

Legislative Fiscal Division

Legislative Budget Options

Section Name: Global Issue

Time : High

Committee: Multiple

Agency Name: Statewide Issue

Status : On-Going

FTE Impact : N

Program Name:

Mode : Research

MCA : Multiple

Option	General Fund	State Special	Federal Special
Fund Balance Transfers	\$0	\$0	\$0

Description of Option: Examination of Trust Funds

Criteria Name: Not subject to regular review

Summary of Issue

The permanent fund type and the expendable trust fund type hold funds for a specific purpose, mainly to generate revenue for future expenditures. Some trusts are held due to contract, settlement, or donation terms. Other trusts have been created by the legislature emulating the conditions of other trusts. The purpose of this option is to examine the trusts that were created only by statute, and do not have a binding contract, agreement or settlement, so that the legislature can determine if these priorities still exist.

How the Fund Balance Would be Impacted

Potentially there could be funds available to transfer to the general fund.

Further Work Required

This would require an analysis of those funds to determine the purpose and if any contract or agreement beyond statute controls the fund.

Legislation Required

Statutory changes would be required.

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Committee: Multiple

Agency Name: Statewide Issue

Status : One-Time

FTE Impact : N

Program Name:

Mode : Research

MCA :

Option	General Fund	State Special	Federal Special
Fund Balance Transfers	\$112,241,000	(\$112,241,000)	\$0

Description of Option: Transfer State Special Revenue Fund Balances to the General Fund

Criteria Name: Few corollary impacts on other programs or services

Summary of Issue

Fund balances that accumulate in certain state special revenue funds beyond the amount needed to operate the relevant programs could be transferred to the general fund. Appendix B lists the state special revenue funds identified by LFD staff as of this writing, including a description of the fund and its revenue source, why it is presented as an option, and whether statutory changes are necessary to transfer the balance.

How the Fund Balance Would be Impacted

Fund balance deemed to be in excess of the amount needed for ongoing operations would be transferred on a one-time-only basis to the general fund.

The amount of potential general fund deposits due to this option is as of this writing and will expand as more funds are identified.

Further Work Required

A number of factors will impact whether an observed fund balance could be transferred, including timing of cash flow, anticipated one-time-only expenditures, and other factors.

Legislation Required

Individual funds may have statutory provisions that would need to be adjusted to allow the transfer.

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Agency Name: Statewide Issue

Status : On-Going

FTE Impact : N

Program Name:

Mode : Research

MCA : Multiple

Option	General Fund	State Special	Federal Special
Program Eliminations/Modifications	\$2,198,000	\$0	\$0

Description of Option: All Other General Fund Statutory Appropriations

Criteria Name: Not subject to regular review

Summary of Issue

The legislature could examine statutory appropriations to see if reductions could be made. Options include:

1) reduce 10% to achieve the level of expenditure reductions identified in the "Preliminary Budget Outlook for the 2013 Biennium"; 2) reduce or eliminate amount for a set period; 3) reduce or eliminate permanently. Amounts based on FY 2012 & 2013 estimates and include emergency appropriations, DOR out-of-state revenue collections, cash management interest, BOI banking charges, and tobacco settlement cost recovery, but excludes debt service appropriations.

How the Fund Balance Would be Impacted

Reductions in authorized statutory appropriations and expenditures will increase the general fund balance.

Legislation Required

Five statutes would need to be amended

10-3-312(1), 15-1-218, 16-11-509, 17-3-106(2), and 17-6-101(6)

Further Work Required

The recipients of the general fund money need to be identified along with potential effects of the expenditure reductions and any possible legal ramifications.

