

2019 Regular Session

HOUSE BILL NO. 104

BY REPRESENTATIVE LEGER

APPROPRIATIONS/ANCILLARY: Provides for the ancillary expenses of state government

1 AN ACT

2 To provide for the establishment and reestablishment of agency ancillary funds, to be
3 specifically known as internal service funds, auxiliary accounts, or enterprise funds
4 for certain state institutions, officials, and agencies; to provide for appropriation of
5 funds for Fiscal Year 2019-2020; and to regulate the administration of said funds.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. There are hereby appropriated the amounts shown below, which shall be
8 payable out of the state general fund, to the extent of funds deposited, unless otherwise
9 specified, for the establishment and reestablishment of agency ancillary funds which shall
10 be specifically known as internal service funds, auxiliary accounts, or enterprise funds. The
11 monies in each fund shall be used for working capital in the conduct of business enterprises
12 rendering public service, auxiliary service, and interagency service.

13 In the conduct of each such business, receipts shall be deposited in the state treasury
14 and disbursements made by the state treasurer to the extent of the amount deposited to the
15 credit of each ancillary fund, for the current fiscal year. All funds appropriated herein shall
16 be expended in compliance with the public bid laws of the state.

17 Section 2.A. Except as otherwise provided by law or as herein otherwise provided,
18 any fund equity resulting from prior year operations shall be included as a resource of the
19 fund from which the ancillary fund is directly or indirectly derived.

20 B. Funds on deposit with the state treasury at the close of the fiscal year are
21 authorized to be transferred to each fund respectively, as equity for the next fiscal year.

1 All unexpended cash balances as of June 30, 2020, shall be remitted to the state
2 treasurer on or before August 14, 2020. If not reestablished in the subsequent year's Act, the
3 agency must liquidate all assets and return all advances no later than August 14, 2020.

4 C. The program descriptions contained in this Act are not part of the law and are not
5 enacted into law by virtue of their inclusion into this Act.

6 Section 3. All money from federal, interagency transfers, statutory dedications, or
7 fees and self generated revenues shall be available for expenditure in the amounts herein
8 appropriated.

9 Any increase in such revenues shall be available for allotment and expenditure by
10 an agency on approval of an increase in the appropriation by the commissioner of
11 administration and the Joint Legislative Committee on the Budget. Any increase in such
12 revenues for an agency without an appropriation from the respective revenue source shall
13 be incorporated into the agency's appropriation on approval of the commissioner of
14 administration and the Joint Legislative Committee on the Budget.

15 Section 4.A. The figures in parentheses following the designation of a budget entity
16 are the total authorized positions and authorized other charges positions for that entity,
17 number of employees approved for each agency, as a result of the passage of this Act, may
18 be increased by the commissioner of administration when sufficient documentation is
19 presented and the request is deemed valid. However, any request which exceeds five
20 positions shall be approved by the commissioner of administration and the Joint Legislative
21 Committee on the Budget.

22 B. The budget request of any agency with an appropriation level of thirty million
23 dollars or more shall include within its existing table of organization positions which
24 perform the function of internal auditing, including the position of a chief audit executive.
25 The chief audit executive shall be responsible for ensuring that the internal audit function
26 adheres to the Institute of Internal Auditors, International Standards for the Professional
27 Practice of Internal Auditing. The chief audit executive shall maintain organizational
28 independence in accordance with these standards and shall have direct and unrestricted
29 access to the commission, board, secretary, or equivalent head of the agency. The chief
30 audit executive shall certify to the commission, board, secretary, or equivalent head of the

1 agency that the internal audit function conforms to the Institute of Internal Auditors,
2 International Standards for the Professional Practice of Internal Auditing.

3 Section 5. All key and supporting performance objectives and indicators for the
4 departments, agencies, programs, and budget units contained in the Governor's Proposed
5 Budget Supporting Document shall be adjusted by the commissioner of administration to
6 reflect the funds appropriated therein. The commissioner of administration shall report on
7 these adjustments to the Joint Legislative Committee on the Budget each year by August 15.

8 Section 6. The following definition is provided for the terms of this Act: "Working
9 Capital" shall be considered the excess of current assets over current liabilities on an accrual
10 basis.

