SENATE FILE NO. SF0070

State appropriations-lapsing of funds.

Sponsored by: Management Audit Committee

A BILL

for

AN ACT relating to administration of government; specifying appropriated funds or authorizations which may be carried into a subsequent fiscal biennium; specifying process; imposing reporting requirements; defining terms; and providing for an effective date.

Be It Enacted by the Legislature of the State of Wyoming:

Section 1. W.S. 9-2-1002(a) by creating a new paragraph (xiii), 9-2-1008 and 9-4-207 by creating new subsections (d) and (e) are amended to read:

9-2-1002. Definitions; powers generally; duties of governor; provisions construed; cooperation with legislature and judiciary; divisions enumerated.

(a) As used in this act:

(xiii) "Outstanding obligation legally incurred" means a financial obligation, chargeable to the current biennium's appropriation, that has been lawfully incurred and for which appropriated funds have been reserved but not paid during that biennium. An "outstanding obligation legally incurred" shall include the following:

(A) A master service agreement, master price agreement or other contract was executed or purchase order issued for goods or services but the goods were not received, or the services were not rendered, and paid for during the same biennium;

(B) Goods or services were received pursuant to a purchase order or other contract, but an invoice was not received and paid during the same biennium;

(C) Goods or services and an invoice were received, but payment could not be made during the same biennium;

(D) Salaries were earned and were payable, but were not paid as of the end of the biennium as a result

<u>of pay periods not being consistent with the end of the biennium, except that higher education institutions may encumber payrolls for the remainder of the summer session which is in progress at the end of the state's biennium if they have been budgeted and appropriated in such manner;</u>

<u>(E) A written agreement for a grant, loan or award to distribute funds was signed but the funds were not distributed during the same biennium;</u>

<u>(F) A written offer to provide a grant, loan or award to distribute funds was made and upon execution of an agreement a legally binding obligation to distribute the funds would be incurred, but the agreement was not signed by all parties during the biennium.</u>

9-2-1008. Unexpended, unobligated funds to lapse or be carried over; duty of auditor; reporting.

<u>(a)</u> In the event that the appropriation made or other revenue authorized by law for use by a state agency has not been expended by the close of the fiscal period, it shall lapse or be carried ~~over~~ <u>forward</u> as provided by W.S. 9-4-207 after provision is made for payment of outstanding

obligations legally incurred during the previous fiscal period. The auditor, after consultation with the department, as of June 30 of each year shall take appropriate action in accordance with this section.

(b) Unexpended appropriations carried forward into the next fiscal biennium pursuant to an outstanding obligation legally incurred shall be expended only for the purposes for which the funds were appropriated or authorized and shall not be revised or converted for another purpose after being carried forward. Upon completion of the purposes for which the funds were carried forward, any remaining funds shall immediately revert to the appropriate fund as specified in W.S. 9-4-207.

9-4-207. Disposition of unexpended appropriations.

(d) In each even numbered year:

(i) Not later than September 1, the state auditor shall provide to each affected agency a list of existing unexpended appropriations or authorizations from all prior fiscal periods;

(ii) Not later than September 15, each agency shall provide to the auditor the nature of each outstanding obligation, the authority to maintain any unexpended appropriation, and a timeline for expenditure of funds to meet any outstanding obligation legally incurred;

(iii) Not later than October 1, the auditor shall:

(A) Revert any unexpended appropriation for which the appropriation or authorization was mistakenly carried forward under the authority of W.S. 9-2-1008 or this section or for which the authority to not revert the unexpended appropriation no longer exists;

(B) In consultation with the department of administration, report to the governor and joint appropriations interim committee on all unexpended appropriations or authorizations, remaining after October 1. The state chief information officer shall be consulted for purposes of information technology projects within the report. The report shall include:

(I) Identification of the provision of law initially appropriating the funds;

(II) The amount of funds not reverted;

(III) An explanation of why each fund amount did not revert and additionally for each capital outlay or information technology project for which funds did not revert a description of the project;

(IV) The anticipated date upon which the funds will revert;

(V) For funds not reverted pursuant to W.S. 9-2-1008, the fund type, purpose and timeline for expenditure of funds to meet any outstanding obligation legally incurred;

(VI) The account or fund to which the funds will revert.

(e) For purposes of subsection (d) of this section funds within an account or fund established by codified statute as not subject to reversion or lapse at the end of a fiscal period shall not be considered as reportable funds.

Section 2. This act is effective July 1, 2014.

(END)