

2025 Regular Session

HOUSE BILL NO. 463

BY REPRESENTATIVE MCFARLAND

AN ACT

To provide 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; to provide for appropriation of funds for Fiscal Year 2025-2026; to provide for an effective date; and to regulate the administration of said funds; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

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

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

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

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

All unexpended cash balances as of June 30, 2026, shall be remitted to the state treasurer on or before August 14, 2026. If not reestablished in the subsequent year's Act, the agency must liquidate all assets and return all advances no later than August 14, 2026.

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

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

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

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

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

30 Section 5. All key and supporting performance objectives and indicators for the
31 departments, agencies, programs, and budget units contained in the Governor's Executive

1 Budget Supporting Document shall be adjusted by the commissioner of administration to
2 reflect the funds appropriated therein. The commissioner of administration shall report on
3 these adjustments to the Joint Legislative Committee on the Budget each year by August
4 fifteenth.

5 Section 6. The following definition is provided for the terms of this Act: "working
6 capital" shall be considered the excess of current assets over current liabilities on an accrual
7 basis.

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

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

21 Section 9. In conjunction with the continuing assessment of the existing staff, assets,
22 contracts, and facilities of each department, agency, program or budget unit's information
23 technology resources and procurement resources, upon completion of this assessment and
24 to the extent optimization of these resources will result in the projected cost savings through
25 staff reductions, realization of operational efficiencies, cost avoidance, and elimination of
26 asset duplication, the commissioner of administration is authorized to transfer the functions,
27 positions, assets, and funds from any other department, agency, program, or budget units
28 related to these optimizations to a different department. The provisions of this Section shall
29 not apply to the Department of Culture, Recreation and Tourism, or any agency contained
30 in Schedule 04, Elected Officials, of the General Appropriation Act.

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SCHEDULE 21		
ANCILLARY APPROPRIATIONS		
21-800 OFFICE OF GROUP BENEFITS		
EXPENDITURES:	<u>FY 25 EOB</u>	<u>FY 26 REC</u>
State Group Benefits -		
Authorized Positions	(56)	(56)
Expenditures	<u>\$ 1,912,028,797</u>	<u>\$ 1,979,124,719</u>
Program Description: <i>Provides for the administration of group health and accidental insurance and group life insurance for current and former state employees and other participating groups.</i>		
TOTAL EXPENDITURES	<u>\$ 1,912,028,797</u>	<u>\$ 1,979,124,719</u>
MEANS OF FINANCE:		
State General Fund by:		
Interagency Transfers	\$ 1,098,733	\$ 1,098,733
Fees & Self-generated Revenues	<u>\$ 1,910,930,064</u>	<u>\$ 1,978,025,986</u>
TOTAL MEANS OF FINANCING	<u>\$ 1,912,028,797</u>	<u>\$ 1,979,124,719</u>
Provided, however, notwithstanding any provision of law to the contrary, of the funds appropriated herein associated with pharmaceutical claims, the Office of Group Benefits shall incorporate into its coverage the addition of semaglutide medications for the purposes of weight loss for plan participants, provided the additional coverage would not result in any additional cost to the self-insurance fund in Fiscal Year 2025-2026.		
21-804 OFFICE OF RISK MANAGEMENT		
EXPENDITURES:	<u>FY 25 EOB</u>	<u>FY 26 REC</u>
Risk Management -		
Authorized Positions	(42)	(43)
Expenditures	<u>\$ 324,549,759</u>	<u>\$ 305,700,399</u>
Program Description: <i>Provides for the overall executive leadership and management of the office, support services, policy analysis, management direction of the state's self-insurance program; provides funding for the payment of losses on medical, malpractice, property, comprehensive general liability, personal injury, automobile liability, automobile physical damage, bonds, crime, aviation, wet marine boiler and machinery and miscellaneous tort claims; provides funding for the payment of contracts issued for professional legal defense of claims made against the state; provides funding for the reimbursement of the Division of Risk Litigation in the Office of the Attorney General for costs incurred for professional legal defense of claims made against the state.</i>		
TOTAL EXPENDITURES	<u>\$ 324,549,759</u>	<u>\$ 305,700,399</u>
MEANS OF FINANCE:		
State General Fund by:		
Interagency Transfers	\$ 292,247,518	\$ 281,158,551
Fees & Self-generated Revenues	\$ 30,302,241	\$ 22,541,848
Statutory Dedications:		
Future Medical Care Fund	<u>\$ 2,000,000</u>	<u>\$ 2,000,000</u>
TOTAL MEANS OF FINANCING	<u>\$ 324,549,759</u>	<u>\$ 305,700,399</u>

