



LEGISLATIVE FISCAL OFFICE

Fiscal Note

Fiscal Note On: HB 802 HLS 09RS 1425
Bill Text Version: ENGROSSED
Opp. Chamb. Action: w/ SEN COMM AMD
Proposed Amd.:
Sub. Bill For.:

Date: June 17, 2009 10:58 AM Author: FANNIN
Dept./Agy.: Subject: Fund Transfers Analyst: Travis McIlwain

FUNDS/FUNDING EG1 -\$242,110,175 GF RV See Note Page 1 of 2
Provides for the transfer and deposit of monies among state funds

Proposed legislation provides for the transfer of \$24,378,056 of total statutory dedicated funding from various funds into the state general fund into accordance with the FY 09 Deficit Reduction Act. Provides for the transfer of \$408,488 from the LA Tech Innovation Fund to the Overcollections Fund. Provides for the transfer of \$344.5 million from FY 09 excess state general fund receipts into the Medical Assistance Trust Fund (MATF). Provides for the transfer of \$4.9 million state general fund to the Overcollections Fund. Proposed legislation also extends the bridge loan funding deadline for the Department of Education from the end of FY 09 to the end of FY 10. Effective upon governor's signature. Proposed legislation provides for the transfer of \$3.9 million from the Incentive Fund to the state general fund. Provides for modifications to the Rapid Response Fund and transfers \$13.5 million from the fund to the state general fund. Provides for the abolishment and transfer of monies from the Insure Louisiana Incentive Fund. Effective July 1, 2009

Table with 7 columns: EXPENDITURES, 2009-10, 2010-11, 2011-12, 2012-13, 2013-14, 5-YEAR TOTAL. Rows include State Gen. Fd., Agy. Self-Gen., Ded./Other, Federal Funds, Local Funds, and Annual Total.

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure. The state general fund deposits and various statutory dedicated fund deposits will presumably be appropriated within HB 1 for FY 10 or HB 881 for FY 09. If not, these monies will remain within their respective funds until the legislature appropriates or directs the state treasurer to transfer such fund balances elsewhere.

REVENUE EXPLANATION

Legislation transfers \$344.5 million of FY 09 excess state general fund receipts into the Louisiana Medical Assistance Trust Fund (MATF), transfers \$3.9 million from the Incentive Fund into the the state general fund, transfers \$24.4 million from various statutory dedicated funds to the state general fund in accordance with the FY 09 Deficit Reduction Plan, transfers \$43.1 million from various statutory dedicated funds to the Overcollections Fund, transfers \$4.9 million of FY 09 excess state general fund receipts to the Overcollections Fund and transfers \$13.5 million from the Rapid Response Fund to the state general fund.

Essentially, the statutory dedicated reductions associated with the FY 09 Deficit Reduction Plan forced fund balances which are then transferred into the state general fund. For example, the FY 09 Deficit Reduction Plan reduced statutory dedicated budget authority \$24.4 million, while this bill will direct the state treasurer to transfer those forced fund balances into the state general fund to alleviate the FY 09 deficit.

Legislation also provides that any unexpended and unencumbered monies remaining with the Insure Louisiana Incentive Program Fund be credited to the state general fund. The current fund balance within this specific fund is \$75,541,379 (as of June 1, 2009). The revenue table assumes that this amount will be deposited into the state general fund.

Legislation provides that the FY 09 ending fund balance within the Rapid Response Fund will not be utilized by the state treasurer for purposes of determining the amount to be deposited into the fund at the beginning of the fiscal year pursuant to R.S. 51:2361(A)(2). This provision essentially allows the state treasurer to transfer \$10 million of state general fund into this fund for FY 10. This \$10 million dedication has been accounted for in the latest adopted FY 10 revenue forecast.

Legislation also extends the repayment by the Department of Education of bridge loan funding from the State Emergency Response Fund from the end of FY 09 to the end of FY 10. Act 196 of the 2007 Regular Legislative Session provided for a bridge loan repayment at the end of FY 09. Included within the FY 07 budget for the Recovery School District was \$33.5 million SERF monies to be used to provide bridge funding to the Department of Education in anticipation of reimbursement from the federal government. Bridge funding is to be utilized solely for expenses incurred as a result of Hurricanes Katrina and Rita.

(Cont. on Page 2)

Senate

Dual Referral Rules

House

13.5.1 >= \$500,000 Annual Fiscal Cost

6.8(F) >= \$500,000 Annual Fiscal Cost

13.5.2 >= \$500,000 Annual Tax or Fee Change

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease

H. Gordon Monk signature

H. Gordon Monk
Legislative Fiscal Officer



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CONTINUED EXPLANATION from page one:

REVENUE EXPLANATION CONTINUED:

The revenue table above assumes all fund transfers are an FY 10 impact. However, based upon bill language, the \$3.9 million transfer from the Incentive Fund to the state general fund, the modifications to the Rapid Response Fund balance and the transfer of \$13.5 million from that fund to the state general fund and the abolishment and transfer of moines from the Insure Louisiana Incentive Program Fund are items to be effective July 1, 2009, while other specific fund transfers are effective upon the governor's signature.

Below is a table of the state general fund impact as a result of this measure:

Table with 2 columns: Amount and Description. Includes items like 'Transfer from the Insure Louisiana Incentive Program Fund to the state general fund' and a total impact of (\$242,110,175).

Although this measure provides for various transfers among statutory dedicated funds with various impacts, the greatest impact of this legislation is upon the Overcollections Fund. This measure transfers \$4,929,610 state general fund and \$43,104,580 from various other funds into the Overcollections Fund for a total increase in the Overcollections Fund balance available for expenditure in FY 09 and FY 10 of \$48,034,190.

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Handwritten signature of H. Gordon Monk

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