

House Bill 1112 (COMMITTEE SUBSTITUTE)

By: Representatives Pirkle of the 155th, England of the 116th, Smith of the 134th, Welch of the 110th, and Dickey of the 140th

A BILL TO BE ENTITLED
AN ACT

1 To amend Part 1 of Article 4 of Chapter 12 of Title 45 and Article 2 of Chapter 17 of Title
2 50 of the Official Code of Georgia Annotated, relating to management of budgetary and
3 financial affairs and state financing and investment, respectively, so as to provide for the
4 creation of the State Council of Economic Advisors; to provide for its composition, duties,
5 and responsibilities; to provide for the approval by the council of estimated ranges of the
6 cash resources available to meet expenditures; to require that the budget report and drafts of
7 the General Appropriations Act or Acts shall conform to such estimated ranges; to provide
8 that the required submission of annual estimates by budget units shall be submitted to the
9 House Budget and Research Office and the Senate Budget and Evaluation Office; to provide
10 for a deadline for such annual submissions; to require documentation related to periodic work
11 programs and requests for allotments to be simultaneously submitted to such offices; to
12 require such offices to review such documentation; to require the Legislative Services
13 Committee to review, investigate, and direct changes related to periodic work programs; to
14 require notification upon changes in allotments by the Governor; to repeal certain duties of
15 the Office of Planning and Budget related to state agencies and state government; to add the
16 Georgia Technology Authority to the definition of state authorities for state financing and
17 investment; to establish conditions for contractually obligated or otherwise reserved
18 appropriations that shall not lapse; to prohibit the redirection of bond proceeds; to provide
19 for related matters; to repeal conflicting laws; and for other purposes.

20 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

21 **SECTION 1.**

22 Part 1 of Article 4 of Chapter 12 of Title 45 of the Official Code of Georgia Annotated,
23 relating to management of budgetary and financial affairs, is amended by adding a new Code
24 section to read as follows:

25 "45-12-75.2.

26 (a) There is created the State Council of Economic Advisors.

27 (b) The council shall consist of five members. Three members shall be appointed by the
 28 Governor, one of whom shall be the Governor's Economic Advisor who shall serve as
 29 chairperson of the council. One member shall be appointed by the Speaker of the House
 30 of Representatives. One member shall be appointed by the President of the Senate.

31 (c) Each member of the council shall either be an economist or a person who has a
 32 background and expertise in state revenues in the State of Georgia.

33 (d) Each member of the council shall serve for the same term of office as the person who
 34 appointed such member and shall be eligible for reappointment.

35 (e) The members of the council shall receive such compensation and expense
 36 reimbursement as established by the Governor from funds appropriated to the Governor's
 37 office.

38 (f) The council shall meet at least quarterly and shall prepare and approve annually an
 39 estimated range of the amount of unappropriated surplus expected to have accrued in the
 40 state treasury at the beginning of the next fiscal year and the total treasury receipts from
 41 existing revenue sources anticipated to be collected in the next fiscal year, less anticipated
 42 refunds, for the purposes of preparing the Governor's revenue estimates for the next fiscal
 43 year. Such estimated ranges shall be approved and published by the council not later than
 44 July 1 for the budget for the next fiscal year and not later than September 1 for the
 45 amended budget and shall be submitted to the Governor, the Speaker of the House of
 46 Representatives, the Lieutenant Governor, and the chairpersons of the House Committee
 47 on Appropriations and the Senate Appropriations Committees prior to such publication.

48 (g) Notwithstanding any law to the contrary, an amount that is within the estimated ranges
 49 approved in accordance with this Code section by the State Council of Economic Advisors
 50 shall be used as the estimate of the cash resources available to meet expenditures, and the
 51 Governor shall not submit a budget report or draft of the General Appropriations Act or
 52 Acts that does not contain and utilize as the estimate of the cash resources available to meet
 53 expenditures an amount that is within the estimated ranges approved by the State Council
 54 of Economic Advisors in accordance with this Code section."

55 **SECTION 2.**

56 Said part is further amended by revising subsection (a) of Code Section 45-12-78, relating
 57 to heads of budget units to submit annual estimates, preparation and submission of budget
 58 estimates of legislative and judicial agencies, and review of budget estimates by Office of
 59 Planning and Budget, as follows:

60 "(a) The head of each budget unit, other than the General Assembly and the judiciary, shall
 61 annually submit electronically and simultaneously to the Office of Planning and Budget,
 62 the House Budget and Research Office, and the Senate Budget and Evaluation Office

63 estimates of the financial requirements of the budget unit for the next fiscal year, by the
 64 date set by the director of the Office of Planning and Budget, which shall be no earlier than
 65 August 1 and no later than September 1 of each year, on the forms and in the manner
 66 prescribed by the Office of Planning and Budget that shall be in a format that is easily
 67 accessible for the House Budget and Research Office and the Senate Budget and
 68 Evaluation Office, with such explanatory data as is required by the Office of Planning and
 69 Budget. Such submission shall utilize such budget classes and be within such expenditure
 70 parameters as may be established by the Governor. The head of a budget unit shall also
 71 may submit simultaneously to such three offices any additional data as is helpful. The
 72 estimates so submitted shall bear the approval of the board or commission of each budget
 73 unit for which a board or commission is constituted."

