



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 487** HLS 20RS 376
Bill Text Version: **ORIGINAL**
Opp. Chamb. Action:

Proposed Amd.:
Sub. Bill For.:

Date: March 18, 2020 3:21 PM	Author: STEFANSKI
Dept./Agy.: Department of Transportation and Development	
Subject: Limits the TTF from paying certain DOTD expenses	Analyst: Alan M. Boxberger

FUNDS/TRANSPORT TRUST OR +\$54,690,000 GF EX See Note Page 1 of 2
Prohibits the Dept. of Transportation and Development from using Transportation Trust Fund monies for certain expenses

Present constitution requires monies deposited into the Transportation Trust Fund (TTF) to be appropriated and dedicated solely and exclusively for costs associated with construction and maintenance of roads and bridges of the state and federal highway systems, the Statewide Flood-Control Program, ports, airports, transit and the Parish Transportation Fund. Present law provides for certain limitations on appropriations and utilization of the TTF. Proposed law adds the following limitations to utilization of the TTF by DOTD: beginning in FY 22 and each year thereafter, DOTD shall not use the TTF to pay for more than 75% of salary costs for current employees; beginning in FY 23, DOTD shall not use the TTF to pay for more than 50% of salary costs for current employees; beginning in FY 24, DOTD shall not use the TTF to pay for more than 25% of salary costs for current employees; and beginning in FY 25, DOTD shall not use the TTF to pay for salary costs for current employees.

EXPENDITURES	2020-21	2021-22	2022-23	2023-24	2024-25	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$54,690,000	\$109,370,000	\$164,060,000	\$218,740,000	\$546,860,000
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	\$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>	<u>\$0</u>
Annual Total	\$0					\$0

REVENUES	2020-21	2021-22	2022-23	2023-24	2024-25	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>	<u>\$0</u>
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

Proposed law will result in an increase in SGF expenditures beginning in FY 22 and increasing annually through FY 25 related to a phased prohibition of utilizing the Transportation Trust Fund-Regular (TTF-Regular) to pay for certain department operating expenses. Should **proposed law** be enacted, DOTD will require a recurring funding source to offset the inability to utilize the TTF-Regular for existing expenses. For purposes of this fiscal note, those expenditures are assumed to be SGF and departmental operations are assumed to remain at current staffing levels.

The expenditure impact on the SGF will be realized as follows - 25% of departmental salaries in FY 22, 50% in FY 23, 75% in FY 24 and 100% in FY 25:

	FY 22	FY 23	FY 24	FY 25
*Percentage of Annual Salaries (current employees)	\$54.69 M	\$109.37 M	\$164.06 M	\$218.74 M

*DOTD reported salaries based on FY 19 actual expenditures but did not reflect annual civil service market rate adjustments. *If the LFO assumed a 3% annual growth in salaries due to the civil service market rate adjustments between FY 22 and FY 25 in an effort to reflect the maximum potential expenditure exposure, the potential expenditures would increase for salaries and total by the following amounts (growth is applied to each intervening fiscal year between FY 19 actual and FY 25 for this calculation):*

FY 22 - \$5.07 M increase to \$59.76 M Total Impact
FY 23 - \$13.73 M increase to \$123.1 M Total Impact
FY 24 - \$26.13 M increase to \$190.19 M Total Impact
FY 25 - \$42.45 M increase to \$261.19 M Total Impact

SEE EXPENDITURE EXPLANATION CONTINUED ON PAGE TWO

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate	Dual Referral Rules	House	
<input checked="" type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}		<input checked="" type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}	<i>Evan Brasseaux</i>
<input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}		<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}	Evan Brasseaux Staff Director



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CONTINUED EXPLANATION from page one: Page 2 of 2

EXPENDITURE IMPACT CONTINUED FROM PAGE ONE

The salary adjustments reflected on the previous page assume growth applied to FY 19 actual expenditures without regard to retirements, new hires, training series adjustments, attrition rates, or other potential salary adjustments. The actual expenditures may be greater or lesser depending on these factors.

NOTE: The LFO assumes the restriction of TTF-Regular for ongoing salary costs would facilitate an equal increase of non-personal services and capital outlay expenditures out of the TTF-Regular. This does not allow the drawdown of additional federal match monies, as DOTD already matches its full allotment. However, DOTD projects potentially being unable to meet its full match requirement at some time in the next few fiscal years and proposed law may delay the inability to match the full federal allotment indefinitely.

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