

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 49** SLS 10RS 81
 Bill Text Version: **ENGROSSED**
 Opp. Chamb. Action: **w/ HSE COMM AMD**
 Proposed Amd.:
 Sub. Bill For.:

Date: June 5, 2010 1:11 PM	Author: LONG
Dept./Agy.: Sabine River Authority	Analyst: Travis McIlwain
Subject:	

GOVERNMENT ORGANIZATION EG1 DECREASE SG EX See Note Page 1 of 1
 Establishes the Sabine River Authority as a nonbudget unit of the state. (gov sig)

Proposed law provides for the Sabine River Authority to operate from self-generated revenues and shall not be a budget unit of the state. Proposed law provides that the authority may receive state appropriations at any time it is deemed advisable by the legislature and only the expenditure of such appropriated funds shall be subject to budgetary controls or authority of the division of administration. Proposed law provides that the authority shall establish its own operating budget for the use of its self-generated revenues or unencumbered fund balances subject to the majority approval of the board of commissioners of the authority.

Adopted house committee amendments provide that the annual Sabine River Authority Budget shall be reviewed annually by the Joint Legislative Committee on the Budget (JLCB).

EXPENDITURES	2010-11	2011-12	2012-13	2013-14	2014-15	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	
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	2010-11	2011-12	2012-13	2013-14	2014-15	5 -YEAR TOTAL
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

EXPENDITURE EXPLANATION

This bill could result in expenditure savings of the Sabine River Authority in the amount of \$20,000. Currently, the authority has a cooperative endeavor agreement with DOTD in the amount of \$20,000 in order for DOTD to provide back office functions of the authority (payroll, purchase orders). This bill removes the Sabine River Authority from the legislative appropriations process and allows them to be an off-budget entity of the state, which would allow the authority to provide its own back office functions. According to the authority, these additional back office functions will be absorbed with existing resources and will not require additional positions.

The authority currently has its own financial system in place (Quick Books), but does not have its own payroll system. To the extent the authority is not allowed to remain within the state's payroll system (ISIS-HR), the authority will likely have to expend a portion of its \$20,000 savings for the purchase of its own payroll system or contract out this needed office function. These costs will likely not be in excess of \$20,000. Thus, this measure will result in an indeterminable decrease in expenditures. Currently, the authority pays \$2,200 to the Office of Statewide Uniform Payroll at the Division of Administration for its payroll needs. The cost for the authority's new payroll system or the cost to contract out this service is unknown at this time.

Within the current version of the ancillary bill (HB 76), the Sabine River Authority is currently recommended at \$5,595,926 fees and self-generated revenues and 49 TO positions. To the extent this measure is enacted, the Sabine River Authority, agency 21-813, will no longer be presented annually for legislative approval nor will the authority's budget be subject to oversight by the Division of Administration. In addition, the Sabine River Authority will no longer be required to abide by executive order requirements issued by the governor's office. Also, to the extent this measure is enacted, the Sabine River Authority will no longer be on the ISIS state accounting system or be required to comply with the LaGOV Project (ERP).

Although this legislation effectively removes the Sabine River Authority from the annual legislative appropriation process and/or being subject to potential hiring/spending freezes, the authority's annual budget will be subject to review by the JLCB.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure. The collected fees and self-generated revenues would no longer be subjected to annual appropriation by the legislature annually. As mentioned above, the Sabine River Authority pays \$20,000 to DOTD to provide back office functions. Upon enactment of this bill, DOTD will no longer receive these funds or provide this service for the authority.

Senate
 13.5.1 >= \$100,000 Annual Fiscal Cost
 13.5.2 >= \$500,000 Annual Tax or Fee Change

House
 6.8(F) >= \$100,000 Annual SGF Cost
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease

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