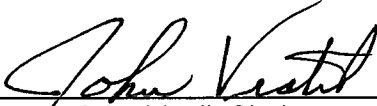


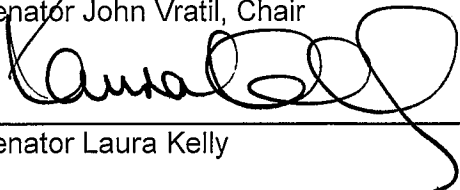
FY 2013

Senate Ways and Means Subcommittee


Off Budget



Senator John Vratil, Chair



Senator Laura Kelly



Senator Mark Taddiken

## **Senate Committee on Ways and Means Off-budget Subcommittee**

The Subcommittee was briefed by staff on certain off-budget expenditures. In general, off-budget expenditures are utilized to avoid double counting of expenditures. The examples provided included: fees collected from other agencies that were reportable in those budgets and then spent by the collecting agency as off-budget; non-expense transfers to other agencies that recorded the reportable expenditures; and revenue transfers. These expenditures total \$2.9 billion in FY 2013.

The Subcommittee heard testimony from six agencies on the uses of off-budget expenditures and revenue transfers. The testimony ranged from the Department of Revenue that testified on the need for tax credits and refunds to be considered reduction of revenue to the Department of Commerce that testified on the funding mechanism for certain bond payments.

The Senate Subcommittee has the following recommendations and notations:

1. One Senate Way and Means Committee meeting per year should be dedicated to the review of off-budget expenditures. The Subcommittee notes that the off-budget expenditures are nearing \$3 billion a year, and that this amount of expenditures deserves the attention of the full Committee.
2. If this Subcommittee is continued, the additional responsibility to review all debt service should be added to this Subcommittee. State indebtedness has grown to almost \$4.4 billion with principal and interest totaling \$375 million yearly.
3. The Subcommittee notes that all State General Fund transfers are listed in the Governor's Budget Report and help identify all transfers from the State General Fund to each special revenue fund in order to make these transfers more transparent.
4. The Subcommittee notes that after two days of testimony, there seemed to be statutory and solid accounting reasons for the current process.