

SENATE, No. 876

STATE OF NEW JERSEY

INTRODUCED MARCH 7, 1996

By Senator KENNY

1 AN ACT requiring public participation and government accountability
2 in the preparation and submission of the Governor's annual budget
3 recommendations, supplementing Title 52 of the Revised Statutes.

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5 **BE IT ENACTED** *by the Senate and General Assembly of the State*
6 *of New Jersey:*

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8 1. This act shall be known and may be cited as the "Public
9 Accountability for Revenues and Expenditures Act."

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11 2. The Legislature finds and declares that the constitutional
12 requirement of a unitary, annual, general appropriations act covering
13 one fiscal year is the center beam upon which the State government's
14 entire fiscal structure rests, that the constitutional and statutory
15 budgetary and appropriations authority has been both centered in and
16 shared by the legislative and executive branches with a noticeable
17 absence of public involvement in the budget process, that the right of
18 the public to witness and participate in all phases of the deliberation,
19 policy formation and decision-making of State public officials in the
20 development of the annual appropriations act for the State government
21 is essential to the enhancement of the democratic process; that the
22 ability of the Executive Branch and the Legislature to develop the
23 annual spending plan for the State government in secret, in "behind
24 closed door" discussions involving a few selected officials,
25 undermines the faith of the public in representative democratic
26 processes and the public's effectiveness in contributing to the
27 formulation of important fiscal policies that impact on all members of
28 the public; and hereby declares it to be the public policy of this State
29 and of this act to ensure increased public access and involvement at all
30 stages of the preparation, deliberation and enactment of the annual
31 State budget.

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33 3. a. Before the preparation and submission of spending requests
34 for the ensuing fiscal year pursuant to section 5 of article 3 of
35 P.L.1944, c.112 (C.52:27B-14), the request officer of each State
36 spending agency shall establish a volunteer citizen's budget advisory
37 committee composed of volunteer State citizens to conduct open

1 public hearings on the preparation of the spending agency's spending
2 request for that fiscal year. The request officer of the spending agency
3 shall determine the size and composition of the committee based upon
4 the size and structure of the agency's budget.

5 b. Each volunteer citizen's budget advisory committee, with the
6 cooperation of the spending agency, shall conduct hearings at diverse
7 geographical locations in the State and at times, during evening hours,
8 as may be convenient for public attendance. Spending agencies with
9 combined prior fiscal year State appropriations not in excess of
10 \$200,000,000 from State funds may cooperate in the holding of joint
11 advisory committee hearings. The request officer of each spending
12 agency may have prepared written transcripts, audio or video
13 recordings or written minutes of advisory committee hearings which
14 shall be available for inspection by the public.

15 c. Each spending agency shall include with its request submitted
16 pursuant to section 7 of article 3 of P.L.1944, c.112 (C.52:27B-16),
17 a written report summarizing the public commentary at the advisory
18 committee's public hearings. These reports shall be submitted with the
19 Governor's budget recommendations transmitted to the Legislature
20 pursuant to section 11 of article 3 of P.L.1944, c.112 (C.52:27B-16).

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22 4. a. In addition to the requirements of section 11 of article 3 of
23 P.L.1944, c.112 (C.52:27B-16), and any other provisions of law, the
24 Governor's budget message transmitted annually to the Legislature
25 shall identify all programs and services, including brief descriptions
26 and statutory citations thereof, that are established in the permanent
27 and general statutory law which explicitly or implicitly set forth a
28 requirement for annual State funding, but are not recommended for
29 full funding in the Governor's budget recommendations, or are
30 otherwise modified or restricted by proposed budget-based
31 conditions.

32 b. Notwithstanding any other provision of law, the Governor shall
33 submit to the Legislature with the Governor's annual budget
34 recommendations a list of all proposed new or additional revenue
35 raising sources, other legislative actions, regulatory actions, federal
36 actions and collective bargaining actions that are necessary to
37 implement all provisions of the annual budget recommendations.

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39 5. The State Treasurer and the Legislative Budget and Finance
40 Officer shall, on or before May 31 annually, provide the Legislature
41 with their estimates of the amount of revenue collected and anticipated
42 to be collected by the State to support appropriations for the current
43 fiscal year and to support appropriations for the ensuing fiscal year.
44 If the estimate of the State Treasurer for total State revenue for the
45 current fiscal year exceeds the estimate of the Legislative Budget and
46 Finance Officer for total State revenue for that year by 2% or more,

1 the Governor shall transmit to the Legislature a plan detailing revisions
2 to the current fiscal year appropriations act, or other contingency
3 measures that may be undertaken during the current fiscal year, to
4 address the potential of a revenue shortfall equal to the difference in
5 the revenue estimates. If the estimate of the State Treasurer for total
6 State revenue for the ensuing fiscal year exceeds the estimate of the
7 Legislative Budget and Finance Officer for total State revenue for that
8 year by 2% or more, the Governor shall transmit to the Legislature
9 revised budget recommendations, or other contingency measures that
10 may be undertaken during the ensuing fiscal year, to address the
11 potential of a revenue shortfall equal to the difference in the revenue
12 estimates.

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14 6. This act shall take effect July 1, 1996.

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STATEMENT

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19 This bill proposes the "Public Accountability for Revenues and
20 Expenditures Act," or PARE act, to maximize public input during all
21 stages of formulating the annual State appropriations act. The PARE
22 act revises the process of producing the State's annual budget act,
23 from the development of the Governor's annual budget
24 recommendations through adoption of the annual State appropriations
25 act. This bill, in conjunction with a companion concurrent resolution
26 to revise the Legislature's budget procedures, will increase public
27 access at all stages from departmental submission of budget requests
28 to the Governor through the Governor's budget proposal and on to
29 deliberation and consideration of the bill passed by the Legislature.
30 The provisions of the PARE act not only focus on increasing public
31 input, but also enhance the opportunity for public action affecting the
32 final State budget. This bill will limit the ability of the Executive and
33 the Legislature to develop an annual State spending plan "behind
34 closed doors."

35 The provisions of this bill modify the Executive branch's
36 formulation and submission of the Governor's annual budget
37 recommendations and accompanying State revenue estimates. The bill
38 requires each State department to establish a volunteer citizen's budget
39 advisory committee to conduct Statewide open public hearings on
40 department budget requests before they are presented to the Governor.
41 The bill requires the Governor to identify all unfunded or under funded
42 statutory programs or services in order to increase public awareness
43 of previously enacted programs or services eligible for State funding
44 that may not be receiving funding.

45 The bill requires the Governor to submit with the budget message
46 a list of all other legislative measures, regulatory measures, federal

1 actions, or collective bargaining actions, which must be undertaken in
2 order to implement the proposed State budget.

3 The bill also requires the Governor to present current budget year
4 revisions or contingency plans for the ensuing fiscal year if the State
5 Treasurer's State revenue estimates are in excess of the revenue
6 estimates of the Legislative Budget and Finance Officer by 2% or more
7 for the current or ensuing fiscal year.

8 These requirements, in conjunction with the adoption of legislative
9 rules establishing increased public input into the appropriations
10 committees' deliberations, procedures for committee mark-up of the
11 appropriations bill, and requirements for a series of public hearings and
12 recorded public testimony before legislative consideration and passage
13 of the budget bill, will serve the goal of restoring representative
14 democratic processes and open public input in the development of the
15 annual appropriations act.

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20 The "Public Accountability for Revenues and Expenditures Act;"
21 revises Executive branch procedures for the development and
22 submission of the Governor's annual budget recommendations.