11 Section 7. Should any section, subsection, clause, sentence, phrase, or part of the Act
12 for any reason be held, deemed, or construed to be unconstitutional or invalid, such decisions
13 shall not affect the remaining provisions of the Act, and the legislature hereby declares that
14 it would have passed the Act, and each section, subsection, clause, sentence, phrase, or part
15 thereof, irrespective of the fact that one or more of the sections, subsections, clauses,
16 sentences, phrases, or parts thereof, is declared unconstitutional or invalid. To this end, the
17 provisions of this Act are hereby declared severable.

18 Section 8. Internal Service Funds. These funds account for the financing of goods
19 or services provided by one department or agency to other departments or agencies of the
20 governmental unit, or to other governmental units, on a cost-reimbursement basis. Excess
21 cash funds, excluding cash funds arising from working capital advances, shall be invested
22 by the state treasurer with the interest proceeds there from credited to each account and shall
23 not be transferred to the state general fund.

24 Section 9. In conjunction with the continuing assessment of the existing staff, assets,
25 contracts, and facilities of each department, agency, program or budget unit's information
26 technology resources and procurement resources, upon completion of this assessment and
27 to the extent optimization of these resources will result in the projected cost savings through
28 staff reductions, realization of operational efficiencies, cost avoidance, and elimination of
29 asset duplication, the commissioner of administration is authorized to transfer the functions,
30 positions, assets, and funds from any other department, agency, program, or budget units

1 related to these optimizations to a different department. The provisions of this Section shall
 2 not apply to the Department of Culture, Recreation and Tourism, or any agency contained
 3 in Schedule 04, Elected Officials, of the General Appropriation Act.

4 **SCHEDULE 21**

5 **ANCILLARY APPROPRIATIONS**

6 **21-800 OFFICE OF GROUP BENEFITS**

7 EXPENDITURES:	<u>FY 19 EOB</u>	<u>FY 20 REC</u>
8 State Group Benefits -		
9 Authorized Positions	(42)	(42)
10	<u>\$ 1,530,714,127</u>	<u>\$ 1,561,180,762</u>

11 **Program Description:** *Provides for the administration of group health and accidental*
 12 *insurance and group life insurance for current and former state employees and other*
 13 *participating groups.*

14 TOTAL EXPENDITURES	<u>\$1,530,714,127</u>	<u>\$1,561,180,762</u>
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15 MEANS OF FINANCE:		
16 State General Fund by:		
17 Interagency Transfers	\$ 198,733	\$ 198,733
18 Fees & Self-generated Revenues	<u>\$ 1,530,515,394</u>	<u>\$ 1,560,982,029</u>

19 TOTAL MEANS OF FINANCING	<u>\$ 1,530,714,127</u>	<u>\$ 1,561,180,762</u>
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20 **21-804 OFFICE OF RISK MANAGEMENT**

21 EXPENDITURES:	<u>FY 19 EOB</u>	<u>FY 20 REC</u>
22 Risk Management -		
23 Authorized Positions	(38)	(38)
24	<u>\$ 202,548,049</u>	<u>\$ 204,364,446</u>

25 **Program Description:** *Provides for the overall executive leadership and management of*
 26 *the office, support services, policy analysis, management direction of the state's self-*
 27 *insurance program; provides funding for the payment of losses on medical, malpractice,*
 28 *property, comprehensive general liability, personal injury, automobile liability, automobile*
 29 *physical damage, bonds, crime, aviation, wet marine boiler and machinery and*
 30 *miscellaneous tort claims; provides funding for the payment of contracts issued for*
 31 *professional legal defense of claims made against the state; provides funding for the*
 32 *reimbursement of the Division of Risk Litigation in the Office of the Attorney General for*
 33 *costs incurred for professional legal defense of claims made against the state.*

34 TOTAL EXPENDITURES	<u>\$ 202,548,049</u>	<u>\$ 204,364,446</u>
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35 MEANS OF FINANCE:		
36 State General Fund by:		
37 Interagency Transfers	\$ 182,995,632	\$ 184,534,813

1	Fees & Self-generated Revenues	\$ 17,552,417	\$ 17,829,633
2	Statutory Dedications:		
3	Future Medical Care Fund	\$ 2,000,000	\$ 2,000,000
4	TOTAL MEANS OF FINANCING	<u>\$ 202,548,049</u>	<u>\$ 204,364,446</u>

