



**OFFICE OF LEGISLATIVE AUDITOR
Fiscal Note**

Fiscal Note On: **SB 36** SLS 24RS 56
 Bill Text Version: **ENGROSSED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: March 19, 2024 1:18 PM	Author: KLEINPETER
Dept./Agy.: West Feliciana Parish Sheriff's Office	Analyst: Philip Fach
Subject: W.Feliciana Parish Sheriff Retired Employees Insurance Fund	

SHERIFFS EG INCREASE LF RV See Note Page 1 of 1
 Provides for funding of certain insurance costs for retirees of the West Feliciana Parish Sheriff's Office. (8/1/24)

Purpose of the Bill: This bill creates the West Feliciana Parish Sheriff Retired Employees Insurance Fund (WFREIF) to help offset premium costs for eligible retired sheriffs and retired deputy sheriffs. The WFREIF will be financed by the West Feliciana Sheriff at his or her discretion with a percentage coming from fixed income investments. This bill also creates a five member board to provide investment recommendations to the Sheriff.

EXPENDITURES	2024-25	2025-26	2026-27	2027-28	2028-29	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	\$9,000	\$9,339	\$9,692	\$10,057	\$10,437	\$48,525
Annual Total	\$9,000	\$9,339	\$9,692	\$10,057	\$10,437	\$48,525

REVENUES	2024-25	2025-26	2026-27	2027-28	2028-29	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	\$56,580	\$58,714	\$60,929	\$63,227	\$65,612	\$305,062
Annual Total	\$56,580	\$58,714	\$60,929	\$63,227	\$65,612	\$305,062

EXPENDITURE EXPLANATION

This measure may increase local governmental expenditures for the West Feliciana Parish Sheriff's Office by approximately \$9,000 starting in fiscal year 2024-2025, increasing to approximately \$10,437 by fiscal year 2028-2029.

Officials with the West Feliciana Parish Sheriff's Office indicated that expenditures may increase by approximately \$9,000 starting in fiscal year 2024-2025 and will increase to approximately \$10,437 by fiscal year 2028-2029. These expenditures will be for financial and legal advisors (approximately .6% of the WFREIF fund balance per year). Costs for retiree insurance are not expected to change due to this bill as the Sheriff currently pays for retiree insurance. In addition, audit costs are expected to be minimal, and board members will not be compensated for their services.

REVENUE EXPLANATION

This measure may increase annual local governmental revenues for the West Feliciana Parish Sheriff's Office by approximately \$56,580 starting in fiscal year 2024-2025, increasing to approximately \$65,612 by fiscal year 2028-2029. Officials with the West Feliciana Parish Sheriff's Office indicated that the Sheriff's Office plans to deposit \$1,500,000 initially into the WFREIF to pay retiree insurance. At this time, no future contributions are planned for fiscal year 2025-2026 through fiscal year 2028-2029. However, a review of the annual operating budget may lead to increased deposits. This money, which otherwise would have earned approximately 1.928% annual interest in a bank account, will be invested and expected to grow at a rate of 5.7% annually. This increase in rate is due to transferring funds from a bank CD / pledged security account to a higher yield investment account. This is an increase in the rate of return of 3.772% (5.7% - 1.928%). The following shows the calculation of revenue increases.

FY2025: \$1,500,000 x 3.772% = Approximately \$56,580 increase
 FY2026: \$1,556,580 x 3.772% = Approximately \$58,714 increase
 FY2027: \$1,615,294 x 3.772% = Approximately \$60,929 increase
 FY2028: \$1,676,223 x 3.772% = Approximately \$63,227 increase
 FY2029: \$1,739,450 x 3.772% = Approximately \$65,612 increase

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}

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