

2017 Regular Session

HOUSE BILL NO. 64

BY REPRESENTATIVE HENRY

1 AN ACT

2 To provide for the establishment and reestablishment of agency ancillary funds, to be
3 specifically known as internal service funds, auxiliary accounts, or enterprise funds
4 for certain state institutions, officials, and agencies; to provide for appropriation of
5 funds; and to regulate the administration of said funds.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. There are hereby appropriated the amounts shown below, which shall be
8 payable out of the state general fund, to the extent of funds deposited, unless otherwise
9 specified, for the establishment and reestablishment of agency ancillary funds which shall
10 be specifically known as internal service funds, auxiliary accounts, or enterprise funds. The
11 monies in each fund shall be used for working capital in the conduct of business enterprises
12 rendering public service, auxiliary service, and interagency service.

13 In the conduct of each such business, receipts shall be deposited in the state treasury
14 and disbursements made by the state treasurer to the extent of the amount deposited to the
15 credit of each ancillary fund, for the Fiscal Year 2017-2018. All funds appropriated herein
16 shall be expended in compliance with the public bid laws of the state.

17 Section 2.A. Except as otherwise provided by law or as herein otherwise provided,
18 any fund equity resulting from prior year operations shall be included as a resource of the
19 fund from which the ancillary fund is directly or indirectly derived.

20 B. Funds on deposit with the state treasury at the close of the fiscal year are
21 authorized to be transferred to each fund respectively, as equity for Fiscal Year 2018-2019.

22 All unexpended cash balances as of June 30, 2018, shall be remitted to the state
23 treasurer on or before August 14, 2018. If not reestablished in the subsequent year's Act, the
24 agency must liquidate all assets and return all advances no later than August 14, 2018.

25 C. The program descriptions contained in this Act are not part of the law and are not
26 enacted into law by virtue of their inclusion into this Act.

1 Section 3. All money from federal, interagency transfers, statutory dedications, or
2 fees and self-generated revenues shall be available for expenditure in the amounts herein
3 appropriated.

4 Any increase in such revenues shall be available for allotment and expenditure by
5 an agency on approval of an increase in the appropriation by the commissioner of
6 administration and the Joint Legislative Committee on the Budget. Any increase in such
7 revenues for an agency without an appropriation from the respective revenue source shall
8 be incorporated into the agency's appropriation on approval of the commissioner of
9 administration and the Joint Legislative Committee on the Budget.

10 Section 4.A. The figures in parentheses following the designation of a budget entity
11 are the total authorized positions and authorized other charges positions for that entity. The
12 number approved for each agency, as a result of the passage of this Act, may be increased
13 by the commissioner of administration when sufficient documentation is presented and the
14 request is deemed valid. Any request which exceeds five (5) positions, however, shall be
15 approved by the commissioner of administration and the Joint Legislative Committee on the
16 Budget.

17 B. The budget request of any agency with an appropriation level of thirty million
18 dollars or more shall include within its existing table of organization positions which
19 perform the function of internal auditing, including the position of a chief audit executive.
20 The chief audit executive shall be responsible for ensuring that the internal audit function
21 adheres to the Institute of Internal Auditors, International Standards for the Professional
22 Practice of Internal Auditing. The chief audit executive shall maintain organizational
23 independence in accordance with these standards and shall have direct and unrestricted
24 access to the commission, board, secretary, or equivalent head of the agency. The chief
25 audit executive shall certify to the commission, board, secretary, or equivalent head of the
26 agency that the internal audit function conforms to the Institute of Internal Auditors,
27 International Standards for the Professional Practice of Internal Auditing.

28 Section 5. All key and supporting performance objectives and indicators for the
29 departments, agencies, programs, and budget units contained in the Governor's Executive
30 Budget Supporting Document shall be adjusted by the commissioner of administration to

1 reflect the funds appropriated therein. The commissioner of administration shall report on
2 these adjustments to the Joint Legislative Committee on the Budget by August 15, 2017.

3 Section 6. The following definition is provided for the terms of this Act: "Working
4 Capital" shall be considered the excess of current assets over current liabilities on an accrual
5 basis.

6 Section 7. Should any section, subsection, clause, sentence, phrase, or part of the Act
7 for any reason be held, deemed, or construed to be unconstitutional or invalid, such decisions
8 shall not affect the remaining provisions of the Act, and the legislature hereby declares that
9 it would have passed the Act, and each section, subsection, clause, sentence, phrase, or part
10 thereof, irrespective of the fact that one or more of the sections, subsections, clauses,
11 sentences, phrases, or parts thereof, is declared unconstitutional or invalid. To this end, the
12 provisions of this Act are hereby declared severable.

