

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



Fiscal Note On: **SB 9** SLS 161ES 38

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action: **w/ HSE COMM AMD**

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> March 8, 2016 1:32 PM	<b>Author:</b> DONAHUE
<b>Dept./Agy.:</b> La Department of Treasury	<b>Analyst:</b> Alan M. Boxberger
<b>Subject:</b> Provides for funds in the state treasury	

FUNDS/FUNDING EG1 SEE FISC NOTE GF RV See Note  
Provides for funds in the state treasury. (gov sig)

Proposed law provides that each year the state treasurer shall submit at the August meeting of the Joint Legislative Committee on the Budget (JLCB) the status of fund transfers authorized to eliminate budget deficits for the prior fiscal year, specifically transfers which reduced constitutionally protected funds or dedications which were approved by the JLCB to eliminate budget deficits. The information shall include the date and amount of the transfer, the balance of the fund immediately prior to the transfer and the balance of the fund at year-end. Proposed law provides that the JLCB may make such studies and hold hearings as it deems appropriate and necessary to review special funds and dedications of money in the state treasury including the means of finance (MOF), specifically those funds whose primary MOF is the State General Fund (SGF), and the purpose and use of the monies, and the status and fund balances of the special funds and dedicated monies. Proposed law provides that within 10 days after the effective date of the Act, the state treasurer shall make all transfers provided for herein and shall report instances for which there is an insufficient balance to fully execute the transfer.

<b>EXPENDITURES</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</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	\$0	\$0	\$0	\$0	\$0	<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>

  

<b>REVENUES</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</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	\$0	\$0	\$0	\$0	\$0	<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**

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

Proposed law requires the state treasurer to submit an annual report to the JLCB regarding the status of fund transfers authorized to eliminate budget deficits for the prior year. The Department of Treasury reports that it is able to accomplish the requirements of the proposed law utilizing existing staff and resources.

To the degree that the JLCB decides to conduct studies and hearings as deemed appropriate to review special funds and dedications of money, the Louisiana Legislature may realize a marginal increase in per diem payments to legislators to the extent that any such meetings may exceed the committee's regular monthly meeting. Any such impact is indeterminable but not expected to create any significant expenditure.

Proposed law provides for the transfer of certain funds into the SGF in accordance with reductions enumerated in the Act which originated as HB 122 of the 2016 First Extraordinary Session, and provides that the state treasurer shall make all such transfers within 10 days after the Act's effective date or to report instances to the commissioner of administration and Joint Legislative Committee on the Budget wherein available balances are insufficient to effectuate the transfer.

**REVENUE EXPLANATION**

**Proposed law provides for the transfer of approximately \$238.87 M from various statutory dedications and SGR accounts into the SGF within 10 days of enactment.** The treasurer shall report to the commissioner of administration and the JLCB whether any funds transfer cannot be transferred within 10 days due to insufficient cash balance. This transfer of funds is assumed to occur within FY 16 and is therefore not reflected in the tables above. **The list of funds and accounts from which cash will be transferred into the SGF are detailed on page 2 of this fiscal note.**

To the degree that the impacted accounts do not have sufficient cash balance to effectuate the requisite transfer into the SGF, the treasurer historically has treated these monies as outstanding debts and executed the transfer of cash once the fund's total revenue collections exceeded the current year's appropriation level. As this bill requires a transfer of cash within 10 days, the LFO assumes that all revenues collected in the respective fund accounts will be transferred into the SGF from the 10-day deadline going forward until such time as the total transfer is complete. To the extent that subsequent collections do not equate to the remaining budget authority, agencies will effectively realize additional reductions due to undercollections.

