



House of Representatives

General Assembly

File No. 858

January Session, 2009

House Bill No. 5309

House of Representatives, April 30, 2009

The Committee on Appropriations reported through REP. GERAGOSIAN of the 25th Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

AN ACT CONCERNING FEDERAL FUNDS UNDER THE SPENDING CAP.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 2-33a of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective July 1, 2009*):

3 The General Assembly shall not authorize an increase in general
4 budget expenditures for any fiscal year above the amount of general
5 budget expenditures authorized for the previous fiscal year by a
6 percentage which exceeds the greater of the percentage increase in
7 personal income or the percentage increase in inflation, unless the
8 Governor declares an emergency or the existence of extraordinary
9 circumstances and at least three-fifths of the members of each house of
10 the General Assembly vote to exceed such limit for the purposes of
11 such emergency or extraordinary circumstances. Any such declaration
12 shall specify the nature of such emergency or circumstances and may
13 provide that such proposed additional expenditures shall not be
14 considered general budget expenditures for the current fiscal year for

15 the purposes of determining general budget expenditures for the
16 ensuing fiscal year and any act of the General Assembly authorizing
17 such expenditures may contain such provision. As used in this section,
18 "increase in personal income" means the average of the annual increase
19 in personal income in the state for each of the preceding five years,
20 according to United States Bureau of Economic Analysis data;
21 "increase in inflation" means the increase in the consumer price index
22 for urban consumers during the preceding twelve-month period,
23 according to United States Bureau of Labor Statistics data; and "general
24 budget expenditures" means expenditures from appropriated funds
25 authorized by public or special act of the General Assembly, provided
26 (1) general budget expenditures shall not include expenditures for
27 payment of the principal of and interest on bonds, notes or other
28 evidences of indebtedness, expenditures pursuant to section 4-30a, or
29 current or increased expenditures for statutory grants to distressed
30 municipalities, provided such grants are in effect on July 1, 1991, [and]
31 (2) expenditures for the implementation of federal mandates or court
32 orders shall not be considered general budget expenditures for the first
33 fiscal year in which such expenditures are authorized, but shall be
34 considered general budget expenditures for such year for the purposes
35 of determining general budget expenditures for the ensuing fiscal year,
36 and (3) the amount of federal funds appropriated in any fiscal year
37 shall be deemed to have been appropriated in the previous fiscal year
38 and shall be considered general budget expenditures for the purposes
39 of determining general budget expenditures for such previous fiscal
40 year. As used in this section, "federal mandates" means those programs
41 or services in which the state must participate, or in which the state
42 participated on July 1, 1991, and in which the state must meet federal
43 entitlement and eligibility criteria in order to receive federal
44 reimbursement, provided expenditures for program or service
45 components which are optional under federal law or regulation shall
46 be considered general budget expenditures.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>July 1, 2009</i>	2-33a
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APP *Joint Favorable*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact: See below

Municipal Impact: None

Explanation

The bill states that, for purposes of calculating the statutory spending cap, the amount of federal funds appropriated in any fiscal year shall be deemed to have been appropriated in the previous fiscal year and shall be considered general budget expenditures for the purposes of determining general budget expenditures for such previous fiscal year. The spending cap is currently calculated by the Office of Policy and Management for the Governor's recommended budget and by the Office of Fiscal Analysis prior to the passage of the budget. At this time the future impact associated with this change is uncertain due to variability of federal funds appropriated in any given fiscal year.

The Out Years

State Impact: See above

Municipal Impact: None

OFA Bill Analysis**HB 5309*****AN ACT CONCERNING FEDERAL FUNDS UNDER THE SPENDING CAP.*****SUMMARY:**

The bill states that, for purposes of calculating the statutory spending cap, the amount of federal funds appropriated in any fiscal year shall be deemed to have been appropriated in the previous fiscal year and shall be considered general budget expenditures for the purposes of determining general budget expenditures for such previous fiscal year. The spending cap is currently calculated by the Office of Policy and Management for the Governor's recommended budget and by the Office of Fiscal Analysis prior to the passage of the budget.

EFFECTIVE DATE: July 1, 2009

COMMITTEE ACTION

Appropriations Committee

Joint Favorable Report

Yea 41 Nay 13

(04/15/09)