

IN THE SENATE

SENATE BILL NO. 1152

BY FINANCE COMMITTEE

AN ACT

1 RELATING TO STATE AGENCY RECEIPT OF FEDERAL FUNDS; PROVIDING LEGISLATIVE
2 INTENT; AMENDING SECTION 67-1917, IDAHO CODE, TO REVISE REPORTING RE-
3 QUIREMENTS BY STATE AGENCIES THAT RECEIVE FEDERAL FUNDS, TO PROVIDE AN
4 EXCEPTION FOR HIGHER EDUCATIONAL INSTITUTIONS AND TO DEFINE "FEDERAL
5 FUNDS"; AMENDING SECTION 67-3502, IDAHO CODE, TO ESTABLISH THAT BUDGET
6 REQUESTS PROVIDE A REPORT THAT DISCLOSES ANY KNOWN FUTURE REDUCTIONS OR
7 ELIMINATIONS OF FEDERAL FUNDS AND AN AGENCY'S PLAN FOR OPERATING IF CER-
8 TAIN CIRCUMSTANCES OCCUR AND TO MAKE A TECHNICAL CORRECTION; AMENDING
9 SECTION 67-3506, IDAHO CODE, TO PROVIDE THAT THE BUDGET DOCUMENT SHALL
10 CONSIST OF FOUR PARTS; AMENDING SECTION 67-3507, IDAHO CODE, TO PROVIDE
11 THAT PART IV OF THE BUDGET DOCUMENT SHALL CONSIST OF FEDERAL FUNDING
12 REPORTS AND CERTAIN DISCLOSURES AND TO MAKE TECHNICAL CORRECTIONS; AND
13 AMENDING SECTION 67-3513, IDAHO CODE, TO PROVIDE FOR LEGISLATIVE COM-
14 MITTEE CONSIDERATION OF A REPORT REGARDING FEDERAL FUNDS.
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16 Be It Enacted by the Legislature of the State of Idaho:

17 SECTION 1. LEGISLATIVE INTENT. It is the intent of the Legislature that
18 federal funds being awarded to or administered by state agencies now consti-
19 tute a significant portion of state expenditures. To have the Legislature
20 ignore these funds would greatly undermine the authority of the Legislature
21 to appropriate moneys. It is imperative that members of the Legislature, Ex-
22 ecutive Branch and the general public be able to see all the details of fed-
23 eral funds received by the state so that they can prepare for a possible re-
24 duction in federal funds, measure the impact of the programs supported with
25 federal funds and act in the best interest of Idahoans.

26 SECTION 2. That Section 67-1917, Idaho Code, be, and the same is hereby
27 amended to read as follows:

28 67-1917. REPORTS BY PARTICIPATING STATE AGENCIES. Any state agency
29 that ~~participates in any federal assistance program~~ receives federal funds,
30 ~~anticipates receipt of federal funds or administers a program supported by~~
31 ~~federal funds shall make additional information available as the division of~~
32 ~~financial management may require~~ provide reports on the use of federal funds
33 ~~as part of each agency's annual budget request to the division of financial~~
34 ~~management. The postsecondary educational institutions shall be provided~~
35 ~~an exception to these requirements and shall submit an audited schedule of~~
36 ~~expenditures of federal awards for the preceding fiscal year to the office of~~
37 ~~the state board of education who shall consolidate such information and sub-~~
38 ~~mit a report to the division of financial management. The reports required~~
39 ~~of all other agencies shall:~~

40 (1) Delineate the federal funds received for the preceding fiscal year;

1 (2) Delineate the federal funds to be utilized by the state agency for
 2 the current and upcoming fiscal year. The report shall include federal funds
 3 appropriated by the legislature, federal funds continuously appropriated
 4 and any programs supported by federal funds, the loss of which may impact the
 5 continuity or delivery of services;

6 (3) Identify any obligations, agreements, joint exercise of powers
 7 agreements, maintenance of effort agreements, or memoranda of understand-
 8 ing that may be impacted by federal or state decisions regarding federal
 9 receipts;

10 (4) Calculate the percentage that constitutes federal funds to the to-
 11 tal appropriation for the state agency for the fiscal year.
 12 As used in this section, "federal funds" means any financial assistance made
 13 by the United States government, or any agency thereof, whether a contract,
 14 grant subsidy, augmentation, reimbursement or in any other form.

15 SECTION 3. That Section 67-3502, Idaho Code, be, and the same is hereby
 16 amended to read as follows:

17 67-3502. FORMAT AND PREPARATION OF ANNUAL BUDGET REQUESTS. In the
 18 preparation of a state budget, the administrator of the division of fi-
 19 nancial management shall, not later than the fifteenth day of July, have
 20 available for all departments, offices and institutions of the state gov-
 21 ernment forms necessary to prepare budget requests. Such forms, whether in
 22 electronic or written format, shall be developed by the administrator of
 23 the division and the legislative services office to provide the following
 24 information:

25 (1) For the preceding fiscal year, each of the entities listed above
 26 shall report all funds available to them regardless of source, including
 27 legislative appropriations, and their expenditures by fund and object of all
 28 sums received from all sources, segregated as provided for on the forms.

