

OFFICE OF LEGISLATIVE RESEARCH
PUBLIC ACT SUMMARY



PA 25-140—sHB 7267

Finance, Revenue and Bonding Committee

AN ACT CONCERNING THE FISCAL ACCOUNTABILITY REPORT

SUMMARY: This act changes specified components of the annual legislative reports the Office of Policy and Management and Office of Fiscal Analysis must submit on revenue and spending estimates for the current biennium and the three following fiscal years (fiscal accountability reports). Specifically, the act requires the reports to include an:

1. estimate of material and likely changes to nonfixed costs (in addition to spending changes due to fixed cost drivers, as existing law requires), and
2. analysis of the state's preparedness for plausible recession scenarios, including (a) estimating the size of multiyear budget deficits from revenue declines and other contingencies and (b) assessing whether the Budget Reserve Fund and other state resources are enough to address these deficits.

The act also eliminates the requirements that the reports include (1) the total spending change required to accommodate fixed cost drivers without exceeding current revenue estimates and (2) an analysis of possible uses of surplus funds, including paying into the Budget Reserve Fund, retiring debt, and funding pension liabilities.

As under existing law, the reports must also include:

1. the estimated level of spending change from current year spending allowed by consensus revenue estimates in each fund;
2. any changes to current year spending needed due to fixed cost drivers, such as debt service, pension contributions, retiree health care, entitlement programs, and federal mandate costs; and
3. specified other analyses, including the projected Budget Reserve Fund balance for the applicable fiscal years.

EFFECTIVE DATE: Upon passage