



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: HB 477 HLS 11RS 516
Bill Text Version: ENROLLED
Opp. Chamb. Action:
Proposed Amd.:
Sub. Bill For.:

Date: June 22, 2011 10:40 AM Author: FANNIN
Dept./Agy.: Subject: Funds Analyst: Travis McIlwain

FUNDS/FUNDING EN -\$108,221,149 GF RV See Note Page 1 of 2
Provides for the transfer and deposit of monies among state funds

Proposed legislation provides for various transfers and deposit of monies into the Overcollections Fund and the Louisiana Medical Assistance Trust Fund (MATF).

Table with 7 columns: EXPENDITURES, 2011-12, 2012-13, 2013-14, 2014-15, 2015-16, 5-YEAR TOTAL. Rows include State Gen. Fd., Agy. Self-Gen., Ded./Other, Federal Funds, Local Funds, and Annual Total. Similar structure for REVENUES.

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure. The various fund deposits will presumably be appropriated within FY 12 or FY 11. If not, these monies will likely remain within their respective funds until the legislature appropriates or directs that the state treasurer transfer such fund balances elsewhere.

REVENUE EXPLANATION

This bill provides for the net transfer of approximately \$397.4 million from various revenue sources into either the Overcollections Fund (net \$53.3 million) and the Louisiana Medical Assistance Trust Fund (MATF) (\$344.1 million). Of the total \$397.4 million, approximately \$229.6 million will be transferred in FY 11 (effective upon signature of the governor) and the remaining \$167.7 million will be transferred in FY 12 (effective July 1, 2011). The information reflected within the FY 12 column of the revenue table above is a summation of the FY 11 & FY 12 impact for the various fund transfers. Because there is approximately \$263.0 million of transfers among various statutory dedicated funds, these specific transfers are not reflected within the revenue table above, but are listed on page 2 of this fiscal note. The fiscal impact of the proposed legislation is discussed by section as follows:

Section 1: Disposition of certain collections in Shreveport - Proposed legislation provides for certain changes to the sales tax revenues that are dedicated to the Shreveport Riverboat and Convention Center and Independence Stadium Fund. Section 2: FY 11 Fund Transfers - Proposed legislation transfers \$29,990,305 from the Self Insurance Fund to the Overcollections Fund and transfers \$50,200,858 SGF to the Overcollections Fund, effective upon the signature of the governor (FY 11 impact). Section 3: Fund Transfers - Proposed legislation transfers \$91,422,770 from 5 various statutory dedicated funds into MATF. The source of the transfers includes: \$1,693,978 - LA Fire Marshal Fund, \$50,000 - Incentive Fund, \$76,931 - Insurance Fraud Prevention Fund, \$592,166 - 2% Fire Insurance Fund, \$89,009,695 - Self Insurance Fund. In addition, proposed legislation transfers \$84,940,229 SGF into MATF. Total section 3 transfer into MATF is \$176,362,999 (\$91.4 million - from various funds & \$84.9 million - from SGF) (FY 11 impact). Section 4: Fund Transfers - Proposed legislation transfers \$131,030,243 from various statutory dedicated funds and \$1.0 million SGR from the Office of State Lands (FY 12 impact). Section 5: Future Interest Earned - Proposed legislation directs the state treasurer to transfer the current balance and all future interest earned and credit to the Overcollections Fund. The funds impacted include: Agricultural Products Processing Development Fund, Formosan Termite Initiative Fund, School & District Accountability Rewards Fund, General Aviation & Reliever Airport Grant Program Fund, Railroad Crossing Safety Fund, Manufactured Home Tax Fairness Fund, Rural Development Fund. These particular funds do not have any FY 11 current appropriations. Based upon FY 10 total interest earned data, these 7 funds generated approximately \$3,090 in interest revenue. However, to the extent the fund balances are transferred per this bill, future interest earnings that will flow into the MATF will likely be much smaller. Effective July 1, 2011 (FY 12 impact). Section 6: DHH Facility Support Fund - Proposed legislation provides for the transfer of not less than \$10,590,000 from the DHH Facility Support Fund to the MATF. Potential proceeds from the surplus property sale of the Southeast Hospital in Mandeville. Effective July 1, 2011 (FY 12 impact). Section 7: Louisiana Housing Finance Agency (LHFA) - Proposed legislation provides for the transfer of \$25.1 million of the unrestricted fund assets of the LHFA (or its successor) into the MATF. According to the LHFA, transferring \$25.1 million would likely result in approximately \$1.0 million of unearned interest accruing within their investment account (assuming a 4% interest rate). Effective July 1, 2011 (FY 12 impact). (Cont. on page 2)

Senate Dual Referral Rules House
13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} 6.8(F)1 >= \$500,000 Annual Fiscal Cost {S}
13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H} 6.8(F)2 >= \$100,000 Annual SGF Cost {H&S}
6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}
H. Gordon Monk
Legislative Fiscal Officer



