

January 1998

## LEGISLATIVE BUDGET

This memorandum presents procedures that could be involved in the development of a legislative budget. The legislative budget would be finalized by the close of the legislative session. Legislative activities during the interim and session that result in the completion of a legislative budget are listed below:

1. **Interim enhancements** - Expand interim budget-related activities of the legislative branch through the Legislative Council's committee structure. Legislative Council budget committees could:
  - a. Monitor the implementation of agency budgets, including legislative intent items.
  - b. Conduct selected agency program reviews or studies. Program reviews could include a review of the program's purpose, goals, objectives, activities, and effectiveness; agency justification for the program and related costs; a review of applicable federal requirements; and an analysis of any program performance measures. Each study could also address specific legislative concerns regarding agency programs.
  - c. Conduct budget tours.
  - d. Receive agency and public testimony regarding the implementation of the agency's current budget and development of the next biennial budget.
  - e. Provide input for agency budget development.
  - f. Review agency budget requests--joint executive/legislative budget request forms would be used. The Legislative Council and the Office of Management and Budget would jointly develop budget forms and budget timelines to meet the needs of both the legislative and executive branches. The budget requests should be submitted as required by July 15, prior to a Legislative Assembly, for the legislative interim process to be most effective.
  - g. Identify major budget issues and priorities.
  - h. Request specific budget-related information, including any alternative

budget scenarios, to be prepared by agencies and presented to the Appropriations Committees during the next legislative session.

- i. Make observations and report major budget findings through the Legislative Council to the Legislative Assembly for use during the next legislative session.
  - j. Make budget recommendations either for select agencies or related to all budgets (state employee salaries).
  - k. Monitor revenue collections and be involved in preliminary revenue estimate development for the next biennium.
- The Legislative Council would report on its interim budget-related activities to the Budget Section in December and to the Appropriations Committees in January. The report could include budget findings and recommendations, major budget issues and priorities and areas of focus identified, as well as budget analyses and summaries (the report would be similar to the "Analysis of the Executive Budget" report the fiscal staff now prepares for the start of the session, but the focus of the report will be on legislative budget issues and priorities developed during the interim rather than the Governor's budget).
2. **Legislative session** - The legislative budget would be completed by the close of the regular session:
    - a. The Legislative Assembly would utilize the Legislative Council's budget report, agency budget requests, the executive budget recommendation, and analyses prepared by the legislative fiscal staff during the session to develop the legislative budget by the close of the regular session.
    - b. The Legislative Assembly would adopt or develop its legislative revenue forecast considering the recommendations of the Legislative Council and the executive budget revenue forecast recommendation. The forecast would

be revised in March similar to the current process.

- c. Appropriations bills as introduced will continue to contain the executive budget recommendation; however, the Appropriations Committees will have available for consideration in the development of the legislative budget agency budget requests, the executive budget recommendation, Legislative Council budget recommendations and priorities, legislative budget initiatives and priorities, and additional

budget-related information, including alternative budget scenarios, presented to the Appropriations Committees by agencies as a result of the interim committee work.

- d. At the close of the session, the legislative fiscal staff would prepare a report on the approved legislative budget which would include supporting information, including a comparison to the executive budget.