



SPONSOR: Rep. Q. Johnson & Rep. Schwartzkopf & Rep. Longhurst
& Rep. Viola & Sen. McBride & Sen. Henry &
Sen. Poore
Sens. Delcollo, Hansen, Lavelle, Pettyjohn, Simpson,
Sokola, Townsend

HOUSE OF REPRESENTATIVES
149th GENERAL ASSEMBLY

HOUSE JOINT RESOLUTION NO. 8

CREATING AN ADVISORY PANEL TO THE DELAWARE ECONOMIC AND FINANCIAL ADVISORY COUNCIL
TO STUDY POTENTIAL FISCAL CONROLS AND BUDGET SMOOTHING MECHANISMS.

1 WHEREAS, in recent years, despite less than 3% average annual growth, the growth in the State's budget has
2 exceeded the growth in the state's revenue portfolio;

3 WHEREAS, State policy makers must ensure that taxpayer dollars are spent in a way that is responsible and that
4 provides maximum value to the citizens of Delaware;

5 WHEREAS, a number of specific areas such as health care and education costs have been driving the budget's
6 growth in recent years; and

7 WHEREAS, it is important to put in place a process to ensure that in-depth examinations of cost containment
8 strategies are being conducted and actionable recommendations are being produced in order to progress towards the
9 ultimate goal of slowing the growth of costs.

10 NOW, THEREFORE:

11 BE IT RESOLVED by the House of Representatives and the Senate of the 149th General Assembly of the State of
12 Delaware, with the approval of the Governor, that there is hereby created an Advisory Panel to the Delaware Economic and
13 Financial Advisory Council (DEFAC), in order to study potential fiscal controls and budget smoothing mechanisms, and
14 shall be composed of the following members:

- 15 1. The Chairperson of DEFAC, who shall serve as the chairperson of the Advisory Panel.
- 16 2. The Chairperson of the DEFAC Subcommittee on Revenue.
- 17 3. The Chairperson of the DEFAC Subcommittee on Expenditure.
- 18 4. The State Treasurer or his or her designee.
- 19 5. The Secretary of the Department of State or his or her designee.
- 20 6. The Secretary of the Department of Finance or his or her designee.
- 21 7. The Director of the Office of Management and Budget or his or her designee.
- 22 8. One member appointed by the Speaker of the House of Representatives.

- 23 9. One member appointed by the Minority Leader of the House of Representatives.
- 24 10. One member appointed by the President Pro Tempore of the Senate.
- 25 11. One member appointed by the Minority Leader of the Senate.
- 26 12. The Controller General or his or her designee.
- 27 13. Three members of the public with prior experience in private and/or public sectors, appointed by the
- 28 Governor.

29 BE IT FURTHER RESOLVED that the Advisory Panel shall:

30 1. Review the May 2015 Revenue Report and any supporting analyses or data and shall undertake such further

31 analyses and studies as the Advisory Panel deems necessary or appropriate to discharge its duties.

32 2. Call upon and rely on any expertise of individuals outside of its membership, including paid consultants, for

33 research, advice, support, or other functions necessary or appropriate to accomplish its mission. The budget for paid

34 consultants shall not exceed \$50,000 of aggregate fees and expenses.

35 3. Develop a report addressing all of the following:

36 a. The State's historic adherence to the 98% appropriation limit and its use of the Budget Reserve

37 Account.

38 b. The need for reasonable restrictions on the use of budget surpluses, including but not limited to those

39 arising from unforeseen revenue growth or one-time revenues, to control the expansion of expenditures over the

40 long term.

41 c. The benefits of a budget stabilization fund to store excess funds during periods of budget surplus and

42 cover operating deficits during periods of budget deficit.

43 d. Such other matters as the Advisory Panel deems appropriate.

44 4. Identify any changes to the Delaware Constitution, the Delaware Code, or any other regulation or law

45 needed to implement the Advisory Panel's recommendations.

46 BE IT FURTHER RESOLVED that the Advisory Panel shall submit a preliminary report no later than May 1,

47 2018 to the Governor, the Speaker of the House of Representatives, the President Pro Tempore of the Senate, the Minority

48 Leader of the House of Representatives, and the Minority Leader of the Senate.

49 BE IT FURTHER RESOLVED that staff support for the Advisory Panel shall be provided by the Department of

50 Finance if necessary.

SYNOPSIS

This Joint Resolution creates an Advisory Panel to the Delaware Economic and Financial Advisory Council (DEFAC) that is tasked with developing a report concerning the State's historic budgeting practices, the need for

reasonable restrictions on the use of budget surpluses, the benefits of a budget stabilization fund, and such other matters as the Advisory Panel deems appropriate. A preliminary report shall be submitted to the General Assembly and the Governor no later than May 1, 2018.