29 (2) For the current fiscal year, each of the entities listed above shall
 30 report their estimates of all funds available to them regardless of source,
 31 including legislative appropriations, and their estimated expenditures by
 32 fund and object of all sums received from all sources, segregated as provided
 33 for on the forms, including a statement of the purposes for which anticipated
 34 funds are expected to be expended.

35 (3) An estimate of appropriations needed for the succeeding fiscal
 36 year, showing each primary program or major objective as a separate item of
 37 the request and itemized by object code.

38 (4) A report concerning the condition and management of programs, pro-
 39 gram performance, and progress toward accomplishing program objectives.

40 (5) A report that discloses any known future reductions or eliminations
 41 of federal funds reported to the division of financial management under sec-
 42 tion 67-1910, Idaho Code, and the agency's plan for operating if there is a
 43 reduction of ten percent (10%) or more in the federal funds that the state
 44 agency receives.

45 The completed forms shall, not later than the first day of September,
 46 except with special permission and agreement of the administrator of the di-
 47 vision of financial management and the director of the legislative services
 48 office, be filed in the office of the administrator of the division of fi-
 49 nancial management and the legislative services office. The legislative and

1 judicial departments shall, as early as practicable and in any event no later
 2 than the first day of November, prepare and file in the office of the governor
 3 and the legislative services office upon the forms described in this section
 4 a report of all of the information required in this section. The judicial de-
 5 partment shall include in its filing the budget request of the judicial coun-
 6 cil as submitted by the judicial council.

7 SECTION 4. That Section 67-3506, Idaho Code, be, and the same is hereby
 8 amended to read as follows:

9 67-3506. GOVERNOR TO TRANSMIT BUDGET DOCUMENT. Not later than five (5)
 10 days following the convening of each regular legislative session, the gover-
 11 nor shall transmit to the legislature a budget document setting forth his fi-
 12 nancial plan for the next fiscal year, and having the character and scope set
 13 forth. The budget document shall consist of ~~three~~ four (34) parts, the na-
 14 ture and contents of which are set forth in section 67-3507, Idaho Code. The
 15 requests of the legislative and judicial departments shall be transmitted as
 16 submitted by those departments.

17 SECTION 5. That Section 67-3507, Idaho Code, be, and the same is hereby
 18 amended to read as follows:

19 67-3507. EXECUTIVE BUDGET. The executive budget document shall con-
 20 sist of the following ~~three~~ four (34) parts:

21 (1) Part I of the executive budget document shall consist of a budget
 22 message by the governor ~~which~~ that shall outline the financial plan of the
 23 executive department of the state government for the next fiscal year, de-
 24 scribing the important features of the financial plan.

25 (2) Part II of the budget document shall present in detail for the next
 26 fiscal year, as minimum information to be included in Part II, items showing:
 27 estimates of agency needs based on the governor's recommendations, to meet
 28 the expenditure needs of the state from all available funds classified by
 29 agencies and showing the cost of each major program. Part II shall also set
 30 forth the governor's recommendations for the capital program. All funds,
 31 including federal and local funds and interagency receipts received for any
 32 purpose, shall be accounted for in the budget.

33 (3) Part III of the budget document shall consist of the annual perfor-
 34 mance plans required in section 67-1904, Idaho Code.

35 (4) Part IV of the budget document shall consist of the federal funding
 36 reports required under section 67-1917, Idaho Code, and the disclosures re-
 37 quired under section 67-3502(5), Idaho Code.

38 SECTION 6. That Section 67-3513, Idaho Code, be, and the same is hereby
 39 amended to read as follows:

40 67-3513. COMMITTEES OF LEGISLATURE TO CONSIDER BUDGET. (1) The stand-
 41 ing committees of the house of representatives and of the senate in charge of
 42 appropriation measures shall sit jointly in open sessions while considering
 43 the budget. Such committee may resolve itself into executive session upon
 44 the vote of two-thirds (2/3) of the membership of the committee, at which
 45 time persons who are not members of the legislature may be excluded; pro-

1 vided, however, that during such executive session, no votes or any official
2 action may be taken. The administrator of the division of financial manage-
3 ment or his designated representative shall attend all meetings of the joint
4 committee and shall present to the committee the recommendations of the gov-
5 ernor for amounts to be appropriated for each department, office and insti-
6 tution, including the elective officers and the state board of education,
7 such presentation to include all information necessary to substantiate the
8 recommendations of the governor. The joint committee at its discretion may
9 cause the attendance of heads or responsible representatives of said depart-
10 ments, offices and institutions. The joint committee may increase or de-
11 crease items in the budget as it may deem to be in the interests of greater
12 economy and efficiency in the public service.

13 (2) By not later than January 15 of each year, the administrator of the
14 division of financial management shall report to the joint committee the
15 following minimal information:

16 (a) A list by department, by program, and by funding source of all per-
17 manent positions authorized as of January 1 of that year and the current
18 salary established for each position as of January 1 of that year; the
19 list shall also designate which of the listed positions were vacant as
20 of January 1, and the date such position became vacant.

21 (b) A list by department, by program, and by funding source of the
22 amounts needed to fund the state employee compensation changes being
23 recommended by the governor, which list must be prepared to show the
24 individual cost of each component of the compensation changes.

25 (c) A report that compiles and summarizes the information the division
26 of financial management received in accordance with sections 67-1917
27 and 67-3502(5), Idaho Code.