STATE OF CONNECTICUT
OFFICE OF POLICY AND MANAGEMENT

TESTIMONY PRESENTED TO THE APPROPRIATIONS COMMITTEE
MARCH 27, 2015

Benjamin Barnes
Secretary
Office of Policy and Management

Testimony Supporting House Bill No. 6826

AN ACT REVISING THE REQUIREMENTS FOR THE GOVERNOR'S BUDGET RECOMMENDATIONS

Senator Bye, Representative Walker and distinguished members of the Appropriations Committee, thank you for the opportunity to offer testimony on House Bill No. 6826, An Act Revising the Requirements for the Governor's Budget Recommendations.

This bill would eliminate unnecessary data reporting, as well as the unconstitutional restraint on the Governor's ability to recommend a budget for all of state government. Specifically, this bill would:

1. Eliminate the requirement that the Governor's budget include specific program and minor-object level of detail and a summary of full time positions;
2. Eliminate monthly non-appropriated fund reporting;
3. Eliminate the monthly position status report (MPSR); and
4. Restore the Governor's ability to recommend a budget for the Legislative and Judicial branches.

Section 1 eliminates the summary of filled and vacant full time positions from the list of required exhibits in the Governor's recommended budget. The "authorized position count" is a relic that is not very useful for decision making, as most agencies do not have sufficient funding to hire staff up to the "authorized" level. Moreover, the filled number must, of necessity, be "as of" some date, usually the end of the most recently completed fiscal year. This renders that data even less useful for decision making. Finally, the position count figure does not cover the substantial number of hiring actions involving part-time and durational staff, which are not amenable to a useful quantification. As funding remains the biggest constraint on hiring, elimination of this requirement would be helpful in streamlining the requirements of the Governor's budget document.

Section 2 eliminates the requirements for the Governor to present a program budget, minor object detail, energy costs, and the Governor's ability to recommend a budget for the Legislative and Judicial branches. The budget is not developed on program or minor object detail bases, and the data presented in the budget book for the upcoming biennium is typically pro-rated based on actual expenditures, rendering "recommended" levels of little utility in decision making. Eliminating these requirements would streamline production of the Governor's budget without sacrificing any meaningful detail with respect to the Governor's budget proposal. It's worth noting that the legislature adopted these changes in Public Act 11-48, though they were later rescinded in Public Act 11-61. It's also worth noting that the OFA budget book no longer presents the budget by program, abandoning that detail effective with the FY 2004 - FY 2005 budget.

With respect to the Governor's ability to recommend adjustments to the Legislative and Judicial branch budget requests, we maintain that the current prohibition is a violation of the Governor's constitutional right to free speech as well as his statutory obligation to present a budget that represents "(t)he Governor's program for meeting all the expenditure needs of the government..." (CGS 4-72, emphasis added) and "the Governor's recommendation for appropriations to meet the expenditure needs of the state..." (CGS 4-73, emphasis added). As with all budgets, the Governor's recommendation represents a blueprint or plan, but the "power of the purse" is held by the General Assembly, which must ultimately pass budget legislation for the Governor's signature. The Governor's budget document includes the amount of funding requested by each budgeted agency, so the requirement that the Governor's recommendations must mirror those requested amounts provides no additional information, and in fact, only serves to obfuscate the Governor's proposal for meeting the expenditure needs of the government. Finally, the current language skews the budget process by requiring the Governor to present a balanced budget, yet makes substantial areas of the budget off-limits to his recommendations, thus requiring that the Executive branch of government bear the full impact of any reductions to achieve balance.

Section 3 eliminates the requirement for a database of non-appropriated moneys held by each agency to be transmitted each biennium to the legislature. Information about actual expenditures of all funds—appropriated as well as non-appropriated—is available to the Office of Fiscal Analysis via Core-CT, the state's financial management information system, so this requirement is outdated and unnecessary.

Section 4 eliminates the requirements for monthly submission of non-appropriated fund reports and position status reports to the Office of Fiscal Analysis. Information about actual expenditures from all sources of funds is available in Core-CT, making this reporting duplicative and unnecessary. Production of the current position status report is time-consuming and has been unreliable for decision making, particularly with

respect to information for higher education agencies as well as agencies that are not part of the Executive branch. It is our understanding that the Office of Fiscal Analysis does not use the report that is currently provided by OPM, but instead uses data from Core-CT and perhaps other sources to meet its informational needs.

I respectfully request that the committee support this bill. Thank you for the opportunity to present this testimony, and I am happy to answer any questions you may have.