

Proposed Changes to Rescission Authority

Four Main Areas of Ambiguity Eliminated

- 1 Eliminates ambiguity surrounding Secretary’s authority to implement a second plan without another official State revenue estimate.
- 2 Eliminates Secretary’s option to implement a plan that adjusts appropriations by less than one percent when reductions in official State revenue estimate are one percent or more.
- 3 Clarifies the Secretary’s authority to implement a plan that adjusts appropriations by less than one percent if the JFC does not act on the one percent or more plan.
- 4 Clarifies other ambiguous language and adds definitions.

Comparison of Current Law with Proposed Draft Language

CURRENT LAW	PROPOSED CHANGES
Reductions in official State revenue estimates of 1% or more	
A. Secretary may implement an expenditure reduction plan that adjusts appropriations by one percent or more with JFC approval.	A. Secretary may implement an expenditure reduction plan that adjusts appropriations by one percent or more with JFC approval.
<i>Alternative later in statute</i>	<i>Exception later in bill</i>
B. Secretary may implement a limited expenditure reduction plan that adjusts appropriations by less than one percent without JFC approval, consistent with the terms in (C).	B. Secretary may only implement a limited expenditure reduction plan that adjusts appropriations by less than one percent if the JFC does not approve the initial plan adjusting appropriations by one percent or more, consistent with the terms in (C).
Reductions in official State revenue estimates of less than 1%	
C. Secretary may implement a limited expenditure reduction plan without JFC approval if official State revenue estimates are likely to be reduced by less than one percent, if certain requirements are met.	C. Secretary may implement a limited expenditure reduction plan after an official State revenue estimate without JFC approval, if certain requirements are met.
Cumulative revenue collections are 4% or more below cumulative monthly revenue targets	
D. N/A	D. If September or October revenues are 4% or more off target, triggers an E-Board meeting to determine whether to revise official State revenue estimates.