

PROGRAM BILL # 9

GOVERNOR'S PROGRAM BILL

2022

MEMORANDUM

AN ACT making appropriations for the support of government making appropriations for the support of government; and providing for the repeal of such provisions upon expiration thereof

Purpose:

This bill provides appropriations to various State departments and agencies to permit certain payments due from April 1 to April 7, 2022, to be made absent enactment of the Budget appropriation bills submitted by the Governor for the State fiscal year beginning April 1, 2022.

Summary of Provisions:

Section 1 authorizes the Comptroller to utilize the appropriations contained in this bill, which relate to the 2022-23 State fiscal year, absent enactment of the 2022-23 Budget.

Section 2 provides:

- \$186 million in appropriation authority for personal service payments scheduled to be made to State officers and employees, including the Governor, Lieutenant Governor, Comptroller, and Attorney General, through April 7, 2022, including payments for services performed by mentally ill or developmentally disabled persons who are employed in State operated special employment, work for pay or sheltered workshop programs.
- \$70 million in appropriation authority for the purpose of state agencies making payments for fringe benefit assessments incurred for personal service liabilities incurred prior to April 1, 2022, and during the period April 1 through April 7, 2022.
- \$4.5 million in appropriation authority for the purpose of state agencies making payments for indirect cost assessments incurred for personal service liabilities incurred prior to April 1, 2022, and during the period April 1 through April 7, 2022.

Section 3 provides \$11.3 million in appropriation authority for nonpersonal service payments by various State agencies. It is the intent of this section to provide sufficient authorization for agencies to enter into contracts, the terms of which may continue beyond the life of this appropriation and for which payments for liabilities incurred beyond April 5, 2022 would be made subject to additional future appropriations.

Section 4 provides a total of \$56.6 million in appropriation authority for payment of State employee and retiree fringe benefits and other fixed costs mandated by statute or collective bargaining agreement during the period April 1 to April 7, 2022, including: the State's contributions towards its retirement obligation within the voluntary defined contribution plan, the Social Security payroll tax, the Employee Benefit Fund Program, and the Metropolitan Commuter Transportation Mobility Tax. The amounts paid during

this period will ensure the continuation of health insurance and other critical benefits for State employees / retirees.

Section 5 provides:

- \$3,200,000 to the Department of Health for the Center for Community Health Program. The funds are in support of the American Indian Health Care Program to provide payments to support pharmacy providers.
- \$8,000,000 to the Department of Health for the Special Supplemental Nutrition Program for Women, Infants, and Children Program. The funds are in support of daily draws that reimburse vendors for services provided.

Section 6 provides \$20 million in appropriation authority to the Office for People with Developmental Disabilities to support not-for-profit providers of essential programs and services.

Section 7 prohibits expenditures from all appropriations until certificates of approval have been issued by the Director of the Budget and filed with certain State officers.

Section 8 requires the Comptroller to transfer any expenditures made against these appropriations to the 2022-23 Budget appropriations after they have become law.

Section 9, the severability clause, provides that if any part of this Act be adjudged by any court of competent jurisdiction to be invalid, such judgment would not invalidate the remainder of the Act.

Section 10 provides that the bill takes effect immediately and is deemed to be in full force and effect on April 1, 2022. The appropriations made in sections 2 and 4 of this bill will be deemed repealed on April 7, 2022 or upon the transfer of expenditures and disbursements by the comptroller as provided in section 8 of this act, whichever is sooner. The appropriations made in sections 3, 5 and 6 of this bill will be deemed repealed on April 5, 2022, or upon the transfer of expenditures and disbursements by the comptroller as provided in section 8 of this act, whichever is sooner.

Statement in Support:

This bill will allow the State to make certain payments and incur certain liabilities during the period April 1 through April 7, 2022 on a timely basis, in the absence of an enacted budget for State fiscal year 2022-23.

Budget Implications:

Expenditures and disbursements made against these appropriations shall, upon final action by the Legislature on the appropriation bills submitted by the Governor for the support of government for the State fiscal year beginning April 1, 2022, be transferred by the Comptroller as expenditures and disbursements to such appropriations for State departments and agencies. Accordingly, this bill will have no additional impact on the State's 2022-23 Financial Plan.