

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 226** SLS 17RS 457

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: May 13, 2017 7:12 AM	Author: HEWITT
Dept./Agy.: Statewide	Analyst: Alan M. Boxberger
Subject: Eliminates certain statutory dedications	

FUNDS/FUNDING OR +\$839,887,403 GF RV See Note Page 1 of 2
Eliminates certain statutory dedications and eliminates certain dedications of certain funds. (7/1/17)

Proposed law eliminates 77 statutorily dedicated funds and authorizes the treasurer to transfer any unencumbered balances remaining in the funds repealed and abolished by proposed law to the State General Fund (SGF) after satisfying appropriations for FY 2015-16.

Proposed law eliminates certain deposits into the New Opportunities Waiver (NOW) Fund.

Proposed law has an effective date of July 1, 2017.

EXPENDITURES	2017-18	2018-19	2019-20	2020-21	2021-22	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	\$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						
REVENUES	2017-18	2018-19	2019-20	2020-21	2021-22	5 -YEAR TOTAL
State Gen. Fd.	\$839,887,403	\$718,140,000	\$718,140,000	\$718,140,000	\$718,140,000	\$3,712,447,403
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	(\$839,887,403)	(\$718,140,000)	(\$718,140,000)	(\$718,140,000)	(\$718,140,000)	(\$3,712,447,403)
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

While proposed law eliminates 77 statutorily dedicated funds, it does not eliminate the existing expenditures currently supported by these dedications. To the extent that the legislature continues to fund these programs in subsequent fiscal years, the funding source supporting the expenditures must be replaced by SGF or another revenue source to supplant the loss of the eliminated statutorily dedicated funds. The activities and services supported by these statutory dedications will compete for annual SGF resources along with other significant SGF supported services. The activities and services currently supported by statutory dedications, if supplanted with SGF support in future fiscal years, would lose the 5% reduction limitation currently provided by the constitution and Title 39.

REVENUE EXPLANATION

Due to the elimination of 77 statutorily dedicated funds, the requirement that the revenue source of such funds flow into the SGF, and the additional elimination of certain dedications, the SGF will receive a remaining statutory dedicated fund balance transfer of approximately \$121.75 M at the end of FY 17 (transferred in FY 18) and an annual supplanting of revenue deposits from statutory dedications into the SGF of approximately \$718,140,000* beginning in FY 18 and annually thereafter. The fund balance estimate is based upon information provided to the Legislative Fiscal Office by the State Treasury, consisting of the estimated FY 17 ending year fund balance and the adopted revenue forecast (1/13/17). The revenue impact listed in the revenue table above will likely change as REC forecasts are updated. The estimate is based upon the fund balance projection as of 4/10/17, which includes current revenue and expenditure projections that will also likely change. *NOTE: Three of the statutory dedications to be eliminated owe an outstanding seed balance to the treasury that must be repaid. The outstanding seed balances are \$11 M Riverboat Gaming Enforcement Fund (current projected end of FY 17 balance is \$0), \$16.8 M La Fire Marshal Fund (current projected end of FY 17 balance of \$16.39 M), and \$15.6 M La State Police Salary Fund (current projected end of year balance is \$0). The total seed balance due is \$43.4 M and the LFO assumes the seed balance would be returned to the SGF prior to executing the provisions of proposed law, although the end result will still be a deposit into the SGF.

Revenue Explanation Continued on Page 2

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>
<input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}		<input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {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}

Evan Brasseaux

Evan Brasseaux
Staff Director

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CONTINUED EXPLANATION from page one:

Revenue Explanation Continued from Page 1

Proposed law eliminates a potential funding mechanism to the New Opportunities Waiver (NOW) Fund. The fund currently may receive 12% of all recurring state general fund recognized by the Revenue Estimating Conference in excess of the official forecast at the beginning of the fiscal year, up to a maximum of \$50 million in any year. Proposed law eliminates this potential funding mechanism. Note: The current estimate adopted by the REC on 1/13/17 recognizes no projected revenues in FY 18 for the NOW Fund.

The specific funds eliminated are as follows:

- | | |
|---|--|
| 2013 Amnesty Collections Fund | Louisiana State Police Salary Fund |
| Academic Improvement Fund | LSU Firemen Training Program Film Library Fund |
| Administrative Fund of the Department of Insurance | Major Events Fund |
| Automobile Theft and Insurance Fraud Prevention Authority Fund | Major Events Incentive Program Subfund |
| Avoyelles Parish Local Government Gaming Mitigation | Marketing Fund |
| Barrier Island Stabilization and Preservation Fund | Medical Assistance Program Fraud Detection Fund |
| Center for Excellence for Autism Spectrum Disorder Fund | MediFund |
| Community Hospital Stabilization Fund | Mineral and Energy Operation Fund |
| Community Water Enrichment Fund | Municipal Fire and Police Civil Service Operating Fund |
| Competitive Core Growth Fund | Natural Resource Restoration Trust Fund |
| Compulsive and Problem Gaming Fund | New Orleans Public Safety Fund |
| Deepwater Horizon Economic Damages Collections Fund | Office of Workers' Compensation Administrative Fund |
| Department of Health and Hospitals Facility Support Fund | Overcollections Fund |
| Department of Justice Legal Support Fund | Pari-Mutuel Live Racing Facility Gaming Control Fund |
| Department of Revenue Alcohol and Tobacco Control Officers Fund | Payments Towards the UAL Fund |
| DNA Testing Post-Conviction Relief for Indigents Fund | Rapid Response Fund |
| Equine Health Studies Program Fund | Riverboat Gaming Enforcement Fund |
| Evangeline Parish Recreation District Support Fund | Sickle Cell Fund |
| FEMA Reimbursement Fund | Southern University AgCenter Program Fund |
| Fiscal Administrator Revolving Loan Fund | Sports Facility Assistance Fund |
| FMAP Stabilization Fund | State Emergency Response Fund |
| Forest Productivity Fund | STEM Upgrade Fund |
| Forest Protection Fund | Support Education in Louisiana First Fund |
| Fraud Detection Fund | Telecommunications for the Deaf Fund |
| Fund for Louisianans in Need of Civil Legal Assistance | Tobacco Regulation Enforcement Fund |
| Hazardous Waste Site Cleanup Fund | Tobacco Settlement Enforcement Fund |
| Health Care Redesign Fund | Tobacco Tax Health Care Fund |
| Health Trust Fund | Tobacco Tax Medicaid Match Fund |
| Higher Education Financing Fund | Two Percent Fire Insurance Fund |
| Higher Education Initiatives Fund | UAL & Specialized Educ. Institutions Support Fund |
| Indigent Parent Representation Program Fund | UNO Slidell Technology Park Fund |
| Innocence Compensation Fund | Video Draw Poker Device Fund |
| Insurance Fraud Investigation Fund | Video Draw Poker Device Purse Supplement Fund |
| Legislative Capitol Technology Enhancement Fund | Workforce and Innovation for a Stronger Economy |
| Louisiana Asbestos Detection and Abatement Fund | Workforce Training Rapid Response Fund |
| Louisiana Charter School Start-Up Loan Fund | |
| Louisiana Economic Development Fund | |
| Louisiana Emergency Response Network Fund | |
| Louisiana Fire Marshal Fund | |
| Louisiana Interoperability Communications Fund | |
| Louisiana Mega-Project Development Fund | |
| Louisiana Public Defender Fund | |

Of the 77 enumerated funds, 35 have no revenues projected by the REC in FY 18.

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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