21-806 LOUISIANA PROPERTY ASSISTANCE

6	EXPENDITURES:	<u>FY 19 EOB</u>	<u>FY 20 REC</u>
7	Louisiana Property Assistance -		
8	Authorized Positions	(39)	(37)
9		\$ 7,294,063	\$ 7,609,762

10 **Program Description:** *Provides for the accountability of the state's movable property*
 11 *through the development and implementation of sound management practices.*

12	TOTAL EXPENDITURES	<u>\$ 7,294,063</u>	<u>\$ 7,609,762</u>
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MEANS OF FINANCE:

State General Fund by:

15	Interagency Transfers	\$ 1,915,846	\$ 1,915,846
16	Fees & Self-generated Revenues	\$ 5,378,217	\$ 5,693,916

17	TOTAL MEANS OF FINANCING	<u>\$ 7,294,063</u>	<u>\$ 7,609,762</u>
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21-807 LOUISIANA FEDERAL PROPERTY ASSISTANCE AGENCY

19	EXPENDITURES:	<u>FY 19 EOB</u>	<u>FY 20 REC</u>
20	Federal Property Assistance -		
21	Authorized Positions	(9)	(9)
22		\$ 3,321,656	\$ 3,331,315

23 **Program Description:** *Seeks to assure the fair and equitable distribution of federal*
 24 *property allocated to Louisiana by the General Services Administration to eligible Louisiana*
 25 *donees.*

26	TOTAL EXPENDITURES	<u>\$ 3,321,656</u>	<u>\$ 3,331,315</u>
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MEANS OF FINANCE:

State General Fund by:

29	Interagency Transfers	\$ 234,342	\$ 234,342
30	Fees & Self-generated Revenues	\$ 3,087,314	\$ 3,096,973

31	TOTAL MEANS OF FINANCING	<u>\$ 3,321,656</u>	<u>\$ 3,331,315</u>
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21-811 PRISON ENTERPRISES

33	EXPENDITURES:	<u>FY 19 EOB</u>	<u>FY 20 REC</u>
34	Prison Enterprises -		
35	Authorized Positions	(72)	(72)
36		\$ 35,556,479	\$ 35,741,043

37 **Program Description:** *Utilizes the resources of the Department of Public Safety and*
 38 *Corrections in the production of food, fiber, and other necessary items used by offenders in*
 39 *order to lower the cost of incarceration; provides products and services to state agencies*

1 *and agencies of parishes, municipalities, and other political subdivisions; and provides work*
2 *opportunities for offenders. Prison Enterprises conducts both industry operations and*
3 *agriculture operations.*

4	TOTAL EXPENDITURES	<u>\$ 35,556,479</u>	<u>\$ 35,741,043</u>
5	MEANS OF FINANCE:		
6	State General Fund by:		
7	Interagency Transfers	\$ 24,611,404	\$ 24,837,346
8	Fees & Self-generated Revenues	<u>\$ 10,945,075</u>	<u>\$ 10,903,697</u>
9	TOTAL MEANS OF FINANCING	<u>\$ 35,556,479</u>	<u>\$ 35,741,043</u>

10 **21-815 OFFICE OF TECHNOLOGY SERVICES**

11	EXPENDITURES:	<u>FY 19 EOB</u>	<u>FY 20 REC</u>
12	Technology Services -		
13	Authorized Positions	(835)	(835)
14	Authorized Other Charges Positions	(9)	(9)
15		<u>\$ 394,008,665</u>	<u>\$ 395,384,626</u>

16 **Program Description:** *The mission of the Office of Technology Services (OTS) is to*
17 *establish competitive, cost-effective technology systems and services while acting as the sole*
18 *centralized customer for the acquisition, billing and record keeping of those technology*
19 *services. OTS shall charge respective user agencies for the cost of the technology and*
20 *services provided including the cost of the operation of the office in a fair, equitable, and*
21 *consistent manner, in full compliance with State of Louisiana statutes.*

22	TOTAL EXPENDITURES	<u>\$ 394,008,665</u>	<u>\$ 395,384,626</u>
23	MEANS OF FINANCE:		
24	State General Fund by:		
25	Interagency Transfers	\$ 392,490,192	\$ 393,866,153
26	Fees and Self-generated Revenues	<u>\$ 1,518,473</u>	<u>\$ 1,518,473</u>
27	TOTAL MEANS OF FINANCING	<u>\$ 394,008,665</u>	<u>\$ 395,384,626</u>

