EXHIBIT 1
DATE 1-9-07
HB 2

Motion to be adopted in each HB 2 appropriations subcommittee: (Note: *This is a revision as of 1/6/07, 6:00 p.m., to the original motion released earlier in the day. Revisions are shown as strikeouts/capital letters, and do not change the motion substantively, but are done for clarity)*

"I move that for all agency budgets reviewed by this subcommittee that the starting point will be the 2006 base budget as ~~defined in statute~~ SHOWN IN THE LEGISLATIVE BUDGET ANALYSIS plus statewide present law adjustments, with the exception of "personal services" as shown in the present law adjustment table of the Legislative Budget Analysis. For personal services (salaries and longevity), only costs related to the 2007 biennium pay plan (HB 447) will be included and adjusted for the 2009 biennium benefit rates. All other personal services adjustments must be acted upon as a decision package to be considered as the subcommittee's recommendation.

Adjustments to "inflation/deflation" and "fixed costs" for agencies in this section are approved, based upon the decision of the subcommittee reviewing the particular "inflation/deflation" and "fixed costs" item, and LFD staff is directed to make those adjustments.

For whatever the subcommittee decides is included in "personal services", LFD staff is directed to adjust the vacancy savings amount by the approved committee percent."

What this amendment does:

- Establishes, with one motion, that the starting base for each agency is the 2006 base budget plus statewide present law adjustments, excluding personal services other than CERTAIN statutory increases, primarily related to the 2007 biennium pay plan

- THIS MOTION REPLACES THE EXECUTIVE BUDGET AS THE STARTING POINT FOR SUBCOMMITTEE RECOMMENDATIONS ON HB2, AND AS A RESULT, THE FOLLOWING ARE NO LONGER INCLUDED IN THE STARTING POINT, AND REQUIRE POSITIVE COMMITTEE ACTION TO INCLUDE THEM:
  - STATEWIDE PRESENT LAW ADJUSTMENTS FOR PERSONAL SERVICES OTHER THAN THE PAY PLAN AND CERTAIN OTHER STATUTIORY ADJUSTMENTS
  - PRESENT LAW ADJUSTMENTS OTHER THAN "STATEWIDE"
  - NEW PROPOSALS

- Authorizes the adjustment of fixed costs and inflation "automatically", once reviewed and approved by the subcommittee responsible for a global application of that component (the subcommittees will be notified of the decision, with the option to disagree, but in the absence of action, will be "automatic")

- Requires adjustment by the LFD analyst to ensure final personal services adopted by the committee reflects the vacancy savings rate approved by that subcommittee.

This amendment conforms to the understanding that vacancy savings is applied to all budgets as recommended by the executive (generally a 4% rate), and that subcommittees may approve adjustments as they deem appropriate

Submitted by the Legislative Fiscal Division, as revised, 6:00 p.m., January 6, 2007