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TO: The Honorable Taylor F. Barras, Speaker of the House of Representatives  
Honorable Members of the House of Representatives

FROM: John D. Carpenter, Legislative Fiscal Officer *JDC*  
Evan J. Brasseaux, LFO Staff Director *EB*

DATE: June 21, 2018

SUBJECT: House Rule 7.19, HB 1 Engrossed of the 3rd ES of 2018

Pursuant to House Rule 7.19, the Legislative Fiscal Office (LFO) is required to submit a report to the House of Representatives, which indicates whether the appropriation bill appropriates one-time money. The LFO is providing this information for HB 1 Engrossed.

#### **HR 7.19 One-Time Money**

Pursuant to HR 7.19(C)(2), appropriations from one-time money for ordinary recurring expenses may not exceed the projected growth of the state general fund from the fiscal year for which the appropriation is proposed and the subsequent fiscal year according to the most recent official forecast. The threshold calculation is the difference between the official SGF revenue forecast adopted by the Revenue Estimating Conference on April 12, 2018, and affirmed on May 22, 2018, for FY 19 of \$8,947.2 M and for FY 20 of \$9,093.9 M, which equates to an increase of \$146.7 M in SGF revenue. The amount of one-time funds, as defined by HR 7.19, allowed to be appropriated in HB 1 for FY 19 expenditure is \$146.7 M.

#### **FY 20 Replacement Financing Decisions**

Although HR 7.19 contains a definition of "one-time money," the rule itself is not indicative of the financing decisions that will have to be made in FY 20 relative to the current structure of the FY 19 proposed operating budget. Due to this issue, the LFO is not only providing the HR 7.19 report to comply with the House Rule, we are also providing a detail of significant potential FY 20 financing replacements that will have to be made as a result of the proposed FY 19 budget.

Act 10 of the 2nd ES redirected \$46.2 M in statutorily dedicated funds from the Deepwater Horizon Economic Damages Fund to the state general fund to fund spending priorities in various budget units. These revenues will not be available for transfer in FY 20 unless the legislature effectuates similar transfers or makes statutory changes. As such, agencies utilizing these revenues will either require offsets from other means of finance or will be required to reduce expenditures.

HB 1 Engrossed contains an appropriation of \$1,521,928 from the Overcollections Fund to the Office of Elderly Affairs *Senior Center Program* to supplement the funding formula and restore funding to the existing operating budget. These funds are the result of a settlement agreement related to tax disputes on medical devices. The total anticipated revenue from these agreements is \$9.7 M of which \$6.6 M has proposed earmarks. The remaining \$3.1 M will be deposited into the state general fund upon finalized agreements and will be available for future appropriation.

If you have any questions about any of the information presented in this memo, please contact me by email at [carpenterj@legis.la.gov](mailto:carpenterj@legis.la.gov) or by phone at 225-342-7233.