28 **21-816 DIVISION OF ADMINISTRATIVE LAW**

29	EXPENDITURES:	<u>FY 19 EOB</u>	<u>FY 20 REC</u>
30	Administration -		
31	Authorized Positions	(58)	(58)
32		<u>\$ 8,157,222</u>	<u>\$ 8,498,129</u>

33 **Program Description:** *Provides a neutral forum for handling administrative hearings for*
34 *certain state agencies, with respect for the dignity of individuals and their due process*
35 *rights.*

36	TOTAL EXPENDITURES	<u>\$ 8,157,222</u>	<u>\$ 8,498,129</u>
37	MEANS OF FINANCE:		
38	State General Fund by:		
39	Interagency Transfers	\$ 8,128,325	\$ 8,469,232
40	Fees & Self-generated Revenues	<u>\$ 28,897</u>	<u>\$ 28,897</u>
41	TOTAL MEANS OF FINANCING	<u>\$ 8,157,222</u>	<u>\$ 8,498,129</u>

1 **21-820 OFFICE OF STATE PROCUREMENT**

2	EXPENDITURES:	<u>FY 19 EOB</u>	<u>FY 20 REC</u>
3	State Procurement -		
4	Authorized Positions	(92)	(92)
5		\$ <u>10,726,861</u>	\$ <u>10,895,092</u>

6 **Program Description:** *The mission of the Office of State Procurement is to provide cost-effective services that satisfy the needs of approved governmental units of the State of Louisiana through the management of products and services.*

9	TOTAL EXPENDITURES	\$ <u>10,726,861</u>	\$ <u>10,895,092</u>
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10	MEANS OF FINANCE:		
11	State General Fund by:		
12	Interagency Transfers	\$ 7,777,765	\$ 6,504,865
13	Fees & Self-generated Revenues	\$ <u>2,949,096</u>	\$ <u>4,390,227</u>

14	TOTAL MEANS OF FINANCING	\$ <u>10,726,861</u>	\$ <u>10,895,092</u>
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15 **21-829 OFFICE OF AIRCRAFT SERVICES**

16	EXPENDITURES:	<u>FY 19 EOB</u>	<u>FY 20 REC</u>
17	Flight Maintenance -		
18	Authorized Positions	(3)	(3)
19		\$ <u>2,255,496</u>	\$ <u>2,264,646</u>

20 **Program Description:** *The mission of the Office of Aircraft Services is to manage the overall maintenance and provide all needed and required support for safe, proper, and economic operation of the State's various aircraft. Flight Maintenance Operations ensures flight safety, maintains high safety standards while minimizing aircraft downtime for repairs, and provides high quality, efficient, and economical repair and fueling services for state-operated aircraft.*

26	TOTAL EXPENDITURES	\$ <u>2,255,496</u>	\$ <u>2,264,646</u>
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27	MEANS OF FINANCE:		
28	State General Fund by:		
29	Interagency Transfers	\$ 1,826,281	\$ 1,835,431
30	Fees & Self-generated Revenues	\$ <u>429,215</u>	\$ <u>429,215</u>

31	TOTAL MEANS OF FINANCING	\$ <u>2,255,496</u>	\$ <u>2,264,646</u>
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32 **21-860 CLEAN WATER STATE REVOLVING FUND**

33	EXPENDITURES:	<u>FY 19 EOB</u>	<u>FY 20 REC</u>
34	Clean Water State Revolving Fund	\$ <u>115,000,000</u>	\$ <u>115,000,000</u>

35 **Program Description:** *Helps individual citizens and local governments participate in environmental programs by assisting municipalities to finance and construct wastewater treatment works. The Clean Water State Revolving Fund is used by the Department of Environmental Quality to assist recipients of Environmental Protection Agency and construction grants in providing project inspection, construction management, and overall program management services, required for the completion of the Environmental Protection*

1 *Agency program, as outlined in the management grant. Regional meetings are held in the*
2 *state’s eight planning districts with one-on-one follow-up meetings to make municipalities*
3 *more aware of the program’s benefits and requirements.*

