

AN ACT relating to interim appropriation procedures.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

➔ Section 1. KRS 48.630 is amended to read as follows:

- (1) (a) Notwithstanding any other provision of the Kentucky Revised Statutes, except as provided in paragraph (c) of this subsection, no restricted funds or federal funds shall be expended or allotted unless those funds were appropriated by the General Assembly in an enacted bill.
- (b) If a budget unit receives unanticipated restricted funds or federal funds during the interim, and the funds are of a type or from a source that was not included in an enacted appropriation for that budget unit, or are in excess of the amount appropriated in an enacted bill, the secretary of the Finance and Administration Cabinet, upon written request from the agency head with appropriate documentation of the amount, source, purpose, necessity, and use of the moneys, may authorize the acceptance and credit of the funds and shall establish and maintain a separate discrete account for the receipt of the funds. The funds shall be maintained in the account until appropriated by the General Assembly.
- (c) 1. a. If the Governor declares a state of emergency under KRS 39A.100, and addressing that emergency requires the expenditure of restricted or federal funds that have not been appropriated by the General Assembly in an enacted bill; or
- b. If federal or restricted funds become available in an amount greater than what was appropriated by the General Assembly in an enacted bill, or federal funds become available from a new source and those funds were not appropriated at all in an enacted bill, and the ability to retain those funds requires that the funds be allotted and expended prior to the General

Assembly being in regular session; then the secretary of the Finance and Administration Cabinet may authorize the allotment and expenditure of the funds if the requirements established in subparagraph 2. of this paragraph are met.

2. Requirements for the allotment and expenditure of funds pursuant to subparagraph 1. of this paragraph are as follows:

a. The agency head shall submit a written request with appropriate documentation of the amount, source, purpose, necessity, and use of the moneys to the state budget director;

b. If he or she approves the request, the state budget director shall include written documentation of his or her approval and shall forward the written request to the secretary of the Finance and Administration Cabinet; and

c. The secretary of the Finance and Administration Cabinet shall submit the written request and documentation of approval by the state budget director to the Interim Joint Committee on Appropriations and Revenue for review pursuant to the conditions and procedures established by subsection (3) of this section.

3. The secretary shall establish a separate discrete account for the receipt and disbursement of these funds and shall establish the maximum sum which may be allotted to and expended from the account.

(2) (a) Any request referred to~~[An unbudgeted appropriation shall not be allotted without prior review and action by]~~ the Interim Joint Committee on Appropriations and Revenue pursuant to subsection (2)(c)2.c. of this section shall be reviewed as provided for in this section.

(b) The Interim Joint Committee on Appropriations and Revenue shall have thirty (30) days to review any request.

~~[(2) Except as otherwise provided in this section, any request for allotment of unbudgeted appropriations from any fund source shall be made in writing by the head of the budget unit and transmitted simultaneously to the state budget director and the Interim Joint Committee on Appropriations and Revenue.~~

~~(3) The state budget director may recommend a proposed revision to a specified appropriation in any branch budget bill to the Interim Joint Committee on Appropriations and Revenue by the seventh day of each month.]~~

~~(c)[(4)]~~ If the Interim Joint Committee on Appropriations and Revenue fails to review **a referred request within the thirty (30) day period** ~~and act upon the proposed revision by the last day of the month],~~ the proposed revision shall be deemed to have been reviewed and favorably acted upon.

~~[(5) The Interim Joint Committee on Appropriations and Revenue shall review the proposed expenditure of the unbudgeted appropriation for conformance with the purposes of the proposed appropriation and the enacted branch budget bill and any other relevant statute, by the last day of each month.]~~

~~(d)[(6)]~~ If the Interim Joint Committee on Appropriations and Revenue **objects to a proposed allotment and expenditure of funds, the basis for the objection shall be communicated to the secretary of the Finance and Administration Cabinet and the state budget director in writing within five (5) days of the meeting at which the proposal was considered. The proposed allotment and expenditure of funds shall not be implemented unless**~~disapproves of the proposed revision of the enacted appropriation, the budget adjustment shall be invalid unless it is]:~~

~~1.[(a)]~~ **The request is** revised to **address**~~comply with] the objections of the committee; or~~

~~2.[(b)]~~ The committee is informed by the secretary of the Finance and Administration Cabinet, in writing, in detail, within thirty (30) days of receipt by the secretary of the committee's objections~~[disapproval]~~, that a determination has been made not to comply with the objections of the committee.

~~[(7) If an emergency unbudgeted appropriation revision is required due to a declared natural disaster, calamity, or impending deficit in an enacted appropriation as certified by the Governor, the state budget director may effect an emergency revised appropriation, with the approval of the secretary of the Finance and Administration Cabinet, and with concurrent notification to the Interim Joint Committee on Appropriations and Revenue of the action and its justification.~~

~~[(8) If a budget unit not listed in any enacted branch budget bill receives unanticipated restricted funds or federal funds, the secretary of the Finance and Administration Cabinet, upon written request from the agency head with appropriate documentation of the amount, source, purpose, necessity, and use of the moneys, may authorize the credit and expenditure of these funds for statutory purposes, upon recommendation of the state budget director and review and action by the Interim Joint Committee on Appropriations and Revenue pursuant to the conditions and procedures prescribed by this section. The secretary shall cause to be established a separate discrete restricted funds or federal funds account, as appropriate, for the receipt and disbursement of these funds and shall establish the maximum sum which may be credited and expended from the authorized account.]~~

~~(3) [(9)]~~ Institutions of higher education shall be exempt from all conditions and procedures in this section with respect to the authority of the state budget director and the secretary of the Finance and Administration Cabinet to review and approve the expenditure of unappropriated~~[unbudgeted]~~ restricted funds or federal funds or revisions to appropriations in excess of any enacted appropriations~~[branch budget~~

bill]; however, in the event of a revision, an institution of higher education shall report ~~unbudgeted~~ restricted funds and federal funds **that have not been appropriated in an enacted bill** to the state budget director and the Interim Joint Committee on Appropriations and Revenue.

~~(4)~~~~(10)~~ **The expenditure of federal or restricted funds in excess of those appropriated by the General Assembly in an enacted general appropriation bill or any appropriation provision included in any other enacted bill by**~~Unbudgeted appropriations for expenditure in~~ the judicial branch ~~or~~~~budget and~~ the legislative branch ~~budget~~ shall be exempt from all conditions and procedures in this section, except that each branch head, or its designee, shall report **unappropriated**~~unbudgeted~~ restricted funds and federal funds to the Interim Joint Committee on Appropriations and Revenue and **shall** transmit an informational copy **of the report** to the state budget director.

~~(5)~~~~(11)~~ The Legislative Research Commission shall maintain records of the findings of the Interim Joint Committee on Appropriations and Revenue and the determinations and reports of actions by the state budget director and **shall** transmit these records to the General Assembly when next convened.