlapsing balances equal beginning balances minus expenditures in excess of new appropriations. Transfers often depend upon base budget amounts that must be moved among agencies to draw-down federal sources.

5. **Technical Corrections.** EAC allowed staff, in consultation with the EAC Chairs, to make technical corrections in base budget bills. Such changes might be correcting sources of finance or re-categorizing line items to meet new reporting criteria.
   a. **HB 1.** There are no technical corrections in H.B. 1.
   b. **HB 4.**
      i. Item 12 fixes funding sources for a prior ISF rate impact ($0) and reverses a bill of bills appropriation for HB 255, 2012 GS ($900)
      ii. Item 25 fixes funding sources for a prior year compensation increase ($0)
      iii. Item 33 re-categorizes the Universal Telecommunications Support Fund as an expendable fund in pursuit of new reporting criteria.
   c. **HB 5 Item 26** fixes a prior year ISF rate impact ($600)
   d. **HB 6.**
      i. Items 12 and 33 reformulate the TIF as a Capitol Projects Fund to comply with GAAP requirements. They then show the cash portion of TIF in the Operating and Capital Budgets.
ii. Item 26 fixes funding sources for debt service to implement SB 225, 2012 GS.

e. **HB 7.** There are no technical corrections in H.B. 7.

f. **HB 8.**
   i. Items 17 and 28 re-categorize the Permanent Community Impact Fund as an expendable fund and reflect PCIF grants in the Operating and Capital Budget in pursuit of new reporting criteria.
   ii. Item 30 re-categorizes the Unemployment Compensation Fund as a business-like activity in pursuit of new reporting criteria.

g. **SB 1.**
   i. Item 6 fixes funding sources for the autism awareness license plate ($0) and makes the appropriation for HB 149 (2012 GS) one-time as intended (-$40,000)
   ii. Item 9 clarifies the source of dedicated credits that go to the School Lunch Program

h. **SB 5.**
   i. Item 20 corrects an appropriation for a prior year ISF rate impact ($200)
   ii. Item 30 clarifies the source of transfers for Agriculture Resource Conservation.

i. **SB 6.** There are no technical corrections in S.B. 6.