

OPPOSE

Legislature Must Maintain Budgeting Powers

THE COUNCIL urges the legislature to reject divesting its appropriation authority to the Executive Branch

The Council opposes the Executive budget provisions authorizing the director of the division of the budget (DOB) from reducing school aid and other appropriations if federal or other receipts fall short of projections.

School districts rely on the enactment of a timely state budget with reliable school aid appropriations to develop a school year budget that voters approve or reject in May for the following school year. The district-by-district school aid appropriations don't always meet the needs of every individual district, but school districts have not had to worry about the reliability of the appropriation being distributed in a timely manner. That reality would change if the Executive aid to localities bill is enacted without a critical modification.

The Executive budget includes language within the school aid section of the budget, among multiple other appropriations, granting DOB the authority to unilaterally reduce enacted appropriations of offset a loss in receipts from the federal government or other revenue sources. If enacted, and DOB took such an action, school districts across the state would suffer undue harm. No one wants to see the state miss revenue projections and have to enact cuts in any area of state service, but the proposed methodology authorizing current year cuts would be exponentially more damaging than cuts or reductions in aid below forecasted levels the following fiscal year.

We all hope that the new administration does not take actions that reduce federal revenue to the state in a manner that disrupts the state financial outlook. Just the same, we hope that projected income and sales tax receipts and other revenue streams meet projected revenues. But year in and year out, we all understand that the world is complex and unforeseen events occur. If such events occur after the budget is enacted, the Governor and the legislature can return in a special session and enact thoughtful reforms necessary to stabilize the state's finances.

Under no circumstance is it appropriate for the legislature to forego its constitutional obligation to determine appropriation levels and to divest itself of this important responsibility.

The Council strongly opposes this proposal and urges its rejection.