

MEMORANDUM

TO: JBC Members
FROM: John Ziegler
SUBJECT: Potential Legislation
DATE: March 19, 2013

OSPB Bill Request

The Office of State Planning and Budgeting requested that the JBC sponsor legislation to increase the FY 2012-13 and FY 2013-14 statutory reserve by 1.0 percent from 4.0 percent to 5.0 percent. In conjunction with this, OSPB is requesting that the JBC change statute to indicate that this increase takes the place of the first two years of the five year increases that were contained in SB 09-228. JBC staff is seeking clarification on whether the JBC wishes to sponsor such legislation as part of the budget package.

JBC Staff Initiated Bill Recommendation

JBC staff recommends that the JBC sponsor legislation to reverse the pay date shift that was put in place in 2003 in FY 2013-14. Current OSPB estimates indicate that there will be approximately \$98.0 million in excess reserve in FY 2013-14 based on the March forecast. JBC staff believes the reversal of the pay date shift bill would be good policy for the following reasons:

- It will eliminate a bookkeeping exception that is counter to good accounting policy.
- It is a one-time use of moneys that will result better transparency within the state budget.
- The state currently is not facing a statutory limit that would preclude this action.