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CONTINUED EXPLANATION from page one:

NOTE: R.S. 40:600.17 provides that all monies received within the LHFA shall be deemed to be trust funds, to be held and applied solely to or for the public functions and corporate purposes of the agency. Section 8: Rapid Response Language- Proposed legislation provides for monies in the Rapid Response Fund at the end of FY 11 shall not be included in the determination of the fund balance, requiring the state treasurer to deposit \$10 M into the fund on July 1, 2011. This has already been accounted for by the Revenue Estimating Conference (REC). Effective July 1, 2011 (FY 12 impact). Section 9: FEMA Reimbursement Fund - Proposed legislation removes the requirement in statute that provides for any disbursement from the fund shall not be made until after FEMA and the legislative auditor has determined that the documentation supports the amount of state match that is required to be paid. Effective July 1, 2011 (FY 12 impact). Section 10: SGF Transfer - Proposed legislation transfers \$26,919,938 from the Overcollections Fund to the SGF, effective upon the governor's signature (FY 11 impact).

The total net fund impact of the transfers for FY 11 & F 12 together is as follows:

State General Fund - (\$108,221,149)

- Fees & Self Generated Revenues - (\$26,100,000) (\$1.0 million - State Lands collections, \$25.1 million - LHFA SGR)
Louisiana State Fire Marshal - (\$5,150,610)
Incentive Fund - (\$4,000,000)
Insurance Fraud Prevention Fund - (\$76,931)
2% Fire Insurance Fund - (\$592,166)
Agricultural Products Processing Development Fund - (\$480)
Formosan Termite Initiative Fund - (\$37,393)
DNA Testing Post-Conviction Relief for Indigents Fund - (\$28,500)
Archaeological Curation Fund - (\$29,767)
Legislative Capitol Technology Enhancement Fund - (\$6,800,000)
School & District Accountability Rewards Fund - (\$3)
Calcasieu Parish Fund - (\$401,852)
Tobacco Tax Health Care Fund - (\$831,195)
Bossier Parish Truancy Fund - (\$19,000)
Teacher Educational Aid for Children - (\$216)
Variable Earnings Transaction Fund - (\$27,266)
LA Economic Development Fund - (\$37,673,208)
UNO Slidell Technology Park Fund - (\$362,478)
Casino Gaming Proceeds Fund - (\$3,060)
Greater New Orleans Sports Foundation - (\$8,900)
Algiers Economic Development Foundation Fund - (\$4,007)
New Orleans Urban Tourism & Hospitality Training Economic Development Foundation Fund - (\$306,251)
New Orleans Neighborhoods Fund - (\$304,822)
Friends of NORD Fund - (\$304,822)
General Aviation & Reliever Airport Grant Program Fund - (\$3)
Railroad Crossing Safety Fund - (\$3,069)
Municipal Fire & Police Civil Service Operation Fund - (\$183,654)
DOI Administrative Fund - (\$187,393)
Academic Improvement Fund - (\$1,452,000)
Auto Theft & Insurance Fraud Prevention Authority Fund - (\$14,639)
DOJ Debt Collection Fund - (\$339,545)
Mineral & Energy Operation Fund - (\$1,726,792)
Motorcycle Safety, Awareness and Operator Training Program Fund - (\$75,000)
Concealed Handgun Permit Fund - (\$1,450,000)
Right To Know - (\$220,000)
Underground Damages Prevention Fund - (\$256,803)
Pet Overpopulation Fund - (\$4,440)
Explosives Trust Fund - (\$975,000)
OMV Customer Service Technology Fund - (\$132,051)
DPS Police Officer Fund - (\$440,000)
LA Life Safety & Property Protection Trust Fund - (\$190,000)
LA Highway Safety Fund - (\$1,954)
Industrialized Building Program Fund - (\$15,000)
Fraud Detection Fund - (\$36,547)
Rehabilitation for the Blind & Visually Impaired Fund - (\$1,000,889)
Manufactured Home Tax Fairness Fund - (\$52)
Rural Development Fund - (\$1,265)
LA Environmental Education Fund - (\$10,434)
FEMA Reimbursement Fund - (\$41,022,977)
Artificial Reef Development Fund - (\$26,613,236)
Scenic Rivers Fund - (\$1,962)
Reptile & Amphibian Research Fund - (\$1,441)
Utility & Carrier Inspection/Supervision Fund - (\$9,053)
Telephonic Solicitation Relief Fund - (\$115,192)
Self-Insurance Fund - (\$119,000,000)
DHH Facility Support Fund - (\$10,590,000)
Overcollections Fund (net) - \$53,271,225
LA Medical Assistance Trust Fund (MATF) - \$344,083,242

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