

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: HB 810 HLS 12RS 243

Bill Text Version: ENGROSSED

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Table with 2 rows and 2 columns. Row 1: Date: May 10, 2012 6:53 AM, Author: JAMES. Row 2: Dept./Agy.: Division of Administration (DOA), Analyst: Travis McIlwain. Subject: Payroll Deductions.

STATE EMPLOYEES EG SEE FISC NOTE GF EX See Note Page 1 of 1
Authorizes payroll deductions for nonprofit organizations or associations

Proposed legislation provides for donations payable to any nonprofit organization or nonprofit association upon written authorization from the employee, which have been evaluated and approved in accordance with rules and procedures promulgated by the commissioner of administration. Proposed legislation provides for the LA Association of United Ways to serve as the principal combined fundraising organization working in coordination with the Division of Administration.

Effective July 1, 2012.

Table with 7 columns: EXPENDITURES, 2012-13, 2013-14, 2014-15, 2015-16, 2016-17, 5 -YEAR TOTAL. Rows include State Gen. Fd., Agy. Self-Gen., Ded./Other, Federal Funds, Local Funds, and Annual Total. Similar structure for REVENUES.

EXPENDITURE EXPLANATION
The fiscal impact of this measure is directly related to the number of payroll deductions requested by state employees and the number of nonprofit organizations which are ultimately chosen for deductions. To the extent the proposed legislation results in a significant number of employees requesting payroll deductions from many nonprofit organizations, the Division of Administration (DOA) will likely incur additional expenditures either through overtime incurred by existing personnel or through the hiring of additional personnel.

The proposed legislation does not provide for any limitations or restrictions on the number or type of eligible nonprofit organizations. Thus, the costs to the DOA may be significant. However, the bill does allow for rule promulgation by the commissioner of administration, which may allow for the DOA to limit the scope and number of eligible nonprofit organizations.

NOTE: According to the National Center for Charitable Statistics, there are approximately 1.5 million nonprofit organizations in the U.S. which may be an eligible payroll deduction under the proposed legislation.

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