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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2010

A N A C T

RELATING TO PUBLIC FINANCE -- STATE BUDGET

Introduced By: Senator Harold M. Metts

Date Introduced: February 09, 2010

Referred To: Senate Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Chapter 35-3 of the General Laws entitled "State Budget" is hereby
2 amended by adding thereto the following sections:

3 **35-3-1.1. Budget process – Creation of authorization and appropriation bills and**
4 **committees. -- (a) The purpose of this chapter shall be to establish a process for the proposal,**
5 **creation, enactment, and implementation of a state budget for the operation of the state. The**
6 **process outlined herein shall provide greater transparency, accountability, and efficiency than**
7 **previous processes.**

8 (b) There is hereby established in the house of representatives a committee to be known
9 as the house appropriations committee. The house shall determine the process for the selection of
10 the committee members. The main powers and duties of said committee shall be in relation to
11 appropriations legislation.

12 (c) There is hereby also established in the house of representatives a committee to be
13 known as the house authorizations committee. The house shall determine the process of the
14 selection of the committee members. The main powers and duties of said committee shall be in
15 relation to authorizations legislation.

16 (d) There is hereby established in the senate a committee to be known as the senate
17 appropriations committee. The senate shall determine the process for the selection of the
18 committee members. The main powers and duties of said committee shall be in relation to
19 appropriations legislation.

1 (e) There is hereby also established in the senate a committee to be known as the senate
2 authorizations committee. The senate shall determine the process for the selection of the
3 committee members. The main powers and duties of said committee shall be in relation to
4 authorizations legislation.

5 (f) As used in this chapter: (1) The term “authorization(s) bills” and/or “authorizations(s)
6 legislation” means legislation which authorizes the state to establish, continue, or modify an
7 agency, department, bureau, or other instrumentality of state government, and/or program thereof,
8 but does not in and of itself fund the same;

9 (2) The term “appropriation(s) bills” and/or “appropriations(s) legislation: means
10 legislation which obligates the state to pay for and provide funding necessary to implement an
11 agency, department, bureau, or other instrumentality of state government, and/or program thereof;
12 and

13 (3) The term “budget period” means a period of at least twenty-four (24) consecutive
14 months during which time a budget enacted by the general assembly shall be in effect.

15 **35-3-1.2. Access to public records. --** The house appropriations committee, the house
16 authorizations committee, the senate appropriations committee, and the senate authorizations
17 committee shall have free access to all public records and documents in this state which may be
18 of value to said committee(s) in connection with the research and study of the said committee(s)
19 and staff. The committee(s) or any member or any of its personnel may inspect the properties,
20 equipment, facilities, and records of the various departments, commissions, boards, or agencies of
21 the state.

22 **35-3-1.3. Subpoena power. --** The house appropriations committee, the house
23 authorizations committee, the senate appropriations committee, and the senate authorizations
24 committee are authorized in the performance of their respective duties as provided herein to
25 require the attendance of any state employee by subpoena or otherwise and to require the
26 production of books, papers, and documents which are necessary for its work.

27 **35-3-1.4. Staff offices. --** The house appropriations committee, the house authorizations
28 committee, the senate appropriations committee, and the senate authorizations committee shall be
29 provided with suitable offices in the state house for their respective staffs.

30 **35-3-10.1. Consideration of bill by respective chambers. --** The authorizations bills and
31 the appropriations bills issued by the respective committees shall be taken up for full vote in the
32 respective chamber and, after passage by either chamber, shall be transmitted to the other
33 chamber in the same manner as other bills are transmitted and received, and, upon receipt thereof,
34 they shall forthwith be referred to an appropriate committee, which shall proceed to the

1 consideration of the bill in the manner as provided in section 35-3-9. A single or two dual
2 appropriations bills may be passed, provided that if dual bills are passed, they shall be identical to
3 each other and shall not conflict with one another. Provided, the general assembly shall not
4 appropriate money to an agency, department, bureau, or instrumentality of the state, or program
5 thereof, that is not authorized in an authorization bill generated by the house or senate
6 authorizations committee. Provided further, that the general assembly shall not be required to
7 appropriate money to an agency, department, bureau, or instrumentality of the state, or program
8 thereof, because it is authorized in an authorization bill. To clarify further, the authorizations
9 bill(s) shall authorize budgetary action to be taken, but shall not require such action. The
10 appropriations bill(s) shall be the mechanism by which authorizations are implemented and
11 funded.

