



LEGISLATIVE FISCAL OFFICE

Fiscal Note

Fiscal Note On: **HB 1** HLS 081ES 28
Bill Text Version: **REENGROSSED**
Opp. Chamb. Action:

Proposed Amd.:
Sub. Bill For.:

Date: February 15, 2008 1:26 PM	Author: TUCKER
Dept./Agy.: Ethics Board	
Subject: Financial Disclosure	Analyst: Evelyn McWilliams

ETHICS/FINANCIAL DISCLOS RE +\$705,458 GF EX See Note Page 1 of 1
Requires certain public servants and candidates for certain offices to disclose certain financial information (Item #1)

Requires candidates for public offices, certain elected officials & appointed persons to file financial statements. Provides for information to be disclosed & penalties for failure to file or timely file. Effective Jan. 1, 2009 financial statements are required for persons holding a public office who represent a voting district having a population of more than 5,000, judges, each secretary of a state department, the executive secretary of the Public Service Commission, members of the State Civil Service Commission & the director, members of the State Board of Elementary and Secondary Education, superintendent of education, commissioner of higher education, presidents of public post secondary education systems, the commissioner of the Division of Administration, members of the Ethics Board & the ethics administrator. Effective Jan. 1, 2010, financial statements are required for persons holding a public office who represent a voting district having a population less than 5,000 and members of a state board or commission which has the authority to expend, disburse or invest more than \$10,000 annually.

EXPENDITURES	2008-09	2009-10	2010-11	2011-12	2012-13	5 -YEAR TOTAL
State Gen. Fd.	\$705,458	\$660,664	\$642,911	\$665,427	\$686,244	\$3,360,704
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	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$705,458	\$660,664	\$642,911	\$665,427	\$686,244	\$3,360,704

REVENUES	2008-09	2009-10	2010-11	2011-12	2012-13	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
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	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

The Ethics Administration Program (EAP) has indicated that it would need 6 new positions (an information systems manager, 2 attorneys, 2 paralegals, 1 clerical) and \$705,458 to implement the proposed bill. The proposed bill requires all candidates for elective office, elected officials and a large number of appointed officials to file yearly financial statements. At present, EAP has no staff, computer system, process or equipment in place to examine, process or make public the filings called for in this bill. Currently, only the governor is required to make such filings. Additional resources may be required to verify that persons who have received a notice of delinquency have accurately disclosed the required information no later than 14 days after receipt of the notice of delinquency, as the legislation calls for.

The EAP is currently housed in space rented from the Louisiana Housing Finance Authority. The lease ends in April 2008 and the board anticipates that relocation will be necessary. The existing space is filled to capacity with the current staff. Thus additional space will be needed to house the new employees. The EAP anticipates overhauling the existing computer system over an 18 month period. Overhauling the system entails hiring an information system manager, utilizing a professional services contract for computer programmers and purchasing 2 additional servers. This overhaul also anticipates the board maintaining the system internally. The board will require funding for the following expenditures: \$462,658 salaries and related benefits, \$68,100 operating expenses and supplies (includes \$39,000 for increased rental space for the new employees), \$100,000 professional services (\$75,000 for computer programmer and \$25,000 for investigators) and \$74,700 for equipment (servers, scanners, office furniture, etc.). With the exception of the information systems manager, all other personnel will be necessary to index, process and review complaints, assist investigations and manage the additional cases anticipated as a result of the proposed bill. There are no statistics available on how many persons could be convicted under the provisions in this bill. However, expenditures could increase by \$23.39 per day per offender sentenced to the custody of the Department of Public Safety and Corrections (assuming the state inmates would be housed at the local level). The number of individuals incarcerated and associated expenditures are anticipated to be minimal. Expenditures reflected in subsequent fiscal years include removal of non-recurring equipment, a 4% increase in salaries and related benefits and a reduction in professional services expenses for computer programmers. The additional funding required in FY 12 and 13 is due to the scheduled replacement of the board’s computer servers, which are anticipated to be replaced every three years.

REVENUE EXPLANATION

The board may impose a fine for violating the provisions provided for in this bill. The board cannot predict the amount of fines that may be imposed. All fees and fines are deposited in the general fund.

Senate	Dual Referral Rules	House	
<input checked="" type="checkbox"/> 13.5.1 >= \$500,000 Annual Fiscal Cost		<input type="checkbox"/> 6.8(F) >= \$500,000 Annual Fiscal Cost	
<input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change		<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease	<div>Robert E. Hosse LFO Staff Director</div>