



LEGISLATIVE FISCAL OFFICE

Fiscal Note

ACT 1

Fiscal Note On: HB 1 HLS 081ES 28

Bill Text Version: ENROLLED

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: June 12, 2008	12:28 PM	Author: TUCKER
Dept./Agy.: Ethics Board		
Subject: Financial Disclosure		Analyst: Evelyn McWilliams

ETHICS/FINANCIAL DISCLOS

EN +\$705,458 GF EX See Note

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Requires certain public servants and candidates for certain offices to disclose certain financial information (Item #1)

Effective Jan. 1, 2009 requires financial statements from governor, statewide elected officials, department secretaries, Public Service Commission’s executive secretary, members of the State Civil Service Commission & the director, superintendent of education, commissioner of higher education, presidents of public post secondary education systems, commissioner of the Division of Administration; governor’s policy director, chief & deputy chief of staff, executive counsel and legislative director; legislators, persons holding public office who represent a voting district with a population of more than 5,000, members of the Ethics Board & the ethics administrator, members of the Board of Elementary and Secondary Education, members of a state board or commission paid \$16,800 or more yearly and members of a board or commission which has the authority to expend, disburse or invest more than \$1M annually. Effective Jan. 1, 2010, requires financial statements from persons holding public office who represent a voting district with a population of less than 5,000 and members of a board or commission which has the authority to expend, disburse or invest more than \$10,000, but less than \$1M 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 position) and \$705,458 to implement this legislation. The legislation 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 legislation. Currently, only the governor is required to make such filings. The number of certified letters that will be required to be mailed informing persons of delinquent or inaccurate information is not known. If the number of certified letters is substantial, additional funding for postage and paper will be required.

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 legislation. There are no statistics available on how many persons could be convicted under the provisions in this legislation. 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 legislation. The board cannot predict the amount of fines that may be imposed. All fees and fines are deposited in the general fund.

Senate

☒ 13.5.1 >= \$500,000 Annual Fiscal Cost

☐ 13.5.2 >= \$500,000 Annual Tax or Fee Change

Dual Referral Rules

House

☐ 6.8(F) >= \$500,000 Annual Fiscal Cost

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

Robert E. Hosse

LFO Staff Director