

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



Fiscal Note On: **HB 434** HLS 13RS 591  
 Bill Text Version: **ENGROSSED**  
 Opp. Chamb. Action:  
 Proposed Amd.:  
 Sub. Bill For.:

|   |         |                                 |
|---|---------|---------------------------------|
| <b>Date:</b> April 23, 2013                   | 8:22 AM | <b>Author:</b> MORRIS, JAY      |
| <b>Dept./Agy.:</b>                            |         | <b>Analyst:</b> Travis McIlwain |
| <b>Subject:</b> Discetionary/Nondiscretionary |         |                                 |

BUDGETARY CONTROLS EG SEE FISC NOTE GF EX See Note Page 1 of 1  
 (Constitutional Amendment) Requires spending due to constitutional or other mandates to be considered in a separate appropriation bill from spending that is not required to be funded if health care or higher education funding is reduced Proposed constitutional amendment provides for the legislative auditor to determine if the proposed budget for health care and higher education are less than the appropriations for such purposes from the state general fund and dedicated funds enacted in the prior regular session of the legislature. If that is the case, the governor shall cause to be submitted a separate appropriation bill for nondiscretionary expenditures.

| <b>EXPENDITURES</b> | <b>2013-14</b> | <b>2014-15</b> | <b>2015-16</b> | <b>2016-17</b> | <b>2017-18</b> | <b>5 -YEAR TOTAL</b> |
|---------------------|----------------|----------------|----------------|----------------|----------------|----------------------|
| State Gen. Fd.      | SEE BELOW      | SEE BELOW      | SEE BELOW      | SEE BELOW      | SEE BELOW      |                      |
| Agy. Self-Gen.      | \$0            | \$0            | \$0            | \$0            | \$0            | <b>\$0</b>           |
| Ded./Other          | SEE BELOW      | SEE BELOW      | SEE BELOW      | SEE BELOW      | SEE BELOW      |                      |
| 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><u>\$0</u></b>    |
| <b>Annual Total</b> |                |                |                |                |                |                      |

  

| <b>REVENUES</b>     | <b>2013-14</b> | <b>2014-15</b> | <b>2015-16</b> | <b>2016-17</b> | <b>2017-18</b> | <b>5 -YEAR TOTAL</b> |
|---------------------|----------------|----------------|----------------|----------------|----------------|----------------------|
| 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><u>\$0</u></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**

Although Article 7, Section 11 of the constitution provides for the general appropriations bill to be submitted in conformity with the executive budget, the proposed constitutional amendment provides for the potential of the General Appropriations Bill and another appropriations bill to be filed. If the proposal from state general fund and dedicated funds for health care and higher education are less in the executive budget than what was previously appropriated in the last legislative session, then the governor will be required to submit 2 appropriation instruments of which one will be for discretionary expenditures and one will be for nondiscretionary expenditures. All fiscal staffs will be required to track and analyze 2 different appropriation measures, which will likely result in an indeterminable increase in workload. The table below reflects the analysis to be completed as per this legislation.

| <b>DHH</b>           | <b>SGF</b>             | <b>Dedicated Funds</b> | <b>Total</b>           |
|----------------------|------------------------|------------------------|------------------------|
| FY 13 Approp. Letter | \$1,899,986,459        | \$524,521,397          | \$2,424,507,856        |
| FY 14 Exec. Budget   | <u>\$2,472,209,864</u> | <u>\$424,557,369</u>   | <u>\$2,896,767,233</u> |
| <b>Difference</b>    | <b>\$572,223,405</b>   | <b>(\$99,964,028)</b>  | <b>\$472,259,377</b>   |

  

| <b>Higher Education</b> | <b>SGF</b>             | <b>Dedicated Funds</b> | <b>Total</b>           |
|-------------------------|------------------------|------------------------|------------------------|
| FY 13 Approp. Letter    | \$993,591,143          | \$192,349,749          | \$1,185,840,892        |
| FY 14 Exec. Budget      | <u>\$284,542,534</u>   | <u>\$778,133,997</u>   | <u>\$1,062,67,531</u>  |
| <b>Difference</b>       | <b>(\$709,048,609)</b> | <b>\$585,784,248</b>   | <b>(\$123,264,361)</b> |

Note: DHH and Higher Education budget numbers above include only those agencies in schedule 9 and 19.

Based upon the table above, if this constitutional amendment were currently in place, due to the FY 14 Executive Budget Recommendation for higher education being approximately \$123.3 million less than FY 13, there would be 2 appropriations bills filed for the FY 14 Legislative Session.

The proposed bill provides for a constitutional amendment to be submitted to voters at the November 4, 2014 election. The November 4, 2014 election is a statewide election, when all precincts in the state are scheduled to be opened. As a regular practice, the Secretary of State budgets for up to 10 constitutional amendments for the fall statewide elections.

**REVENUE EXPLANATION**

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

|   |  |              |
|---|--|--------------|
| <u>Senate</u>   | <u>Dual Referral Rules</u>   | <u>House</u> |
| <input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}       | <input type="checkbox"/> 6.8(F) >= \$500,000 Annual Fiscal Cost {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} |              |

**John D. Carpenter**  
 Legislative Fiscal Officer