13 Section 8. Internal Service Funds. These funds account for the financing of goods
14 or services provided by one department or agency to other departments or agencies of the
15 governmental unit, or to other governmental units, on a cost-reimbursement basis. Excess
16 cash funds, excluding cash funds arising from working capital advances, shall be invested
17 by the state treasurer with the interest proceeds there from credited to each account and shall
18 not be transferred to the state general fund.

19 Section 9. In conjunction with the continuing assessment of the existing staff, assets,
20 contracts, and facilities of each department, agency, program, or budget unit's information
21 technology resources and procurement resources, upon completion of this assessment and
22 to the extent optimization of these resources will result in the projected cost savings through
23 staff reductions, realization of operational efficiencies, cost avoidance, and elimination of
24 asset duplication, the commissioner of administration is authorized to transfer the functions,
25 positions, assets, and funds from any other department, agency, program, or budget units
26 related to these optimizations to a different department. The provisions of this Section shall
27 not apply to the Department of Culture, Recreation and Tourism, or any agency contained
28 in Schedule 04, Elected Officials, of the General Appropriation Act.

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SCHEDULE 21

ANCILLARY APPROPRIATIONS

21-800 OFFICE OF GROUP BENEFITS

EXPENDITURES:

State Group Benefits - Authorized Positions (42) \$ 1,465,783,992
Program Description: Provides for the administration of group health and accidental insurance and group life insurance for current and former state employees and other participating groups.

TOTAL EXPENDITURES \$1,465,783,992

MEANS OF FINANCE:

State General Fund by:
 Interagency Transfers \$ 198,733
 Fees & Self-generated Revenues \$1,465,585,259

TOTAL MEANS OF FINANCING \$1,465,783,992

21-804 OFFICE OF RISK MANAGEMENT

EXPENDITURES:

Risk Management - Authorized Positions (38) \$ 202,798,117
Program Description: Provides for the overall executive leadership and management of the office, support services, policy analysis, management direction of the state's self-insurance program; provides funding for the payment of losses on medical, malpractice, property, comprehensive general liability, personal injury, automobile liability, automobile physical damage, bonds, crime, aviation, wet marine boiler and machinery and miscellaneous tort claims; provides funding for the payment of contracts issued for professional legal defense of claims made against the state; provides funding for the reimbursement of the Division of Risk Litigation in the Office of the Attorney General for costs incurred for professional legal defense of claims made against the state.

TOTAL EXPENDITURES \$ 202,798,117

MEANS OF FINANCE:

State General Fund by:
 Interagency Transfers \$ 182,953,805
 Fees & Self-generated Revenues \$ 17,844,312
 Statutory Dedications:
 Future Medical Care Fund \$ 2,000,000

TOTAL MEANS OF FINANCING \$ 202,798,117

Payable out of the State General Fund by
 Fees and Self-generated Revenues to the Risk
 Management Program for claims payments, in the
 event that House Bill No. 403 of the 2017 Regular
 Session of the Legislature is enacted into law \$ 7,582,927

21-806 LOUISIANA PROPERTY ASSISTANCE

EXPENDITURES:

Louisiana Property Assistance - Authorized Positions (39) \$ 6,269,590
Program Description: Provides for the accountability of the state's moveable property through the development and implementation of sound management practices.

