

**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



Fiscal Note On: **HB 493** HLS 20RS 578  
 Bill Text Version: **ORIGINAL**  
 Opp. Chamb. Action:  
 Proposed Amd.:  
 Sub. Bill For.:

<b>Date:</b> March 18, 2020 3:34 PM	<b>Author:</b> STEFANSKI
<b>Dept./Agy.:</b> Department of Transportation and Development	<b>Analyst:</b> Alan M. Boxberger
<b>Subject:</b> Limits the TTF from paying certain DOTD expenses	

FUNDS/TRANSPORT TRUST OR +\$8,220,000 GF EX See Note Page 1 of 1

Prohibits the Dept. of Transportation and Development from using Transportation Trust Fund monies for benefits for retired employees

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 the annual cost of benefits for retired employees; beginning in FY 23, DOTD shall not use the TTF to pay for more than 50% of the annual cost of benefits for retired employees; beginning in FY 24, DOTD shall not use the TTF to pay for more than 25% of the annual cost of benefits for retired employees; and beginning in FY 25, DOTD shall not use the TTF to pay for the annual cost of benefits for retired employees.

EXPENDITURES	2020-21	2021-22	2022-23	2023-24	2024-25	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$8,220,000	\$16,430,000	\$24,650,000	\$32,870,000	<b>\$82,170,000</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b>\$0</b>
<b>Annual Total</b>	<b>\$0</b>					<b>\$0</b>

  

REVENUES	2020-21	2021-22	2022-23	2023-24	2024-25	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b>\$0</b>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**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 benefit costs for retired employees in FY 22, 50% in FY 23, 75% in FY 24 and 100% in FY 25:

	<u>FY 22</u>	<u>FY 23</u>	<u>FY 24</u>	<u>FY 25</u>
*Post-Retirement Benefits Expenditures	\$8.22 M	\$16.43 M	\$24.65 M	\$32.87 M

\*Post-retirement benefits are based on FY 19 actual expenditures and not adjusted annually. These figures may increase or decrease as a result of the number of DOTD employees receiving post-retirement benefits in any given fiscal year. A large number of employees are retirement eligible or will be within the fiscal note's window, but the impact is indeterminable.

*NOTE: The LFO assumes the restriction of TTF-Regular for ongoing costs for post-retirement benefits would facilitate an equal increase of other operating 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 for an unknown length of time.*

**REVENUE EXPLANATION**

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

Senate	<u>Dual Referral Rules</u>	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}
<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}

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