

GOALS OF GOVERNOR PATTON'S 2003 SPENDING PLAN

- Maintain Efficient Operation/Management of State Government
 - Ensure that Government Does Not Shut Down
- Provide State Employees/Teachers Wage/Salary Increase
- Implement Year 2003 Spending Plan as Close to House Bill 1 as Possible

LEGAL ANALYSIS UNDERPINNING GOVERNOR'S 2003 SPENDING PLAN

- Strong Legal Team

- Executive has "Broad, but not Unlimited Authority"
 - Failure of General Assembly to Enact a Budget:
 - ? Imperils Health, Safety, and Welfare of our citizens
 - ? Creates Emergency Requiring Executive Action

 - Governor has Authority and Responsibility to Ensure the Sound and Orderly Operation of Government

CRITERIA FOR EVALUATING ELEMENTS OF SPENDING PLAN

- Requirement to Balance Budget
- Legislative Context
- Past Budgets
- Authority granted by Budget Reduction Plan
- Governor as Chief Magistrate – Broad Ability to Manage
- Need to Operate Government Activities Absent Legislative Budget

ELEMENTS OF HOUSE BILL 1 EXCLUDED FROM GOVERNOR PATTON'S 2003 SPENDING PLAN

- Revenue and Tax Policy
 - Closing Loopholes – (\$8.4 million)
 - Extending Race Track +\$1.4 million Credit
 - Other

- Changing Statutory Fees
 - Charitable Gaming
 - Hairdressers
 - Public Health

- Authorize/Issue Bonds

- Change Substantive Law
 - Generally Non-Budget

PRACTICAL 2003 BUDGET ISSUES

- House Bill 1 "Loaded" to Accounting System
 - Operating
 - Capital
- Ready to Operate Effective July 1
- Questions - GOPM