21-806 LOUISIANA PROPERTY ASSISTANCE AGENCY

EXPENDITURES:	<u>FY 25 EOB</u>	<u>FY 26 REC</u>
Louisiana Property Assistance -		
Authorized Positions	(37)	(37)
Expenditures	\$ 27,508,355	\$ 20,476,316

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

TOTAL EXPENDITURES	\$ 27,508,355	\$ 20,476,316
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MEANS OF FINANCE:

State General Fund by:

Interagency Transfers	\$ 1,615,846	\$ 1,615,846
Fees & Self-generated Revenues	\$ 25,892,509	\$ 18,860,470

TOTAL MEANS OF FINANCING	\$ 27,508,355	\$ 20,476,316
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21-807 LOUISIANA FEDERAL PROPERTY ASSISTANCE AGENCY

EXPENDITURES:	<u>FY 25 EOB</u>	<u>FY 26 REC</u>
Federal Property Assistance -		
Authorized Positions	(9)	(9)
Expenditures	\$ 3,482,573	\$ 3,509,325

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

TOTAL EXPENDITURES	\$ 3,482,573	\$ 3,509,325
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MEANS OF FINANCE:

State General Fund by:

Interagency Transfers	\$ 1,084,342	\$ 1,084,342
Fees & Self-generated Revenues	\$ 2,398,231	\$ 2,424,983

TOTAL MEANS OF FINANCING	\$ 3,482,573	\$ 3,509,325
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21-811 PRISON ENTERPRISES

EXPENDITURES:	<u>FY 25 EOB</u>	<u>FY 26 REC</u>
Prison Enterprises -		
Authorized Positions	(72)	(72)
Expenditures	\$ 35,700,056	\$ 37,142,506

Program Description: *Utilizes the resources of the Department of Public Safety and Corrections in the production of food, fiber, and other necessary items used by offenders in order to lower the cost of incarceration; provides products and services to state agencies and agencies of parishes, municipalities, and other political subdivisions; and provides work opportunities for offenders. Prison Enterprises conducts both industry operations and agriculture operations.*

TOTAL EXPENDITURES	\$ 35,700,056	\$ 37,142,506
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MEANS OF FINANCE:

State General Fund by:

Interagency Transfers	\$ 26,478,752	\$ 27,464,660
Fees & Self-generated Revenues	\$ 9,221,304	\$ 9,677,846

TOTAL MEANS OF FINANCING	\$ 35,700,056	\$ 37,142,506
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21-815 OFFICE OF TECHNOLOGY SERVICES

EXPENDITURES:

FY 25 EOBFY 26 REC

Technology Services -

Authorized Positions

(838)

(845)

Authorized Other Charges Positions

(9)

(9)

Expenditures

\$ 669,636,293	\$ 670,741,095
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Program Description: *The mission of the Office of Technology Services (OTS) is to establish competitive, cost-effective technology systems and services while acting as the sole centralized customer for the acquisition, billing and record keeping of those technology services. OTS shall charge respective user agencies for the cost of the technology and services provided including the cost of the operation of the office in a fair, equitable, and consistent manner, in full compliance with State of Louisiana statutes.*

Cyber Assurance Program -

Authorized Positions

(0)

(0)

Expenditures

\$ 29,828,040	\$ 0
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Program Description: *The mission of the Cyber Assurance program is to properly align and invest in Louisiana's proven cyber capabilities to provide sustainable cyber assurance services to state and local entities which operationally increase visibility/awareness to threats and reduce cyber risk to an acceptable level.*

TOTAL EXPENDITURES	\$ 699,464,333	\$ 670,741,095
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MEANS OF FINANCE:

State General Fund by:

Interagency Transfers	\$ 697,945,860	\$ 669,222,622
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Fees & Self-generated Revenues	\$ 1,518,473	\$ 1,518,473
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TOTAL MEANS OF FINANCING	\$ 699,464,333	\$ 670,741,095
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Payable out of the State General Fund by

Interagency Transfers from the Office of

State Fire Marshal to the Technology

Services Program, including one (1)

authorized position

\$ 109,376

21-816 DIVISION OF ADMINISTRATIVE LAW

EXPENDITURES:

FY 25 EOBFY 26 REC

Administration -

Authorized Positions

(59)

(59)

Expenditures

\$ 9,536,348	\$ 9,634,438
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Program Description: *Provides a neutral forum for handling administrative hearings for certain state agencies, with respect for the dignity of individuals and their due process rights.*

