



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 762** HLS 15RS 610
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: May 15, 2015	4:24 PM	Author: TALBOT
Dept./Agy.: Treasury		Analyst: Travis McIlwain
Subject: Eliminates Statutorily Dedicated Funds		

FUNDS/FUNDING OR +\$853,000,000 GF RV See Note Page 1 of 2
 Eliminates certain statutory dedications of funds and eliminates certain dedications into certain funds

This bill eliminates approximately 65 different statutorily dedicated funds. This bill eliminates the annual dedication of \$15 M into the Unclaimed Property Leverage Fund and provides that only the amount necessary to satisfy the debt obligation be deposited. This bill eliminates a potential funding mechanism of the New Opportunities Waiver Fund. Effective upon governor's signature.

EXPENDITURES	2015-16	2016-17	2017-18	2018-19	2019-20	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
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>	\$0
Annual Total						

REVENUES	2015-16	2016-17	2017-18	2018-19	2019-20	5 -YEAR TOTAL
State Gen. Fd.	\$853,000,000	\$627,000,000	\$627,000,000	\$627,000,000	\$627,000,000	\$3,361,000,000
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	(\$853,000,000)	(\$627,000,000)	(\$627,000,000)	(\$627,000,000)	(\$627,000,000)	(\$3,361,000,000)
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>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

Although this bill eliminates the dedications, it does not eliminate the expenditures these dedications currently support. To the extent the legislature continues to fund these programs in subsequent fiscal years, the funding source will be the SGF and not the dedicated funds. Therefore, these services will be competing for annual SGF resources along with the other significant SGF supported services. In addition, by eliminating these statutorily dedicated funds, during a mid-year SGF deficit situation the expenditures and state services currently being supported by these dedications would lose the 5% cut limitation of funds currently provided for within the constitution and Title 39.

REVENUE EXPLANATION

Due to the elimination of close to 65 statutorily dedicated funds and the requirement that the revenue source of such funds flow into the SGF, the SGF will receive a statutorily dedicated fund balance transfer of approximately \$853 million in FY 16 and annual SGF revenue flow of approximately \$627 million annually. The fund balance calculation is based upon information provided to the Legislative Fiscal Office by the State Treasury, which consisted of the estimated FY 15 ending year fund balance and the FY 16 adopted revenue forecast (5/14/2015). The revenue impact listed in the revenue table above will likely change. This estimate is based upon the current fund balance projection, which includes current revenue and expenditure projections, which will likely change. NOTE: According to State Treasury, 1 of these statutory dedications has an outstanding State Treasury Seed that must be satisfied before elimination. That outstanding seeds is: \$1.4 M - Tobacco Tax Health Care Fund.

In addition to eliminating statutorily dedicated funds, this legislation does not eliminate the Unclaimed Property Leverage Fund, but does eliminate the annual \$15 million deposit. However, the legislation provides that an amount equivalent to the debt service be deposited into the fund annually. Currently, the debt service obligation is approximately \$10 million annually. Therefore, a minimum of at least \$10 million would have to be allocated to the this fund in order to meet the debt service requirements.

This bill also eliminates a potential funding mechanism of the New Opporutnities Waiver Fund (NOW). The fund may receive 12% of all recurring state general fund revenue recognized by the Revenue Estimating Conference in excess of the official forecast at the beginning of the year, up to a maximum of \$50 million in any fiscal year. This legislation eliminates this potential funding mechanism.

The specific funds impacted are listed on the **next page**.

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|---|----------------------------|--|---|
| Senate | <u>Dual Referral Rules</u> | House | <input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S} |
| <input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} | | <input type="checkbox"/> 6.8(F)(2) >= \$500,000 Rev. Red. to State {H & S} | |
| <input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H} | | <input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S} | |

Gregory V. Albrecht
Chief Economist

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CONTINUED EXPLANATION from page one:

- Louisiana Agricultural Finance Authority Fund,
- Forest Protection Fund,
- Forest Productivity Fund,
- Department of Public Safety Peace Officers Fund,
- Tobacco Control Special Fund,
- Louisiana Public Defender Fund,
- Indigent Parent Representation Program Fund,
- Innocence Compensation Fund,
- Academic Improvement Fund,
- Support Education in Louisiana First Fund,
- Workforce Training Rapid Response Fund,
- Higher Education Initiatives Fund,
- Louisiana Charter School Start-Up Loan Fund,
- Two Percent Fire Insurance Fund,
- Louisiana State Police Salary Fund,
- Louisiana Fire Marshal Fund,
- Municipal Fire and Police Civil Service Fund,
- Legislative Capitol Technology Enhancement Fund,
- Riverboat Gaming Enforcement Fund,
- Pari-Mutuel Live Racing Facility Gaming Control Fund,
- Rehabilitation for the Blind and Visually Impaired Fund,
- Equine Health Studies Program Fund,
- Southern University AgCenter Program Fund,
- Friends of NORD Fund,
- Video Draw Poker Device Fund,
- Video Draw Poker Device Purse, Supplement Fund,
- Compulsive and Problem Gaming Fund,
- Tobacco Settlement, Enforcement Fund,
- Payments Towards the UAL Fund,
- Sports Facility Assistance Fund,
- Overcollections Fund,
- FEMA Reimbursement Fund,
- State Emergency Response Fund,
- Louisiana Interoperability Communications Fund,
- Health Care Redesign Fund,
- Community Water Enrichment Fund,
- Insurance Fraud Investigation Fund,
- Louisiana State University Firemen Training Program Film Library Fund
- Industrialized Building Program Fund,
- Marketing Fund,
- Tobacco Tax Health Care Fund,
- Department of Justice Legal Support Fund,
- Rapid Response Fund,
- Louisiana Mega-Project Development Fund,
- DNA Testing Post-Conviction Relief for Indigents Fund,
- 2013 Amnesty Collections Fund,
- Casino Support Services Fund,
- Workforce and Innovation for a Strong Economy Fund,
- Competitive Core Growth Fund, Science, Technology, Engineering and Math (STEM) Upgrade Fund,
- Louisiana Asbestos Detection and Abatement Fund,
- Center of Excellence for Autism Spectrum Disorder Fund,
- Major Events Fund,
- Unfunded Accrued Liability and Specialized Educational Institutions Support Fund,
- MediFund,
- Transportation Mobility Fund,
- Department of Health and Hospitals' Facility Support Fund,
- Louisiana Emergency Response Network Fund,
- FMAP Stabilization Fund,
- Fund for Louisianians in Need of Civil Legal Assistance,
- Fiscal Administrator Revolving Loan Fund,
- Status of Grandparents Raising Grandchildren Fund,
- State Highway Improvement Fund

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|---|----------------------------|--------------|--|
| <u>Senate</u> | <u>Dual Referral Rules</u> | <u>House</u> | <input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S} |
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