

**LEGISLATIVE FISCAL OFFICE
Fiscal Note**



Fiscal Note On: **HB 576** HLS 19RS 748
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: April 26, 2019 4:01 PM	Author: ZERINGUE
Dept./Agy.: Board of Regents	Analyst: Ryan Guidry
Subject: LUMCON & LOUIS: Louisiana Library Network carryover	

FUNDS/FUNDING OR SEE FISC NOTE SG RV Page 1 of 1
 Authorizes the Board of Regents to carryover funds on behalf of LUMCON and LOUIS: The Louisiana Library Network

Currently, language in the general appropriations bill (GAB) authorizes the Board of Regents (BOR) to retain and carryover the unexpended balance of funds in the Louisiana Universities Marine Consortium (LUMCON) auxiliary program and the unexpended balance of interagency transfers in the LOUIS: The Louisiana Library Network (LOUIS). The proposed law would codify the authority from the GAB and expand the carryover authority to allow LUMCON to carryover the unexpended balance of funds in the operational program and allow LOUIS to carry over the unexpended balance of self-generated funds.

EXPENDITURES	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>5 -YEAR TOTAL</u>
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>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>5 -YEAR TOTAL</u>
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
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						

EXPENDITURE EXPLANATION

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

REVENUE EXPLANATION

There should be no impact on the State general fund or on IAT or SGR revenues for the Board of Regents (BOR) through the Louisiana Universities Marine Consortium (LUMCON) or LOUIS: The Louisiana Library Network (LOUIS). Although proposed law expands the authority for the BOR to carryover additional, unexpended revenues, the Legislative Fiscal Office (LFO) believes this practice is already occurring as the BOR has carried over nearly all unexpended SGR and IAT since FY 17.

LUMCON serves as a statewide academic endeavor to focus and strengthen the effectiveness of foundational marine science needed to address the environmental and socioeconomic challenges facing the state. LUMCON teaches courses at various universities throughout the state to students who receive credit through various Memorandums of Understanding (MOU). These MOUs allow for universities to transfer tuition dollars to LUMCON to support operational expenses. LUMCON also receives grant funding used to pay subcontractors for reimbursements against particular grants, and these grants may cross fiscal years. Additionally, LUMCON has an auxiliary program which operates several research vessels and a cafeteria. The auxiliary program is self-sufficient in that the revenues generated by the cafeteria and research vessels cover the expenditures of the program. Presently, the general appropriations bill (GAB) has authorized LUMCON to carryover the unexpended balance of funds in the auxiliary program. Prior to the FY 17 transfer of LUMCON to the BOR, LUMCON was treated as a stand alone institution and had authority to retain any unexpended funds. Proposed law would codify and expand the authority given in the GAB to allow LUMCON to carryover all unexpended IAT and SGR in both the operational and auxiliary programs as it had prior to the FY 17 transfer to the BOR. Without the carryover language in the GAB or proposed law, these revenues should revert to the SGF. However, almost no IAT or SGR has reverted to the SGF since FY 17, indicating that these revenues are already being carried over.

LOUIS functions as a consortium of public and private college and university libraries to create a collaborative effort for the procurement of library technology and resources. Revenue is derived from the annual membership fees paid by the forty-seven (47) member institutions. Payments to LOUIS typically occur in September/October, creating a cash deficit at the start of each fiscal year. Presently, the GAB has authorized LOUIS to carryover the unexpended balance of membership fees to address the cash deficit. Proposed law would simply codify the authority already given in the GAB. Without the carryover language in the GAB or proposed law, these revenues would revert to the SGF.

For informational purposes, the BOR reports LOUIS carried forward \$1,176,272 in FY 18 and LUMCON auxiliary program carried forward the following amounts by fiscal year: \$1,498,459 in FY 16; \$1,691,209 in FY 17; and \$1,983,864 in FY 18. For FY 18, BOR carried forward \$4.7 M SGR and \$1.2 M IAT total for the agency with no SGR or IAT reverted to the SGF.

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| <p><u>Senate</u></p> <p><input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}</p> <p><input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}</p> | <p><u>House</u></p> <p><input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}</p> <p><input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}</p> |
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