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Time : Medium

Committee: Multiple

Agency Name: Statewide Issue

Status : On-Going

FTE Impact : N

Program Name:

Mode : Research

MCA : Multiple

Option	General Fund	State Special	Federal Special
Program Eliminations/Modifications	\$1,112,000	(\$1,112,000)	\$0

Description of Option: General Fund Transfers

Criteria Name: Not subject to regular review

Summary of Issue

The legislature could examine general fund transfers to determine if reductions could be made. Options include:

1) reduce 10% to achieve the level of expenditure reductions identified in the "Preliminary Budget Outlook for the 2013 Biennium"; 2) reduce or eliminate amount for a set period; 3) reduce or eliminate transfers permanently. Amounts based on FY 2012 & 2013 estimates and exclude old state fund and Morrill transfers.

How the Fund Balance Would be Impacted

Reductions in transfers of general fund money to other accounts will increase the general fund balance.

Legislation Required

Five statutes would need to be amended

15-1-122, 17-1-511(2), 87-2-801(6), 87-2-803(12c), 87-2-805(5)

Further Work Required

The recipients of the general fund money need to be identified along with potential effects of the expenditure reductions and any possible legal ramifications.

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Legislative Budget Options

Section Name: Global Issue

Time : Medium

Committee: Multiple

Agency Name: Statewide Issue

Status : On-Going

FTE Impact : N

Program Name:

Mode : Research

MCA : Multiple

Option	General Fund	State Special	Federal Special
Revenue Enhancements	\$61,345,379	(\$61,345,379)	\$0

Description of Option: Redistribute Revenue Allocations to the General Fund

Criteria Name: Definition of success is nebulous or difficult to measure

Summary of Issue

There are a number of fees, taxes, and other revenue items that are deposited to the state general fund. Some of those revenue components are also distributed to non-general fund accounts to support other functions of state government. Based on an analysis prepared by the Legislative Fiscal Division (LFD), the general fund outlook for the 2013 biennium shows that revenues will be insufficient to fund present law services by approximately 10 percent per year. One way to achieve a balance between revenues and expenditures is to reduce state general fund spending. If general fund funded agencies are required to reduce spending by 10 percent, then those functions of government that receive an allocation of general fund revenues should reduce spending by a similar amount. This option would redistribute those revenues that currently are allocated to other state funds to the state general fund. The estimated impact is based on FY 2009 revenues allocated to non-general fund accounts of \$306,726,896 million. A significant portion of this revenue is currently distributed to local governments. Appendix A provides the detail of those revenue sources that are allocated to the general fund and to other state accounts. The amounts shown in the appendix are for FY 2009.

How the Fund Balance Would Be Impacted

General fund revenue collections would be increased by \$61.3 million for the biennium if 10 percent of the non-general fund allocations were redirected to the general fund. This would increase funds available to fund general fund funded services.

Further Work Required

Additional research would be required to determine the impact of the services provided by the functions of government that would experience reduced funding. Availability of other funding sources as well as carryover balances would need to be analyzed. Since a large portion of this revenue is allocated to local governments, an analysis of the impact on these entities would be required.

Legislation Required

Since these revenue allocations are specified in state statute, legislation would be required to change the allocations as currently specified in statute.

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Section Name: Global Issue

Time : Medium

Committee: Multiple

Agency Name: Statewide Issue

Status : One-Time

FTE Impact : N

Program Name:

Mode : Research

MCA :

Option	General Fund	State Special	Federal Special
Spending Deferrals or Suspensions	\$5,000,000	\$0	\$0

Description of Option: Revert GF from HB 645

Criteria Name: Definition of success is nebulous or difficult to measure

Summary of Issue

HB 645 appropriated \$259.3 million in general fund for the 2001 biennium. As of June 7, 2010 approximately \$55.5 million or 21.4% of the appropriation has been expended. It appears as if there is excess authority that could be removed.

How Fund Balance would Be Impacted

The fund balance would be impacted if the legislature chose to revert the outstanding appropriations prior to the end of FY 2011. The amount would be dependent on timing of the reversion and obligations of funds already in place.

Further Work Required

An examination of the GF appropriations and potential expenditures needs to be completed to determine what level of reversion could be accomplished. In addition, there may be some need for statutory changes.