

# 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

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- 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

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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

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### 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**



## EXPENDABLE RECEIPTS REPORTING PROCESS

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### 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