TOTAL EXPENDITURES \$ 6,269,590

1	MEANS OF FINANCE:	
2	State General Fund by:	
3	Interagency Transfers	\$ 1,115,846
4	Fees & Self-generated Revenues	<u>\$ 5,153,744</u>
5		
	TOTAL MEANS OF FINANCING	<u>\$ 6,269,590</u>
6	Payable out of the State General Fund by	
7	Interagency Transfers from various state agencies	
8	for GPS payments to the Louisiana Property	
9	Assistance Program	\$ 800,000
10	21-807 LOUISIANA FEDERAL PROPERTY ASSISTANCE AGENCY	
11	EXPENDITURES:	
12	Federal Property Assistance - Authorized Positions (9)	<u>\$ 3,257,151</u>
13	Program Description: <i>Seeks to assure the fair and equitable distribution of</i>	
14	<i>federal property allocated to Louisiana by the General Services Administration to</i>	
15	<i>eligible Louisiana donees.</i>	
16		
	TOTAL EXPENDITURES	<u>\$ 3,257,151</u>
17	MEANS OF FINANCE:	
18	State General Fund by:	
19	Interagency Transfers	\$ 234,342
20	Fees & Self-generated Revenues	<u>\$ 3,022,809</u>
21		
	TOTAL MEANS OF FINANCING	<u>\$ 3,257,151</u>
22	21-811 PRISON ENTERPRISES	
23	EXPENDITURES:	
24	Prison Enterprises - Authorized Positions (72)	<u>\$ 35,485,443</u>
25	Program Description: <i>Utilizes the resources of the Department of Public Safety</i>	
26	<i>and Corrections in the production of food, fiber, and other necessary items used by</i>	
27	<i>offenders in order to lower the cost of incarceration; provides products and</i>	
28	<i>services to state agencies and agencies of parishes, municipalities, and other</i>	
29	<i>political subdivisions; and provides work opportunities for offenders. Prison</i>	
30	<i>Enterprises conducts both industry operations and agriculture operations.</i>	
31		
	TOTAL EXPENDITURES	<u>\$ 35,485,443</u>
32	MEANS OF FINANCE:	
33	State General Fund by:	
34	Interagency Transfers	\$ 24,540,368
35	Fees & Self-generated Revenues	<u>\$ 10,945,075</u>
36		
	TOTAL MEANS OF FINANCING	<u>\$ 35,485,443</u>
37	21-815 OFFICE OF TECHNOLOGY SERVICES	
38	EXPENDITURES:	
39	Technology Services - Authorized Positions (802)	<u>\$ 418,968,469</u>
40	Authorized Other Charges Positions (9)	
41		
	TOTAL EXPENDITURES	<u>\$ 418,968,469</u>

1	MEANS OF FINANCE:	
2	State General Fund by:	
3	Interagency Transfers	\$ 417,449,996
4	Fees and Self-generated Revenues	\$ <u>1,518,473</u>
5		
	TOTAL MEANS OF FINANCING	\$ <u>418,968,469</u>
6	21-816 DIVISION OF ADMINISTRATIVE LAW	
7	EXPENDITURES:	
8	Administration - Authorized Positions (58)	\$ <u>7,733,993</u>
9	Program Description: <i>Provides a neutral forum for handling administrative</i>	
10	<i>hearings for certain state agencies, with respect for the dignity of individuals and</i>	
11	<i>their due process rights.</i>	
12		
	TOTAL EXPENDITURES	\$ <u>7,733,993</u>
13	MEANS OF FINANCE:	
14	State General Fund by:	
15	Interagency Transfers	\$ 7,705,096
16	Fees & Self-generated Revenues	\$ <u>28,897</u>
17		
	TOTAL MEANS OF FINANCING	\$ <u>7,733,993</u>
18	21-820 OFFICE OF STATE PROCUREMENT	
19	EXPENDITURES:	
20	State Procurement - Authorized Positions (92)	\$ <u>10,503,142</u>
21	Program Description: <i>The mission of the Office of State Procurement is to</i>	
22	<i>provide cost-effective services that satisfy the needs of approved governmental units</i>	
23	<i>of the State of Louisiana through the management of products and services.</i>	
24		
	TOTAL EXPENDITURES	\$ <u>10,503,142</u>
25	MEANS OF FINANCE:	
26	State General Fund by:	
27	Interagency Transfers	\$ 8,496,667
28	Fees & Self-generated Revenues	\$ <u>2,006,475</u>
29		
	TOTAL MEANS OF FINANCING	\$ <u>10,503,142</u>
30	21-829 OFFICE OF AIRCRAFT SERVICES	
31	EXPENDITURES:	
32	Flight Maintenance - Authorized Positions (3)	\$ <u>2,248,695</u>
33	Program Description: <i>The mission of the Office of Aircraft Services is to manage</i>	
34	<i>the overall maintenance and provide all needed and required support for safe,</i>	
35	<i>proper, and economic operation of the State's various aircraft. Flight Maintenance</i>	
36	<i>Operations ensures flight safety, maintains high safety standards while minimizing</i>	
37	<i>aircraft downtime for repairs, and provides high quality, efficient, and economical</i>	
38	<i>repair and fueling services for state-operated aircraft.</i>	
39		
	TOTAL EXPENDITURES	\$ <u>2,248,695</u>
40	MEANS OF FINANCE:	
41	State General Fund by:	
42	Interagency Transfers	\$ 1,819,480
43	Fees & Self-generated Revenues	\$ <u>429,215</u>
44		
	TOTAL MEANS OF FINANCING	\$ <u>2,248,695</u>

