

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 189** SLS 20RS 187

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: May 12, 2020	7:37 AM	Author: WHITE, B
Dept./Agy.: Statewide		Analyst: Alan M. Boxberger
Subject: Provides for allocation of the FY 19 surplus		

FUNDS/FUNDING EG SEE FISC NOTE SD EX See Note Page 1 of 2
Provides for the creation, transfer, dedication, deposit, and use of certain funds in the state treasury. (7/1/20)

Present law provides for the creation, transfer, dedication, deposit and use of certain funds in the state treasury. Proposed law creates the 2020 Capital Project Fund as a special fund in the state treasury; directs nonrecurring revenues from the FY 19 surplus, subject to legislative appropriation, as follows: transfer 25% of the surplus into the Budget Stabilization Fund, transfer 10% to the Unfunded Accrued Liabilities of the Louisiana State Employees' Retirement System and the Teachers Retirement System of Louisiana on a pro rata basis as provided in Article VII, Section 10(D)(2)(b) of the Louisiana Constitution, and transfer the remaining 65% to the 2020 Capital Project Fund. Proposed law provides that monies in the 2020 Capitol Project Fund shall be subject to appropriation by the legislature to be used solely and exclusively for one of the following purposes: 1) provide funding for capital outlay projects in the comprehensive state capital budget, 2) provide for deposit into the Coastal Protection and Restoration Fund to be used consistently with the Coastal Master Plan as developed
SEE SUMMARY CONTINUED ON PAGE TWO

EXPENDITURES	2020-21	2021-22	2022-23	2023-24	2024-25	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total						
REVENUES	2020-21	2021-22	2022-23	2023-24	2024-25	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure.

Proposed law creates the 2020 Capital Project Fund and allocates and directs nonrecurring revenues from the FY 19 surplus in accordance with allowable uses as follows:

- 25% or \$133,627,380, allocated to the Budget Stabilization Fund (Rainy Day Fund)
- 10% or \$53,450,952, allocated to the unfunded accrued liabilities (UAL) of the Louisiana State Employees' Retirement System and the Teachers Retirement System of Louisiana on a pro rata basis as provided in Article VII, Section 10(D)(2)(b) of the Louisiana Constitution
- 65%, or the \$347,431,186 balance, to be deposited into the 2020 Capital Project Fund.

Proposed law provides that monies deposited into the 2020 Capital Project Fund shall be used, subject to appropriation by the legislature solely and exclusively for one of the following purposes:

SEE EXPENDITURE EXPLANATION CONTINUED ON PAGE TWO

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Evan Brasseaux

Evan Brasseaux
Staff Director

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CONTINUED EXPLANATION from page one:
SUMMARY CONTINUED FROM PAGE ONE

by the Coastal Protection and Restoration Authority, or 3) provide for new highway construction for which federal matching funds are available without excluding highway projects otherwise eligible as capital projects under the Louisiana Constitution. Proposed law provides that monies in the 2020 Capital Project Fund shall be invested in the same manner as the state general fund, interest earned shall be credited to the fund, and that unexpended and unencumbered monies shall remain in the fund at the end of each fiscal year.

EXPENDITURE EXPLANATION CONTINUED FROM PAGE ONE

- Providing funding for capital outlay projects in the comprehensive state capital budget.
- For deposit into the Coastal Protection and Restoration Fund to be used for purposes consistent with the Coastal Master Plan developed by the Coastal Protection and Restoration Authority.
- Providing for new highway construction for which federal matching funds are available, without excluding highway projects otherwise eligible as capital projects under the Louisiana Constitution.

For informational purposes: surplus nonrecurring revenues have six authorized and allowable uses:

- Deposits into the Budget Stabilization (Rainy Day) Fund – required minimum 25% allocation
- Allocated to pay down the state’s unfunded accrued liability (UAL) – required minimum 10% allocation
- Transportation Projects
- Capital Outlay Projects
- Coastal Projects
- Debt Defeasance

Proposed law allocates the FY 19 surplus to five of the six allowable categories, excluding debt defeasance, and allocates the minimum percentage to the Budget Stabilization Fund (25%) and UAL (10%).

Creating a new statutory dedication within the state treasury will result in a marginal workload increase for the Department of Treasury, which can generally be absorbed within existing resources. However, to the extent other legislative instruments create new statutory dedications, there may be material additional costs associated with the aggregate effort to administer these funds. The Treasury performs fund accounting, financial reporting, banking and custodial functions for 404 special funds. When unable to absorb additional workload with existing resources, the Treasury anticipates that it will be required to add one T.O. position at a total personal services cost of approximately \$71,000 plus approximately \$2,450 for a one-time purchase of office equipment. These expenditures are assumed to be SGF in this fiscal note.

Senate Dual Referral Rules

13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}

13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House

6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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