12 **35-3-10.2. Government accountability office established.** – There shall be established a
13 new department within the general assembly to be known as the government accountability
14 office. The purpose of said office shall be to provide oversight to, and track, and provide real-
15 time data regarding the status of each state department in regard to the balanced scorecard. This
16 office shall disseminate information to state government departments, the respective house and
17 senate chambers, and the governor’s office on at least a quarterly basis. The office shall maintain
18 a website, which it shall update periodically to also provide such information.

19 SECTION 2. Sections 35-3-2, 35-3-7 and 35-3-9 of the General Laws in Chapter 35-3
20 entitled "State Budget" are hereby amended to read as follows:

21 **35-3-2. ~~Annual appropriations for state government~~ Appropriations for state**
22 **government.** -- The general assembly shall **annually** appropriate such sums as it may deem
23 necessary to pay the administrative and other expenses of the state government.

24 **35-3-7. Submission of budget to general assembly -- Contents.** -- (a) On or before the
25 third Thursday in January in each year of each January session of the general assembly in which a
26 new two (2) year state budget is to be authorized, the governor shall submit to each chamber of
27 the general assembly a document known as a grand strategy. This document shall be transmitted
28 forthwith to the house or senate committees on authorizations, depending on the chamber. The
29 grand strategy shall serve as the standard for all decisions regarding government spending,
30 savings, and investments. The grand strategy shall include a statement of its overall theme,
31 purpose, and intent. The governor shall also attach a global budget to the grand strategy. Said
32 budget shall contain ~~budget containing~~ a complete plan of estimated revenues and proposed
33 expenditures, with a personnel supplement detailing the number and titles of positions of each
34 agency and the estimates of personnel costs for the next fiscal ~~year~~ period. The proposed budget

1 shall cover two (2) consecutive fiscal years, which shall be known as a fiscal period, and shall be
2 consistent with the aims, goals, and objectives of the grand strategy. Provided, however, in those
3 years that a new governor is inaugurated, the new governor shall submit the budget on or before
4 the first Thursday in February. In the budget the governor may set forth in summary and detail:

5 (1) Estimates of the receipts of the state during the ensuing fiscal ~~year~~ period under laws
6 existing at the time the budget is transmitted and also under the revenue proposals, if any,
7 contained in the budget, and comparisons with the estimated receipts of the state during the
8 current fiscal ~~year~~ period, as well as actual receipts of the state for the last two (2) completed
9 fiscal years.

10 (2) Estimates of the expenditures and appropriations necessary in the governor's
11 judgment for the support of the state government for the ensuing fiscal ~~year~~ period, and
12 comparisons with appropriations for expenditures during the current fiscal ~~year~~ period, as well as
13 actual expenditures of the state for the last two (2) complete fiscal years.

14 (3) Financial statements of the

15 (i) Condition of the treasury at the end of the last completed fiscal year;

16 (ii) The estimated condition of the treasury at the end of the current fiscal year; and

17 (iii) Estimated condition of the treasury at the end of the ensuing fiscal year if the
18 financial proposals contained in the budget are adopted.

19 (4) All essential facts regarding the bonded and other indebtedness of the state.

20 (5) A report indicating those program revenues and expenditures whose funding source
21 is proposed to be changed from state appropriations to restricted receipts, or from restricted
22 receipts to other funding sources.

23 (6) Such other financial statements and data as in the governor's opinion are necessary or
24 desirable. Such material shall be consistent with the grand strategy.

25 (b) Any other provision of the general laws to the contrary notwithstanding, the proposed
26 appropriations submitted by the governor to the general assembly for the next ensuing fiscal year
27 should not be more than five and one-half percent (5.5%) in excess of total state appropriations,
28 excluding any estimated supplemental appropriations, enacted by the general assembly for the
29 fiscal year previous to that for which the proposed appropriations are being submitted; provided,
30 that the increased state share provisions required to achieve fifty percent (50%) state financing of
31 local school operations as provided for in P.L. 1985, ch. 182, shall be excluded from the
32 definition of total appropriations.

33 (c) Notwithstanding the provisions of subsection 35-3-7(a), the governor shall submit to
34 the general assembly a budget for the fiscal year ending June 30, 2006 not later than the fourth

1 (4th) Thursday in January 2005.

2 (d) Notwithstanding the provisions of subsection 35-3-7(a), the governor shall submit to
3 the general assembly a supplemental budget for the fiscal year ending June 30, 2006 and/or a
4 budget for the fiscal year ending June 30, 2007 not later than Thursday, January 26, 2006.

5 (e) Notwithstanding the provisions of subsection 35-3-7(a), the governor shall submit to
6 the general assembly a supplemental budget for the fiscal year ending June 30, 2007 and/or a
7 budget for the fiscal year ending June 30, 2008 not later than Wednesday, January 31, 2007.

