Continuous State Budget; SB 14

SB 14 establishes a system of continuing appropriations by which existing appropriations would carry forward into the subsequent fiscal year unless the Legislature adjusts them.

Continuing Appropriations

The bill defines “continuing appropriations” as appropriations provided for in the previous fiscal year. The Secretary of Administration (Secretary), in consultation with the Director of the Budget and the Director of Legislative Research, may lapse Executive Branch continuing appropriations when they are determined to be unnecessary. The Secretary may also adjust continuing appropriations that match federal funding availability. State agencies are charged with notifying the Director of the Budget, who is charged with notifying the Governor and State Finance Council, when an excess of state funds to draw a federal match is identified.

Borrowing of Funds

The Secretary, in consultation with the Director of the Budget and the Director of Legislative Research, may make temporary allocations (borrow) between appropriated funds and special revenue funds when the balance of a fund is determined to be insufficient to meet its obligations, subject to approval by the State Finance Council. Non-State General Fund (SGF) borrowing is limited to no more than $400.0 million. The SGF borrowing is limited to 9.0 percent of total SGF expenditures in that fiscal year. If that amount is insufficient, the Secretary may borrow up to an additional 3.0 percent for up to 30 days. If the Secretary of Administration determines that borrowing between funds and accounts is warranted, the first fund to be considered as a source of funds is the Budget Stabilization Fund. Source funds that are borrowed from must be reimbursed for any lost interest revenue in the event that statutes specify the funds retain such revenue.

Reports to the Legislature

The Secretary will report any borrowing of funds to the House Committee on Appropriations and the Senate Committee on Ways and Means on a monthly basis, with the details of such borrowing.

Effective Date; Sunset

The bill sunsets on July 1, 2030.