

A CONCURRENT RESOLUTION creating the Priorities of Government Spending and Budget Reform Task Force.

WHEREAS, in working to solve multiple years of budget shortfalls, it is imperative for the General Assembly to have a clear understanding of spending practices and the priorities of government spending in this Commonwealth and to establish budgeting best practices; and

WHEREAS, prioritizing and efficiently delivering core government services is paramount to eliminate the structural deficits created through years of overspending; and

WHEREAS, the General Assembly cannot continue a "business-as-usual" budgeting approach by raiding nongeneral fund accounts, raiding the rainy day fund, delaying funding for some legislation, avoiding fully funding pensions, and postponing meaningful budget reforms; and

WHEREAS, the timing for spending and budget reform is ripe since effective budget reform must be performed simultaneously and in conjunction with tax reform and pension reform to ensure that appropriations are expended in an efficient manner; and

WHEREAS, the General Assembly must have the courage to make innovative reforms now to invest in long-term savings and ensure fiscal stability and needs to first know the right questions to ask and the evidence needed to evaluate the best budget process; and

WHEREAS, to truly have meaningful tax reform would first require meaningful budget reform; and

WHEREAS, the General Assembly is facing extreme fiscal challenges in 2016 and the years ahead related to the funding of healthcare, Medicaid, and pensions, leaving insufficient funds for other areas of the state budget;

NOW, THEREFORE,

Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky, the Senate concurring therein:

➔Section 1. The Legislative Research Commission is directed to create the Priorities of Government Spending and Budget Reform Task Force. During the 2016 Interim, the Priorities of Government Spending and Budget Reform Task Force is directed to study issues relative to priorities of government and budget reform. In performing the study, the task force may consult with any relevant state agencies to better understand the current budget process employed in Kentucky.

➔Section 2. The task force shall be composed of the following members, with final membership being subject to the consideration and approval of the Legislative Research Commission:

- (1) The secretary of the Executive Cabinet;
- (2) The State Budget Director, or designee;
- (3) The secretary of the Finance and Administration Cabinet, or designee;
- (4) The commissioner of the Department of Revenue, or designee;
- (5) The secretary of the Transportation Cabinet, or designee;
- (6) The commissioner of the Department of Education, or designee;
- (7) Two members of the public as appointed by the Governor;
- (8) The House co-chair of the Interim Joint Committee on Appropriations and Revenue who shall serve as co-chair of the task force and 14 members to be appointed by the Speaker of the House; and
- (9) The Senate co-chair of the Interim Joint Committee on Appropriations and Revenue who shall serve as co-chair of the task force and seven members to be appointed by the President of the Senate.

➔Section 3. The task force shall identify and document:

- (1) How the Commonwealth currently reviews and prioritizes government spending and the budget process, including but not limited to:
 - (a) The general fund, the road fund, and all cabinets, agencies, and programs;
 - (b) The provisions in the Kentucky Revised Statutes related to the budget process;

(c) The mission statements of state agencies within the Commonwealth;

(d) The strategic plans and progress reports required by KRS 48.810; and

(e) The General Assembly's budget review subcommittee processes;

(2) The best practices for evaluating the priorities of government in the various budgeting processes, including but not limited to:

- (a) 1. Line-item budgets or incremental budgeting;
 2. Performance-driven or priority-based budgeting;
 3. Means-tested methodologies; and
 4. Any other budget methodologies as appropriate;
- (b) What budget methodologies are used by the Commonwealth's surrounding states and other states of similar size or population and the experience of those states; and
- (c) The appropriate process to critically review and analyze the effectiveness and efficiency of programs, activities, and initiatives on an ongoing basis for state government; and
- (3) Any recommendations for statutory changes resulting from the study.

➔Section 4. The task force shall submit a report detailing its findings to the Legislative Research Commission, the Interim Joint Committee on Appropriations and Revenue, and the Office of the Governor no later than November 30, 2016.

➔Section 5. Notwithstanding the provisions of this Resolution to the contrary, the Legislative Research Commission shall have the authority to alternatively assign the issues identified herein to another Interim Joint Committee and to assign an alternative completion date.