1 **21-860 CLEAN WATER STATE REVOLVING FUND**

2 EXPENDITURES:

3 Clean Water State Revolving Fund \$ 85,000,000

4 **Program Description:** *Helps individual citizens and local governments participate*
 5 *in environmental programs by assisting municipalities to finance and construct*
 6 *wastewater treatment works. The Clean Water State Revolving Fund is used by the*
 7 *Department of Environmental Quality to assist recipients of Environmental*
 8 *Protection Agency and construction grants in providing project inspection,*
 9 *construction management, and overall program management services, required for*
 10 *the completion of the Environmental Protection Agency program, as outlined in the*
 11 *management grant. Regional meetings are held in the state's eight planning*
 12 *districts with one-on-one follow-up meetings to make municipalities more aware*
 13 *of the program's benefits and requirements.*

14 TOTAL EXPENDITURES \$ 85,000,000

15 MEANS OF FINANCE:

16 State General Fund by:

17 Statutory Dedications:

18 Clean Water State Revolving Fund \$ 85,000,000

19 TOTAL MEANS OF FINANCING \$ 85,000,000

20 Payable out of the State General Fund by
 21 Statutory Dedications out of the Clean Water
 22 State Revolving Fund due to a projected increase
 23 in the loan amount disbursements \$ 30,000,000

24 **21-861 SAFE DRINKING WATER REVOLVING LOAN FUND**

25 EXPENDITURES:

26 Safe Drinking Water Revolving Loan Fund \$ 34,000,000

27 **Program Description:** *Assist public water systems in financing needed drinking*
 28 *water infrastructure improvements (e.g. treatment plant, distribution main*
 29 *replacement, storage facilities, new wells). The Safe Drinking Water Revolving*
 30 *Loan Fund provides assistance in the form of low-interest loans and technical*
 31 *assistance to public water systems in Louisiana to assist them with complying with*
 32 *state and federal drinking water regulations, ensuring that their customers are*
 33 *provided with safe drinking water thereby protecting the public health.*

34 TOTAL EXPENDITURES \$ 34,000,000

35 MEANS OF FINANCE:

36 State General Fund by:

37 Statutory Dedication:

38 Safe Drinking Water Revolving Loan Fund \$ 34,000,000

39 TOTAL MEANS OF FINANCING \$ 34,000,000

40 Section 10. This Act shall become effective on July 1, 2017.

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COMPARATIVE STATEMENT

In accordance with R.S. 39:51(B), the following represents a comparative statement for each program, department and budget unit. The authorized positions and operating budget for FY 2016-2017 as of December 1, 2016, are compared to the appropriations for FY 2017-2018 as contained in the original bill. The commissioner of administration shall adjust the amounts shown to reflect final appropriations after enactment of this bill.

		EOB AS OF 12/01/2016	ORIGINAL APPROPRIATION
21A-ANCIL			
21-800 Office of Group Benefits			
State Group Benefits	Interagency Transfers	\$198,733	\$198,733
State Group Benefits	Fees & Self-generated Revenues	\$1,445,078,063	\$1,465,585,259
Program Total:		\$1,445,276,796	\$1,465,783,992
Authorized Positions:		42	42
Authorized Other Charges Positions:		0	0
Agency Total:		\$1,445,276,796	\$1,465,783,992
Authorized Positions:		42	42
Authorized Other Charges Positions:		0	0
21-804 Office of Risk Management			
Risk Management	Interagency Transfers	\$183,203,347	\$183,353,805
Risk Management	Fees & Self-generated Revenues	\$17,844,312	\$17,844,312
Risk Management	Statutory Dedications	\$2,000,000	\$2,000,000
Program Total:		\$203,047,659	\$203,198,117
Authorized Positions:		37	40
Authorized Other Charges Positions:		0	0
Agency Total:		\$203,047,659	\$203,198,117
Authorized Positions:		37	40
Authorized Other Charges Positions:		0	0
21-806 Louisiana Property Assistance Agency			
Louisiana Property Assistance	Interagency Transfers	\$1,078,852	\$1,115,846
Louisiana Property Assistance	Fees & Self-generated Revenues	\$5,056,462	\$5,153,744
Program Total:		\$6,135,314	\$6,269,590
Authorized Positions:		39	39
Authorized Other Charges Positions:		0	0
Agency Total:		\$6,135,314	\$6,269,590
Authorized Positions:		39	39
Authorized Other Charges Positions:		0	0