TOTAL EXPENDITURES	\$ 9,536,348	\$ 9,634,438
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MEANS OF FINANCE:

State General Fund by:

Interagency Transfers	\$ 9,507,451	\$ 9,605,541
Fees & Self-generated Revenues	\$ 28,897	\$ 28,897

TOTAL MEANS OF FINANCING	\$ 9,536,348	\$ 9,634,438
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21-820 OFFICE OF STATE PROCUREMENT

EXPENDITURES:

FY 25 EOBFY 26 RECOffice of State Procurement -
Authorized Positions

(99)

(99)

Expenditures	\$ 13,430,188	\$ 13,254,634
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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.*

TOTAL EXPENDITURES	\$ 13,430,188	\$ 13,254,634
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MEANS OF FINANCE:

State General Fund by:

Interagency Transfers	\$ 4,725,806	\$ 2,583,342
Fees & Self-generated Revenues	\$ 8,704,382	\$ 10,671,292

TOTAL MEANS OF FINANCING	\$ 13,430,188	\$ 13,254,634
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21-829 OFFICE OF AIRCRAFT SERVICES

EXPENDITURES:

FY 25 EOBFY 26 RECFlight Maintenance -
Authorized Positions

(4)

(4)

Expenditures	\$ 3,477,876	\$ 3,814,159
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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.*

TOTAL EXPENDITURES	\$ 3,477,876	\$ 3,814,159
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MEANS OF FINANCE:

State General Fund by:

Interagency Transfers	\$ 3,298,661	\$ 3,634,944
Fees & Self-generated Revenues	\$ 179,215	\$ 179,215

TOTAL MEANS OF FINANCING	\$ 3,477,876	\$ 3,814,159
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21-860 ENVIRONMENTAL STATE REVOLVING LOAN FUNDS

EXPENDITURES:

FY 25 EOBFY 26 REC

Environmental State Revolving Loan Fund	\$ 128,026,100	\$ 126,519,000
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Program Description: *The Water Planning and Assessment Division in conjunction with the Financial Services Division - State Revolving Fund Section strive to uphold Title VI and amended section 221 of the federal Clean Water Act and to protect the health and welfare of the citizens of the state, as well as to enhance the environment of the state by administering the Clean Water State Revolving Fund and the Sewer Overflow and*

Stormwater Reuse Municipal Grants Program. The Remediation Division's Brownfields Program, in conjunction with the Financial Services Division, strives to uphold the Small Business Liability Relief and Brownfields Revitalization Act and 2018 Brownfields Utilization, Investment, and Local Development (BUILD) Act to address environmental concerns at vacant and underutilized properties to facilitate their reuse and to support community revitalization.

TOTAL EXPENDITURES	\$ 128,026,100	\$ 126,519,000
MEANS OF FINANCE:		
State General Fund by:		
Statutory Dedications:		
Clean Water State Revolving Fund	\$ 125,000,000	\$ 125,000,000
Brownfields Cleanup Revolving		
Loan Fund	\$ 350,000	\$ 350,000
Matching Funds Fund	\$ 1,507,100	\$ 0
Federal Funds	\$ 1,169,000	\$ 1,169,000
TOTAL MEANS OF FINANCING	\$ 128,026,100	\$ 126,519,000

21-861 DRINKING WATER REVOLVING LOAN FUND

EXPENDITURES:	<u>FY 25 EOB</u>	<u>FY 26 REC</u>
Drinking Water Revolving Loan Fund	\$ 56,281,256	\$ 66,707,202
Program Description: <i>Assist public water systems in financing needed drinking water infrastructure improvements (e.g. treatment plant, distribution main replacement, storage facilities, new wells). The Drinking Water Revolving Loan Fund provides assistance in the form of low-interest loans and technical assistance to public water systems in Louisiana to assist them with complying with state and federal drinking water regulations, ensuring that their customers are provided with safe drinking water thereby protecting the public health.</i>		
TOTAL EXPENDITURES	\$ 56,281,256	\$ 66,707,202
MEANS OF FINANCE:		
State General Fund by:		
Statutory Dedications:		
Drinking Water Revolving Loan Fund	\$ 47,988,458	\$ 66,707,202
Matching Funds Fund	\$ 8,292,798	\$ 0
TOTAL MEANS OF FINANCING	\$ 56,281,256	\$ 66,707,202

Section 10. This Act shall become effective on July 1, 2025.

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____