- |   |  |              |
|---|--|--------------|
| <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)(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} |              |

*Evan Brasseaux*  
**Evan Brasseaux**  
**Staff Director**

LEGISLATIVE FISCAL OFFICE  
Fiscal Note



Fiscal Note On: SB 9 SLS 161ES 38

Bill Text Version: ENGROSSED

Opp. Chamb. Action: w/ HSE COMM AMD

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> March 8, 2016 1:32 PM	<b>Author:</b> DONAHUE
<b>Dept./Agy.:</b> La Department of Treasury	<b>Analyst:</b> Alan M. Boxberger
<b>Subject:</b> Provides for funds in the state treasury	

**CONTINUED EXPLANATION from page one:**  
**CONTINUED REVENUE EXPLANATION FROM PAGE 1**

**Proposed law will result in a cash transfer of approximately \$225.8 M from the following statutory dedications into the SGF during FY 16 (pending sufficient cash balance).**

- Fiscal Year 2015-2016 Deficit Elimination Fund - (\$200,000,000)
- Administrative Fund - (\$40,762)
- Compulsive & Problem Gaming Fund - (\$219,146)
- Crescent City Amnesty Refund Fund - (\$1,287)
- Crescent City Transition Fund - (\$26,000)
- Crime Victims Reparation Fund - (\$53,853)
- Debt Collection Fund - (\$20,731)
- Debt Recovery Fund - (\$330,000)
- Department of Justice Legal Support Fund - (\$402,465)
- DeSoto Parish Visitor Enterprise Fund - (\$2,000)
- East Baton Rouge Parish Community Improvement Fund - (\$13,091)
- Employment Security Administration Account - (\$245,604)
- Entertainment, Promotion and Marketing Fund - (\$16,182)
- Equine Health Studies Program Fund - (\$7,500)
- Ernest N. Morial Convention Center Phase IV Expansion Project Fund - (\$20,000)
- Fireman's Training Fund - (\$44,288)
- Fraud Detection Fund - (\$30,609)
- Friends of NORD Fund - (\$2,014)
- Geaux Pass Transition Fund - (\$23,982)
- Grain and Cotton Indemnity Fund - (\$5,341)
- Hazardous Waste Site Cleanup Fund - (\$225,000)
- Lafourche Parish Association for Retarded Citizens (ARC) Training and Development Fund - (\$4,000)
- Louisiana Charter School Start-up Loan Fund - (\$2,188)
- Louisiana Mega-Project Development Fund - (\$1,206,626)
- Marketing Fund - (\$120,266)
- Medical and Allied Health Professional Education Scholarship & Loan Fund - (\$2,000)
- Mineral and Energy Operation Fun - (\$272,547)
- Oil and Gas Regulatory Fund - (\$91,255)
- Pari-Mutuel Live Racing Facility Gaming Control Fund - (\$1,537)
- Penalty and Interest Account - (\$209,555)
- Rapid Response Fund - (\$1,888,213)
- SNAP Fraud and Abuse Detection and Prevention Fund - (\$3,000)
- State Emergency Response Fund - (\$28,192)
- Support Education in Louisiana First Fund - (\$1,504,140)
- Tax Commission Expense Fund - (\$41,819)
- Tobacco Control Special Fund - (\$11,058)
- Tobacco Regulation Enforcement Fund - (\$18,074)
- Tobacco Settlement Enforcement Fund - (\$10,000)
- Tobacco Tax Health Care Fund - (\$359,214)
- Transportation Trust Fund - Regular - (\$18,103,138)
- Two Percent Fire Insurance Fund - (\$17,500)
- Underwater Obstruction Removal Fund - (\$150,000)
- Total Statutorily Dedicated Funds - (\$225,774,177)

**Proposed law will result in a cash transfer of approximately \$13.1 M from the following SGR accounts into the SGF during FY 16 (pending sufficient cash balance).**

- Department of Veterans Affairs SGR - (\$5,100,000)
- State Bond Commission SGR - (\$8,000,000)
- Total SGR Funds - (\$13,100,000)

**Total Transfers into the SGF from all MOF - \$238,874,177**

<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)(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}

*Evan Brasseaux*  
**Evan Brasseaux**  
**Staff Director**