4 TOTAL EXPENDITURES \$ 115,000,000 \$ 115,000,000

5 MEANS OF FINANCE:

6 State General Fund by:

7 Statutory Dedications:

8 Clean Water State Revolving Fund \$ 115,000,000 \$ 115,000,000

9 TOTAL MEANS OF FINANCING \$ 115,000,000 \$ 115,000,000

10 **21-861 DRINKING WATER REVOLVING LOAN FUND**

11 EXPENDITURES: FY 19 EOB FY 20 REC

12 Drinking Water Revolving Loan Fund \$ 34,000,000 \$ 34,000,000

13 **Program Description:** *Assist public water systems in financing needed drinking water*
14 *infrastructure improvements (e.g. treatment plant, distribution main replacement, storage*
15 *facilities, new wells). The Drinking Water Revolving Loan Fund provides assistance in the*
16 *form of low-interest loans and technical assistance to public water systems in Louisiana to*
17 *assist them with complying with state and federal drinking water regulations, ensuring that*
18 *their customers are provided with safe drinking water thereby protecting the public health.*

19 TOTAL EXPENDITURES \$ 34,000,000 \$ 34,000,000

20 MEANS OF FINANCE:

21 State General Fund by:

22 Statutory Dedication:

23 Drinking Water Revolving Loan Fund \$ 34,000,000 \$ 34,000,000

24 TOTAL MEANS OF FINANCING \$ 34,000,000 \$ 34,000,000

25 Section 10. This Act shall become effective on July 1, 2019.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 104 Original

2019 Regular Session

Leger

Abstract: Appropriates funds and provides for ancillary expenses of state government, including internal service funds, auxiliary accounts, and enterprise funds.

Proposed law provides for the establishment and reestablishment of agency ancillary funds, to be specifically known as internal service funds, auxiliary accounts, or enterprise funds for certain state institutions, officials, and agencies. Requires the appropriated funds, to the extent deposited, unless otherwise specified, to be used for working capital in the conduct of business enterprises rendering public, auxiliary, and interagency services. Requires receipts from the conduct of such businesses to be deposited to the credit of each ancillary fund for FY 2019-2020. Requires all funds to be expended in accordance with public bid laws.

Proposed law requires, except as otherwise provided, any fund equity resulting from prior year operations be included as a resource of the fund from which it is derived. Provides that all funds on deposit with the state treasury at the close of the fiscal year are authorized to be transferred to each fund as equity for FY 2020-2021. Further provides that all unexpended cash balances as of June 30, 2020, shall be remitted to the state treasurer on or before Aug. 14, 2020. Further provides that if not reestablished in the subsequent year's act, the agency must liquidate all assets and return all advances no later than Aug. 14, 2020.

Proposed law provides that the program descriptions contained in the act are not enacted into law by virtue of their inclusion in the act.

Proposed law provides that all money from federal, interagency, statutory dedications, or self-generated revenues of an agency be deemed available for expenditures in the amounts appropriated, and any increase in such revenues over the amounts appropriated shall only be available for expenditure by the agency with approval of the division of administration and the Joint Legislative Committee on the Budget (JLCB).

Proposed law provides that the number of employees approved for each agency may be increased by the commissioner of administration, subject to JLCB approval, when appropriate documentation is deemed valid.

Proposed law requires any agency with an appropriation level of \$30 million or more to include positions within its table of organization which perform internal auditing services, including the position of a chief audit executive responsible for adhering to the Institute of Internal Auditors, International Standards for the Professional Practice of Internal Auditing.

Proposed law directs the commissioner of administration to adjust performance objectives and indicators contained in the Executive Budget Supporting Document to reflect the funds appropriated and to report such adjustments to the JLCB by Aug. 15, 2019.

Proposed law provides that the treasurer shall invest excess cash funds, excluding those arising from working capital advances, with the interest earned being credited to the account.

Proposed law authorizes the commissioner of administration to transfer functions, positions, assets, and funds between and within departments in conjunction with the continuing assessment of the existing staff, assets, contracts, and facilities of each department, agency, program or budget unit's information technology resources, and procurement resources, in order to optimize resources and provide cost savings. Proposed law does not apply to the Dept. of Culture, Recreation and Tourism, or any agency contained in Schedule 04, Elected Officials, of the General Appropriation Act.

Effective July 1, 2019.