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CHAPTER 79

State Agency Deficit Prevention and Recognition

**SECTION 2‑79‑10.** Short title.

Section effective July 1, 2015.

This chapter may be cited as the “State Agency Deficit Prevention and Recognition Act”.

HISTORY: 2014 Act No. 121 (S.22), Pt VI, Section 10.A, eff July 1, 2015.

**SECTION 2‑79‑20.** Responsibility of state agencies.

Section effective July 1, 2015.

It is the responsibility of each state agency, department, and institution to operate within the limits of appropriations set forth in the annual general appropriations act, appropriation acts, or joint resolution supplemental thereto, and any other approved expenditures of monies. A state agency, department, or institution shall not operate in a manner that results in a year‑end deficit except as provided in this chapter.

HISTORY: 2014 Act No. 121 (S.22), Pt VI, Section 10.A, eff July 1, 2015.

**SECTION 2‑79‑30.** Notice of likely agency deficit; deficit avoidance plan.

Section effective July 1, 2015.

If at the end of each quarterly deficit monitoring review by the Executive Budget Office, it is determined by either the Executive Budget Office or a state agency, department, or institution that the likelihood of a deficit for the current fiscal year exists, the state agency shall notify the General Assembly within fifteen days of this determination and shall further request the Executive Budget Office to work with it to develop a plan to avoid the deficit. Within fifteen days of the deficit avoidance plan being completed, the Executive Budget Office shall either request the General Assembly to recognize the deficit in the manner provided in this chapter if it determines the deficit avoidance plan will not be sufficient to avoid a deficit or notify the General Assembly of how the deficit will be avoided based on the deficit avoidance plan if the Executive Budget Office determines the plan will be sufficient to avoid a deficit.

HISTORY: 2014 Act No. 121 (S.22), Pt VI, Section 10.A, eff July 1, 2015.

**SECTION 2‑79‑40.** Recognition of deficit.

Section effective July 1, 2015.

(A) Upon notification from the Executive Budget Office as provided in Section 2‑79‑30 that an agency will run a deficit and requesting that it be recognized, the General Assembly, by joint resolution, may make a finding that the cause of, or likelihood of, a deficit is unavoidable due to factors which are outside the control of the state agency, department, or institution, and recognize the deficit. Any legislation to recognize a deficit must be in a separate joint resolution enacted for the sole purpose of recognizing the deficit of a particular state agency, department, or institution. A deficit only may be recognized by an affirmative vote of each branch of the General Assembly.

(B) If the General Assembly recognizes the deficit, then the actual deficit at the close of the fiscal year must be reduced as necessary from surplus revenues or surplus funds available at the close of the fiscal year in which the deficit occurs and from funds available in the General Reserve Fund and the Capital Reserve Fund, as required by the Constitution of this State.

HISTORY: 2014 Act No. 121 (S.22), Pt VI, Section 10.A, eff July 1, 2015.

**SECTION 2‑79‑50.** Limitations on agency spending when deficit recognized.

Section effective July 1, 2015.

Once a deficit has been recognized by the General Assembly, the state agency, department, or institution shall limit travel and conference attendance to that which is deemed essential by the director of the agency, department, or institution. In addition, the General Assembly, when recognizing a deficit may direct that any pay increases and purchases of equipment and vehicles must be approved by the Executive Budget Office.

HISTORY: 2014 Act No. 121 (S.22), Pt VI, Section 10.A, eff July 1, 2015.