

**JBC STAFF FISCAL ANALYSIS
SENATE APPROPRIATIONS COMMITTEE**

CONCERNING THE MITIGATION OF THE EFFECT OF AUTOMATIC PROPORTIONAL REDUCTIONS TO THE TIER 2 TRANSFERS OUT OF THE OPERATIONAL ACCOUNT OF THE SEVERANCE TAX TRUST FUND WHEN REVENUE SHORTFALLS OCCUR.

Prime Sponsors: Representative Becker
Senator Steadman

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Summary of Amendments Made to the Bill After the 04/27/12 Legislative Council Staff Fiscal Note Was Prepared

None.

JBC Staff Concurrence with Legislative Council Staff Fiscal Note

Concurs **Does Not Concur** **Updated Analysis**

Amendments/Appropriation Status

The bill neither requires nor contains an appropriation clause for FY 2012-13.

Bill Sponsor Amendments

Staff is not aware of any sponsor amendments to be offered.

Points to Consider

Based on the March 2012 Legislative Council Staff Revenue Forecast, current law would spend approximately \$5.1 million (37.2 percent) of the Tier 1 reserve to support Tier 2 programs in FY 2012-13. The bill would prevent the use of \$4.1 million of those Tier 1 reserve funds by allowing for sufficient proportional reductions in Tier 2 to balance to the available revenues. Thus, the bill would reduce Tier 2 spending in FY 2012-13 by \$4.1 million compared to current law (because the bill specifically allows for the use of \$1 million of the Tier 1 reserve). However, retaining those funds in the Operational Account in FY 2012-13 allows spending in FY 2013-14 to increase by the same amount relative to what would be available in FY 2013-14 under current law.