



Report of the Subcommittee on
General Provisions

(Senate Bill 800, As Introduced)

Senate Finance Committee
Virginia General Assembly

February 4, 2001

REPORT OF SUBCOMMITTEE ON GENERAL PROVISIONS
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Your Subcommittee on General Provisions has reviewed Part 4 of the budget, as introduced, and makes the following recommendations:

Authority of the Comptroller

The introduced budget adds language in § 4-1.07 b., authorizing the State Comptroller to begin preparing a future fiscal year's accounts ten days before the fiscal year begins, and in his sole discretion, to authorize spending up to \$5.0 million GF from the future year's appropriation, if needed to meet contractual obligations.

The subcommittee recognizes that budget data needs to be loaded into the accounting system before the start of a fiscal year and that some flexibility may be needed to address contractual issues. However, we believe that this authority should be strictly limited and, therefore, recommend modifying the language to specify that the Commonwealth's books are opened for the purpose of entering budgetary transactions and only in an emergency situation, with the concurrence of the Auditor of Public Accounts, should any payment be processed against those books. Further, we would limit such emergency payments to \$3.0 million rather than \$5.0 million.

Executive Management Savings

The introduced budget adds language in § 4-1.09 concerning the authority of the Director, Department of Planning and Budget: (a) to implement the identified Executive Management Savings contained in the budget, including the ability to alter the savings plans to reflect subsequent events; and (b) to appropriate nongeneral funds to replace general funds, to the degree that agencies generate more than currently anticipated. Further, the language grants authority to the Governor to use excess revenues to offset budget reductions for any agency up to the amount designated as Executive Management Savings for that agency.

The subcommittee feels that the proposed language is too broad. We suggest amendments which clarify that Executive Management Savings cannot administratively be moved from one agency to another and that any excess revenues used to mitigate cuts must be used for the sole purpose of offsetting specific reductions contained in the Management Savings plans. Further we recommend that a reporting requirement be added so that members of the General Assembly are advised of the exact reductions that take place.

Finally, regarding the ability to increase nongeneral fund appropriations, we feel that the Governor has sufficient authority to do so through existing language in the general provisions.

General Fund Revenue Forecast

The subcommittee recommends that new language be added in the general provisions to clarify what is to be included and, more importantly, what is not to be included in the calculation of revenue growth for purpose of the car tax program. The introduced budget leads us to conclude that we have not been clear enough.

Processing of Tax Refunds

The subcommittee recommends that new language be added in the general provisions that will provide the General Assembly with data on the "aging" of tax refunds. Specifically, we recommend that the Tax Department ensure that all tax returns are opened within 7 business days of receipt and refund requests are entered into the Department's computer system within that 7-day period.

Finally, we recommend that the Comptroller's preliminary year-end report, provided to the money committees in August of each year, contain information on the dollar volume of refunds received but unpaid at the end of the fiscal year.

Per Diems for Board Members

The introduced budget adds language in § 4-5.06 h., which eliminates per diems for boards, commissions, and other collegial bodies of the Commonwealth.

The subcommittee recommends language which clarifies that this provision applies only to Executive Branch boards and commissions.

Capital Improvement Plan

The Senate has passed SB 1188 which sets out a process for establishing and funding the Commonwealth's six-year capital improvement plan. We recommend that language from the bill be placed in the general provisions since this is an integral part of the budget process.

Mr. Chairman, this completes the report of the General Provisions subcommittee. We hope that it will be your pleasure to accept the report.

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