

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 442** HLS 19RS 863

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.: **w/ PROP HSE COMM AMD**

Sub. Bill For.:

Date: April 30, 2019	7:12 AM	Author: IVEY
Dept./Agy.: Statewide		Analyst: Monique Appeaning
Subject: Cybersecurity & Information Technology Fund		

FUNDS/FUNDING OR SEE FISC NOTE SD RV Page 1 of 2
(Constitutional Amendment) Establishes the State Cybersecurity and Information Technology Fund and dedicates revenues into the fund

Proposed constitutional amendment creates the State Cybersecurity and Information Technology Fund (SCITF) as a special treasury fund, requires 0.25% of monies in the Bond Security and Redemption Fund (BSRF) to be deposited into this special fund for the state's information technology infrastructure and cybersecurity needs. Proposed constitutional amendment provides for appropriations from the SCITF to be expended solely for support of projects to enhance or upgrade the state's information technology infrastructure or cybersecurity needs.

To be submitted to the electors at the statewide election to be held on October 12, 2019.

EXPENDITURES	2019-20	2020-21	2021-22	2022-23	2023-24	5 -YEAR TOTAL
State Gen. Fd.	(\$34,051,965)	(\$34,051,965)	(\$34,051,965)	(\$34,051,965)	(\$34,051,965)	(\$170,259,825)
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$34,051,965	\$34,051,965	\$34,051,965	\$34,051,965	\$34,051,965	\$170,259,825
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2019-20	2020-21	2021-22	2022-23	2023-24	5 -YEAR TOTAL
State Gen. Fd.	(\$34,051,965)	(\$34,051,965)	(\$34,051,965)	(\$34,051,965)	(\$34,051,965)	(\$170,259,825)
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$34,051,965	\$34,051,965	\$34,051,965	\$34,051,965	\$34,051,965	\$170,259,825
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

Proposed constitutional amendment will result in an increase in statutory dedication expenditures out of the newly created SCITF of approximately of \$34.1 M annually to be expended solely for support of projects to enhance or upgrade the state's information technology infrastructure or cybersecurity needs. Proposed constitutional amendment provides for certain expenditures out of the newly created SCITF. Proposed constitutional amendment will indirectly impact expenditures, possibly across multiple means of finance (designated in this fiscal note as SGF for simplicity). In addition to SGF, SGR and most statutory dedications flow through BSRF and may be impacted. The impact will depend on legislative appropriations.

Proposed constitutional amendment provides that the legislature may authorize the creation and establishment of a committee to assist in the consideration of priorities for the funding of cybersecurity and information technology infrastructure projects through appropriations of the fund with the consent of a majority of the elected members of each house of the legislature. This bill will add a constitutional amendment to be considered by voters at the statewide election held on October 12, 2019.

EXPENDITURE EXPLANATION CONTINUED ON PAGE TWO

REVENUE EXPLANATION

Proposed constitutional amendment diverts existing deposits of approximately \$34.1 M annually from the BSRF to be deposited into the newly created statutory dedication - SCITF instead of SGF. NOTE: For illustrative purposes, FY 18 revenue and receipts, including accruals for the BSRF as reported by the Treasury was \$13.6 B. Therefore, the estimated amount that would be diverted to the newly created fund is \$34.1 M, annually (\$13.6 B x 0.25%). Proposed constitutional amendment will indirectly impact revenues, possibly across multiple means of finance (designated in this fiscal note as SGF for simplicity). In addition to SGF, SGR and most statutory dedications flow through BSRF and may be impacted. The impact will depend on decisions made through legislative appropriations.

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}

Evan Brasseaux
Evan Brasseaux
Staff Director

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 442** HLS 19RS 863

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.: **w/ PROP HSE COMM AMD**

Sub. Bill For.:

Date: April 30, 2019	7:12 AM	Author: IVEY
Dept./Agy.: Statewide		Analyst: Monique Appeaning
Subject: Cybersecurity & Information Technology Fund		

CONTINUED EXPLANATION from page one:

EXPENDITURE EXPLANATION CONTINUED FROM PAGE ONE

Creating a new statutory dedication - SCITF within the Treasury will result in a marginal additional workload for the Treasury, which can generally be absorbed with existing resources. However, to the extent other legislative instruments create new statutory dedications, there may be material additional costs associated with the aggregate effort to administer these funds. The Treasury performs fund accounting, financial reporting, banking and custodial functions for 399 special funds. When unable to absorb additional workload with existing resources, the treasury anticipates a personal services expenditure increase of approximately \$71,000 for 1 T.O. position plus approximately \$2,500 for a one-time purchase of office equipment. These expenditures are assumed to be SGF.

The Secretary of State may incur minimal ballot printing costs associated with this measure. As a regular practice, the Secretary of State typically budgets for up to 10 constitutional amendments and statewide propositions for the fall statewide elections. To the extent the ballot includes more than 10 constitutional amendments and statewide propositions, the Secretary of State may require additional SGF resources for the October 12, 2019, statewide election.

Senate

Dual Referral Rules

House

13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}

6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

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

Evan Brasseaux

Evan Brasseaux
Staff Director