74

SECTION 3.

75 Said part is further amended by revising Code Section 45-12-82, relating to periodic work
 76 programs, as follows:

77 "45-12-82.

78 The Governor, through the Office of Planning and Budget, shall require each budget unit,
 79 other than those of the legislative branch and the judicial branch, to file periodic work
 80 programs with the Office of Planning and Budget, at such time as the Office of Planning
 81 and Budget shall direct. As provided in Code Section 45-12-83, no allotment of funds shall
 82 be approved for any budget unit until such budget unit has filed a periodic work program
 83 with the Office of Planning and Budget and the periodic work program has been approved
 84 by the Governor. The work program shall be presented on forms prescribed by the Office
 85 of Planning and Budget and shall contain such information as the Governor, through the
 86 Office of Planning and Budget, may require. The work program shall include the amount
 87 of the portion of the appropriation required for the period's expenditures based on the
 88 budget prepared as provided in this part. Periodic work programs may be amended from
 89 time to time in such manner as the Office of Planning and Budget may require. ~~A duplicate~~
 90 ~~copy of all~~ Each of the periodic work programs and any amendments thereto ~~shall that are~~
 91 to be filed simultaneously with the Office of Planning and Budget; by a budget unit shall
 92 be filed simultaneously with the Office of Planning and Budget, the state treasurer, the state
 93 auditor, the Senate Budget and Evaluation Office, and the House Budget and Research
 94 Office."

95

SECTION 4.

96 Said part is further amended by revising Code Section 45-12-83, relating to requirement of
 97 filing of requests by budget units for allotment of funds, as follows:

98 "45-12-83.

99 No funds may be made available for expenditure by any budget unit, other than the units
 100 of the legislative branch and the judicial branch, until such budget unit has filed a request
 101 for allotment of appropriations with the Office of Planning and Budget and the request for
 102 allotment has been approved by the Governor. Requests for allotment of appropriations
 103 for ordinary, recurring expenses shall be filed not later than five days before the beginning
 104 of each month. Requests for allotment of appropriations for extraordinary expenses or
 105 capital outlay may be filed at such times as the Office of Planning and Budget may
 106 prescribe. The request for allotment shall be presented on forms prescribed by the Office
 107 of Planning and Budget and shall be supplemented by such information as the Office of
 108 Planning and Budget may require. Each request for allotment of appropriations that is filed
 109 shall be filed simultaneously, and each approval or disapproval of a request for allotment
 110 of appropriations that is issued shall be issued simultaneously, to the Senate Budget and
 111 Evaluation Office and the House Budget and Research Office."

112 **SECTION 5.**

113 Said part is further amended by revising Code Section 45-12-84, relating to review of
 114 periodic work programs and requests for allotment of funds generally, as follows:

115 "45-12-84.

116 (a) The Governor, through the Office of Planning and Budget, shall review the periodic
 117 work programs submitted by the budget units for conformity to the budget approved by the
 118 General Assembly. The General Assembly, through the Senate Budget and Evaluation
 119 Office and the House Budget and Research Office, shall review the periodic work
 120 programs submitted by the budget units for conformity to the budget approved by the
 121 General Assembly.

122 (b) The Governor, through the Office of Planning and Budget, shall review the requests
 123 for allotment of funds for conformity to the approved periodic work program. The General
 124 Assembly, through the Senate Budget and Evaluation Office and the House Budget and
 125 Research Office, shall review the requests for allotment of funds for conformity to the
 126 approved periodic work program."

127 **SECTION 6.**

128 Said part is further amended by revising Code Section 45-12-85, relating to examination and
 129 investigation of periodic work programs and requests for allotment of funds, as follows:

130 "45-12-85.

131 (a)(1) The Governor shall examine the periodic work programs and shall make or cause
 132 to have made such further investigations by the Office of Planning and Budget, with such

133 hearings before the Governor as he or she deems advisable, and shall direct changes in
 134 such provisions of the periodic work program as the Governor finds do not conform to
 135 the budget approved by the General Assembly.

136 (2) The General Assembly shall examine the periodic work programs and shall make or
 137 cause to have made such further investigations by the Legislative Services Committee,
 138 with such hearings before the Legislative Services Committee as the committee deems
 139 advisable, and shall direct changes in such provisions of the periodic work program as
 140 the Legislative Services Committee finds do not conform to the budget approved by the
 141 General Assembly.

