

HB 1015

Insurance Department and Fire Academy; transfer certain funds into the State General Fund.

The fiscal year 2002 general fund budget as passed by the Legislature is based on a 3.7% revenue growth rate. We are currently growing at less than 1%. While I have repeatedly proposed that the revenue growth rate be reduced to a more realistic level, the Legislature has manufactured an additional \$27.6 million of revenue in its budget that would be deposited into the Budget Contingency Fund. These funds could have been deposited directly into the state general fund as other transferred funds were in fiscal year 2001. This action compounds the budget problem for the short and long term.

House Bill No. 1015 identifies 12 funds that the \$27.6 million will come from. Two of the funds, State Personnel Board and Information Technology Services, receive their funding from assessments to other state agencies. These assessments are paid with state and federal funds. Previous attempts by the Legislature to use these types of funds for the benefit of the state as a whole, have resulted in the Federal Government demanding their share. Cost allocation fund experts tell us the Federal Government will most certainly make a demand on the state for their share of these funds.

Gloria, put the last paragraph of the standard veto here.