

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 181** SLS 19RS 60
 Bill Text Version: **REENGROSSED**
 Opp. Chamb. Action: **w/ HSE COMM AMD**
 Proposed Amd.:
 Sub. Bill For.:

Date: May 27, 2019	7:08 AM	Author: HEWITT
Dept./Agy.: Statewide		Analyst: Alan M. Boxberger
Subject: Provides relative to certain funds in the state treasury		

FUNDS/FUNDING RE1 INCREASE SD RV See Note Page 1 of 2
 Provides relative to the classification, revision, dedication, or repeal of certain funds in the state treasury. (7/1/19)

Proposed law abolishes certain funds in the state treasury; amends certain funds from being dedicated funds or accounts to being statutorily dedicated fund accounts; clarifies that unless specifically provided otherwise in statute establishing an agency account, the monies shall be invested by the treasurer in the same manner as the state general fund, and interest earnings shall be deposited into the account following compliance with the Bond Security and Redemption Fund, and shall not be deposited into the state general fund; changes the Louisiana Animal Welfare Fund to an escrow fund; provides for reporting of special statutorily dedicated fund accounts in the executive budget, supporting document and general appropriations bill; corrects cross references to certain funds and accounts revised in **proposed law** and makes technical corrections; provides relative to the plan of review of certain funds and dedications that contain fees and self-generated revenues by the Dedicated Fund Review Subcommittee of the Joint Legislative Committee on the Budget; provides for recurring reviews; provides that the Dedicated Fund Review Subcommittee shall meet at least once every two years and may hold other meetings upon call of the chairperson or majority of the members; provides for an effective date of July 1, 2019.

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.	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						

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.	\$51	\$0	\$0	\$0	\$0	\$51
Agy. Self-Gen.	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	
Ded./Other	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
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

Proposed law may result in an indeterminable increase in SGF expenditures by removing a stipulation in **present law** that the Dedicated Fund Review Subcommittee of the Joint Legislative Committee on the Budget (JLCB) shall meet only on a day in which the JLCB is scheduled to convene. The legislative per diem rate of \$161 and the cost of related benefits (7.65% includes FICA 6.2% and Medicare 1.45%) is approximately \$12.32 for a daily cost of approximately \$173/day. It would cost \$2,478 per day for 14 legislators to attend meetings plus mileage reimbursement, which is approximately \$0.58 per mile. However, the impact on expenditures is indeterminable and will depend upon mileage of the members and the number of meeting days held, and the actions taken by the Subcommittee. **Note:** To the extent that the subcommittee meets on days in which the JLCB is scheduled to convene, there will be no additional cost in expenditures.

Any language in **proposed law** that changes a statutorily dedicated fund to a statutorily dedicated fund account that is containing fee or self-generated revenue will change the classification of expenditures for the impacted activities. This does not alter total expenditures, but the classification for accounting and reporting purposes will change accordingly.

Proposed law will require structural changes in means of finance as presented in the executive budget, supporting document and general appropriations bill. The LFO assumes these changes can be absorbed with existing staff and budgetary resources, but the requirements will require a one-time workload increase and nominal recurring workload increase across multiple agencies associated with modifying forms and databases to reflect changes in the reporting of means of finance in the corresponding documents.

REVENUE EXPLANATION

Proposed law repeals the Louisiana Operability Communications Fund and the FEMA Reimbursement Fund effective July 1, 2019. As of April 17, 2019, the Treasury reports that the balance in the La Operability Communications Fund was \$472,114 and the balance in the FEMA Reimbursement Fund was \$51.04. The Treasury assumes the Governor's Office of Homeland Security and Emergency Preparedness will expend the balance of the La Operability Communications Fund by the end of FY 19, and reports that it will transfer the balance in the FEMA Reimbursement Fund to the SGF upon its repeal.

Proposed law amends the Battered Women's Shelter Fund and the Drug Abuse Education and Treatment Fund from dedicated funds to a statutorily dedicated fund account in the treasury. Any remaining balances at 6/30/19 will be transferred to the SGF in FY 20.

Proposed law renames the Louisiana Alligator Resource Account to the Louisiana Alligator Resource Dedicated Fund Account and the Sex Offender Registry Technology Account to the Sex Offender Registry Technology Dedicated Fund Account as defined in Act 612 of the 2018 Regular Session are to be considered SGR.

Proposed law makes technical changes to change the name of the Louisiana Animal Welfare Fund to an Escrow Account (this fund was abolished by Act 422 of the 2017 Regular Session), and removes references regarding transferring funds to the FEMA Reimbursement Fund from the State Emergency Response Fund.

SEE REVENUE EXPLANATION CONTINUED ON PAGE TWO

<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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Staff Director

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CONTINUED EXPLANATION from page one:
REVENUE EXPLANATION CONTINUED FROM PAGE ONE

Proposed law stipulates that specific funds that were converted to accounts in Act 612 of the 2018 Regular Session shall be considered as statutorily dedicated fund accounts containing fees and self-generated revenues as follows:

- The Administrative Fund of the Dept of Insurance shall be renamed the Administrative Dedicated Fund Account of the Dept of Insurance
- The Emergency Medical Technician Fund shall be renamed the Emergency Medical Technical Dedicated Fund Account
- The Environmental Trust Fund shall be renamed the Environmental Trust Dedicated Fund Account
- The Louisiana Alligator Resource Fund shall be renamed the Louisiana Alligator Resource Dedicated Fund Account.
- The Louisiana Bicycle and Pedestrian Safety Fund shall be renamed the Louisiana Bicycle and Pedestrian Safety Dedicated Fund Account.
- The Motorcycle Safety, Awareness, and Operator Training Program Fund shall be renamed the Motorcycle Safety, Awareness, and Operator Training Program Dedicated Fund Account.
- The Municipal Fire and Police Civil Service Operating Fund shall be renamed the Municipal Fire and Police Civil Service Operating Dedicated Fund Account
- The Proprietary School Student Protection Fund shall be renamed the Proprietary School Student Protection Dedicated Fund Account.
- The Sex Offender Registry Technology Fund shall be renamed the Sex Offender Registry Technology Dedicated Fund Account.
- The Youthful Offender Management Fund shall be renamed the Youthful Offender Management Dedicated Fund Account.

This provision transfers these funds from SGR back into statutory dedications in the state accounting system so that they can retain interest earnings.

Proposed law makes technical changes to appropriations from, and disposition of collections within, the Louisiana Economic Development Fund as provided in Act 612 of the 2018 Regular Session.

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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