21-807	Federal Property Assistance Agency		
Federal Property Assistance	Interagency Transfers	\$234,342	\$234,342
Federal Property Assistance	Fees & Self-generated Revenues	\$3,020,977	\$3,022,809
	Program Total:	\$3,255,319	\$3,257,151
	Authorized Positions:	9	9
	Authorized Other Charges Positions:	0	0
	Agency Total:	\$3,255,319	\$3,257,151
	Authorized Positions:	9	9
	Authorized Other Charges Positions:	0	0
21-811	Prison Enterprises		
Prison Enterprises	Interagency Transfers	\$23,674,511	\$24,540,368
Prison Enterprises	Fees & Self-generated Revenues	\$10,654,003	\$10,945,075
	Program Total:	\$34,328,514	\$35,485,443
	Authorized Positions:	72	72
	Authorized Other Charges Positions:	0	0
	Agency Total:	\$34,328,514	\$35,485,443
	Authorized Positions:	72	72
	Authorized Other Charges Positions:	0	0
21-815	Office of Technology Services		
Office of Production Support Services	Interagency Transfers	\$19,833,812	\$0
Office of Production Support Services	Fees & Self-generated Revenues	\$150,000	\$0
	Program Total:	\$19,983,812	\$0
	Authorized Positions:	65	0
	Authorized Other Charges Positions:	0	0
Office of Technology Services	Interagency Transfers	\$228,545,416	\$417,949,996
Office of Technology Services	Fees & Self-generated Revenues	\$25,000	\$1,018,473
	Program Total:	\$228,570,416	\$418,968,469
	Authorized Positions:	656	802
	Authorized Other Charges Positions:	9	9

Office of Telecommunication Management	Interagency Transfers	\$47,870,394	\$0
Office of Telecommunication Management	Fees & Self-generated Revenues	\$843,473	\$0
	Program Total:	\$48,713,867	\$0
	Authorized Positions:	81	0
	Authorized Other Charges Positions:	0	0
	Agency Total:	\$297,268,095	\$418,968,469
	Authorized Positions:	802	802
	Authorized Other Charges Positions:	9	9
21-816	Division of Administrative Law		
Administration	Interagency Transfers	\$7,910,203	\$7,705,096
Administration	Fees & Self-generated Revenues	\$28,897	\$28,897
	Program Total:	\$7,939,100	\$7,733,993
	Authorized Positions:	58	58
	Authorized Other Charges Positions:	0	0
	Agency Total:	\$7,939,100	\$7,733,993
	Authorized Positions:	58	58
	Authorized Other Charges Positions:	0	0
21-820	Office of State Procurement		
Office of State Procurement	Interagency Transfers	\$9,496,667	\$8,496,667
Office of State Procurement	Fees & Self-generated Revenues	\$977,622	\$2,006,475
	Program Total:	\$10,474,289	\$10,503,142
	Authorized Positions:	92	92
	Authorized Other Charges Positions:	0	0
	Agency Total:	\$10,474,289	\$10,503,142
	Authorized Positions:	92	92
	Authorized Other Charges Positions:	0	0
21-821	Office of State Human Capital Management		
Office of State Human Capital Management	Interagency Transfers	\$4,778,698	\$0
	Program Total:	\$4,778,698	\$0
	Authorized Positions:	318	0
	Authorized Other Charges Positions:	1	0
	Agency Total:	\$4,778,698	\$0
	Authorized Positions:	318	0
	Authorized Other Charges Positions:	1	0

21-829	Office of Aircraft Services		
Flight Maintenance	Interagency Transfers	\$1,877,953	\$1,819,480
Flight Maintenance	Fees & Self-generated Revenues	\$429,215	\$429,215
	Program Total:	\$2,307,168	\$2,248,695
	Authorized Positions:	3	3
	Authorized Other Charges Positions:	0	0
	Authorized Positions:	3	3
	Authorized Other Charges Positions:	0	0
21-860	Clean Water		
Clean Water State Revolving Fund	Statutory Dedications	\$85,000,000	\$85,000,000
	Program Total:	\$85,000,000	\$85,000,000
	Authorized Positions:	0	0
	Authorized Other Charges Positions:	0	0
	Agency Total:	\$85,000,000	\$85,000,000
	Authorized Positions:	0	0
	Authorized Other Charges Positions:	0	0
21-861	Safe Drinking Water Revolving Loan Fund		
Safe Drinking Water Revolving Loan Fund	Statutory Dedications	\$34,000,000	\$34,000,000
	Program Total:	\$34,000,000	\$34,000,000
	Authorized Positions:	0	0
	Authorized Other Charges Positions:	0	0
	Agency Total:	\$34,000,000	\$34,000,000
	Authorized Positions:	0	0
	Authorized Other Charges Positions:	0	0

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____