ATTACHMENT F

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To: Legislative Fiscal Committee

From: Jeff Robinson and Dave Reynolds

DATE: August 31, 2011

Re: HF 148 (REC and Appropriation Transfer Authority Revisions Act)

House File 148, effective June 30, 2011, addressed two issues relating to General Fund revenue estimates and the Governor's transfer authority:

1. Changes to the Revenue Estimating Conference (REC) process
   a. Reduced the required minimum frequency of REC meetings from quarterly to "at least three times per year."
   b. Clarified that the REC is required to produce revenue estimates for the current fiscal year and for one future fiscal year.
   c. Allowed for the inclusion within the REC process of additional estimates, including estimates for additional fiscal years, and specified that only the estimate for one future fiscal year be used for calculating the General Fund expenditure limitation. Any other estimate agreed to by the REC is to be considered preliminary.
2. Changes to the Governor's appropriation transfer authority
   a. Limits a transfer amount to one-tenth of 1.0% of the total of all appropriations made from the funding source of the transferred appropriation. This requirement applies to both intradepartmental and interdepartmental transfers. For FY 2012, a single appropriation transfer from the General Fund cannot exceed $6.0 million.
   b. Specifies that appropriation transfers can only be made within the same funding source and within the same fiscal year.
   c. Limits the aggregate amount of intradepartmental and interdepartmental General Fund transfers in a single fiscal year to not more than five-tenths of 1.0% of the total of all General Fund appropriations. For FY 2012, the total General Fund appropriation transfers cannot exceed $30.0 million.
   d. Limits the amount of funds that can be transferred from an appropriation to no more than 50% of the appropriation amount. This requirement applies to both intradepartmental and interdepartmental transfers. Prior to the enactment of HF 148, the 50% requirement applied only to interdepartmental transfers.