S.B. 220 AND EXPENDABLE RECEIPTS

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HB 475
2018 GENERAL SESSION

- Tightened restrictions on dedicated credits
  - Including modifying the definition of “program” and removing exceptions related to nonlapsing authority
SB 220
2019 GENERAL SESSION

- Created a new revenue type: Expendable Receipts
  - For certain sources that were formerly appropriated as dedicated credits
- Outlined reporting requirements for expending amounts above the appropriation

EXPENDABLE RECEIPTS CHARACTERISTICS

Expendable receipts are:

- Given to the State by a non-state entity
- Given to the State for a specific purpose
- In some cases, only held temporarily by the State to draw down federal revenues
- In some cases, are more unpredictable in their amounts
- In most cases, already have a statutory approval process (other than appropriations) in place
EXPENDABLE RECEIPTS DEFINITION

The bill defines expendable receipts narrowly. The definition includes 3 categories:

1. Grants
2. The state portion for a match of federal revenues, paid by a non-state entity
3. Rebates, that must be spent according to similar restrictions as the original program

EXPENDABLE RECEIPTS DEFINITION

– Expendable receipts are designated in appropriations acts, beginning with FY 2020
– Expenditures of expendable receipts are not limited by the appropriation
– There are reporting requirements for expenditures over the appropriation
Expendable Receipts Reporting Process

Expenditures over the appropriation — Any amount

- Agencies submit a revised budget execution plan to the Division of Finance

Expenditures over the appropriation — Greater than 25%

- Agencies submit a report to the Governor’s Office of Management and Budget, the Office of the Legislative Fiscal Analyst, and the Executive Appropriations Committee

Existing Reporting

- Other processes for these revenue sources remain the same, including:
  - Non-federal grants
  - Medicaid intergovernmental transfers
SB 220 TECHNICAL CHANGES

- Updates the definition of “major revenue types”
- Clarifies that the Division of Finance processes, but does not approve, budget execution plans
- Clarifies that donations (those that are not deposited into a special fund by law) are considered non-federal grants and must go through that approval process