8 **35-3-9. Action on bills by house committee -- Hearings. -- Action on bills by house**
9 **and senate committee -- Hearings. -- (a)** The budget, grand strategy, and any other plan and bill

10 or bills for proposed authorizations shall be heard by the respective house and senate
11 authorizations committee. ~~appropriations, when sent by the governor to the general assembly,~~
12 ~~shall be referred as soon as practicable to an appropriate committee of the house of~~
13 ~~representatives, and the committee shall forthwith proceed to the consideration of the bill.~~ The
14 committee shall hear the budget officer upon the bill as a whole or upon any item thereof or any
15 proposed amendment thereto as each may elect, and the committee may summon the budget
16 officer to appear before it and to furnish such information relative to the bill or any item therein,
17 or any proposed amendment thereto, as it may require, and the committee may in its discretion
18 hear the proper person representing any department or agency desiring to be heard with respect to
19 any item or amendment in the bill relating to the department or agency; provided, that nothing
20 contained in this section shall be construed to limit the right of the committee to hold public
21 hearings upon the bill as a whole or upon any item therein, or to summon any person for
22 examination regarding any item contained therein, or for the purpose of obtaining information
23 necessary for a full and proper consideration of the bill. The ~~committees~~ committee, after the
24 consideration of the bill, shall report the bill with their ~~its~~ recommendation endorsed thereon to
25 ~~the house of representatives~~ their respective chambers. This document shall be known as a
26 legislative authorization bill. A copy of this bill be sent to the governor.

27 (b) Within twenty (20) days after receipt of the legislative authorization bill, the governor
28 shall submit to the house and senate appropriations committee a strategic plan called a “balanced
29 scorecard” that shall justify the detailed annual budget. The strategic plan shall be an action-
30 oriented blueprint that communicates, coordinates, facilitates, and funds the implementation of
31 the grand strategy.

32 (c) The house and senate shall transmit copies of the respective authorization bills to the
33 chamber’s respective appropriations committees. Each committee shall forthwith proceed to the
34 consideration of the bill in its possession. The committee shall hear the budget officer upon the

1 bill as a whole or upon any item thereof or any proposed amendment thereto as each may elect,
2 and the committee may summon the budget officer to appear before it and to furnish such
3 information relative to the bill or any item therein, or any proposed amendment thereto, as it may
4 require, and the committee may in its discretion hear the proper person representing any
5 department or agency desiring to be heard with respect to any item or amendment in the bill
6 relating to the department or agency; provided, that nothing contained in this section shall be
7 construed to limit the right of the committee to hold public hearings upon the bill as a whole or
8 upon any item therein, or to summon any person for examination regarding any item contained
9 therein, or for the purpose of obtaining information necessary for a full and proper consideration
10 of the bill. The committee, after the consideration of the bill, shall report the bill with its
11 recommendation endorsed thereon to its respective chamber as an appropriations bill.

12 (d) As part of their duties in relation to appropriations, the respective house and senate
13 appropriations committees shall be charged with learning to understand how both the balanced
14 scorecard issued by the governor's office and the budget impact and further the achievement of
15 the governor's grand strategy. The committees shall issue a report with their budget setting forth
16 the extent to which the appropriations legislation complies with and derogates from the balanced
17 scorecard and the grand strategy.

18 SECTION 3. Sections 35-3-10 and 35-3-11 of the General Laws in Chapter 35-3 entitled
19 "State Budget" are hereby repealed.

20 ~~**35-3-10. Consideration of bill by senate committee.** --- The bill, after passage by the~~
21 ~~house of representatives in its original form as transmitted by the governor, or as amended by the~~
22 ~~house, shall be transmitted to and received by the senate in the same manner as other bills are~~
23 ~~transmitted and received, and, upon receipt thereof by the senate, it shall forthwith be referred to~~
24 ~~an appropriate committee, which shall proceed to the consideration of the bill in the manner as~~
25 ~~provided in section 35-3-9 for the consideration of the bill by the committee of the house of~~
26 ~~representatives.~~

27 ~~**35-3-11. Consideration of budget by senate.** --- The bill, with the endorsement of the~~
28 ~~committee of the senate thereon, shall be considered by the senate in accordance with the joint~~
29 ~~rules and orders and rules of the senate, and may be amended in such manner as the senate may~~
30 ~~determine.~~

31 SECTION 4. This act shall take effect July 1, 2011.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N A C T
RELATING TO PUBLIC FINANCE -- STATE BUDGET

1 This act would create a new process for the enactment of the state budget, providing for
2 new committees in each chamber to review said budget and also providing that budgets would be
3 for a two (2) year period.

4 This act would take effect July 1, 2011.

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