142 (b) The Governor through the Office of Planning and Budget shall seek to effect economy,
 143 efficiency, decentralization of state government, and sound fiscal management in reviewing
 144 budget allotment requests and may make such changes to the budget allotment requests to
 145 meet these goals and objectives and which are consistent with and subject to the method
 146 and provisions contained in the General Appropriations Act. The Governor or the Office
 147 of Planning and Budget shall immediately notify the House Budget and Research Office
 148 and the Senate Budget and Evaluation Office of any such change and provide a statement
 149 setting forth the reasons for any such change. Upon determination that the requested
 150 budget allotment conforms with the approved work program and meets the
 151 above-mentioned goals and objectives, the Governor shall execute his or her warrant on the
 152 treasury for the funds included in the approved budget allotment. Notwithstanding any
 153 authorization for expenditure included in an appropriations Act, all appropriations in excess
 154 of the approved budget allotments for the budget year, as determined by the Office of
 155 Planning and Budget, shall cease to be an obligation of the state. The Office of Planning
 156 and Budget shall notify the House Budget and Research Office and the Senate Budget and
 157 Evaluation Office of any such action with appropriate supporting information."

158 **SECTION 7.**

159 Said part is further amended by revising Code Section 45-12-89, relating to appropriations
 160 not expended or obligated at end of fiscal year to lapse, as follows:

161 "45-12-89.

162 (a) At the end of each fiscal year, the amount of each appropriation provided for in this
 163 part, except for the mandatory appropriations required by the Constitution of Georgia,
 164 remaining unexpended and not contractually obligated in writing shall lapse and cease to
 165 be available; and the state treasury shall not pay any unallotted appropriations and shall
 166 make the necessary adjustments in its appropriation accounts to charge off the amount of
 167 the lapsed appropriations. All appropriated funds, except for the mandatory appropriations

168 required by the Constitution of Georgia, remaining unexpended and not contractually
 169 obligated at the expiration of the General Appropriations Act shall lapse.

170 (b) On and after July 1, 2020, any state agency that seeks to allow appropriated funds not
 171 to lapse through a contractual obligation or by otherwise encumbering such funds shall
 172 simultaneously submit a written request to the Office of Planning and Budget, the House
 173 Budget and Research Office, and the Senate Budget and Evaluation Office with appropriate
 174 supporting information. The Office of Planning and Budget in consultation with the state
 175 auditor shall approve or deny each request and shall simultaneously submit a copy of such
 176 approval or denial to the requesting state agency, the House Budget and Research Office,
 177 and the Senate Budget and Evaluation Office. If such a request is not made pursuant to this
 178 subsection, the appropriated funds shall not be reserved or obligated and shall lapse."

179 **SECTION 8.**

180 Said part is further amended by repealing Code Section 45-12-95, relating to duty of Office
 181 of Planning and Budget to encourage state agencies to identify and implement cost-saving
 182 measures and to decentralize state government, in its entirety.

183 **SECTION 9.**

184 Article 2 of Chapter 17 of Title 50 of the Official Code of Georgia Annotated, relating to
 185 state financing and investment, is amended by revising paragraph (9) of Code Section
 186 50-17-21, relating to definitions, as follows:

187 "(9) 'State authorities' means the following instrumentalities of the state: Georgia
 188 Building Authority, Georgia Education Authority (Schools), Georgia Education Authority
 189 (University), Georgia Highway Authority, State Road and Tollway Authority, Georgia
 190 Ports Authority, Georgia Development Authority, Jekyll Island—State Park Authority,
 191 Stone Mountain Memorial Association, North Georgia Mountains Authority, Lake Lanier
 192 Islands Development Authority, Groveland Lake Development Authority, Georgia
 193 Higher Education Assistance Authority, the Georgia Housing and Finance Authority, the
 194 Georgia Technology Authority, and other instrumentalities of the state created by the
 195 General Assembly and authorized to issue debt and not specifically exempt from this
 196 article."

197 **SECTION 10.**

198 Said article is further amended by adding a new Code section to read as follows:

199 "50-17-31.

200 (a) To the extent allowed by the Constitution and the stated purpose of the legislative
 201 action authorizing the incurrence of debt:

202 (1) Funds remaining from the issuance of a bond that do not exceed \$2 million may be
203 redirected to another purpose by a majority vote of the commission, provided that written
204 notice of any such majority vote is given to the House Budget and Research Office and
205 the Senate Budget and Evaluation Office; or

206 (2) Funds remaining from the issuance of a bond that exceed \$2 million shall not be
207 redirected, but shall be retained by the commission until the expenditure of such funds
208 is reauthorized by legislation enacted by the General Assembly. The commission shall
209 notify the House Budget and Research Office and the Senate Budget and Evaluation
210 Office any time that such remaining funds exceed \$2 million.

211 (b) Any one purpose shall not receive more than \$2 million in redirected funds in any
212 fiscal year, and funds shall not be redirected from any source to any one purpose in an
213 amount that totals more than \$2 million."

214 **SECTION 11.**

215 All laws and parts of laws in conflict with this Act are repealed.