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
CRI TERI A 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