

SENATE BILL NO. 196

BY SENATORS DONAHUE, JOHNS AND MILLS

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

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AN ACT

To enact R.S. 17:3130(C) and 3351(F), R.S. 24:653(L), and R.S. 36:8(A)(6), relative to fiscal oversight; to provide for the annual reporting by executive branch departments and public postsecondary education management boards to the Joint Legislative Committee on the Budget on enacted legislation with significant fiscal impact that exceeds original estimates; to provide for the review and analysis of such reports by the Joint Legislative Committee on the Budget; to provide for an effective date; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 17:3130(C) and 3351(F) are hereby enacted to read as follows:

§3130. Other powers

* * *

C.(1) The legislature hereby finds that it is critical to utilize a tool such as Joint Rule No. 4 which is an established process for the development and preparation of fiscal notes by the legislative auditor or the legislative fiscal office to estimate the cost for a five-year period of time during deliberations on instruments of a fiscal nature. These fiscal notes provide estimates of the impact not only for revenue and expenditure costs to state departments, agencies, and higher education institutions throughout the state, but also session subject matter, including but not limited to tax increases, decreases, fee increases and repeals, tax exemptions, suspensions, credits, rebates, exclusions, and deductions, among others. The legislature hereby finds that in order to properly track and assess the impact of legislation over time, it is necessary to periodically evaluate the extent to which fiscal impacts have changed from the

1 original estimates. The management of state resources requires a comparative
 2 review of the growth of initial projections to actual year-end results. When
 3 expenditure and revenue initiatives exceed original estimates, the maintenance
 4 of balanced budgets becomes exceedingly difficult to achieve. To address this
 5 issue, the Joint Legislative Committee on the Budget should require an annual
 6 examination of the estimated results compared to actual implemented results.
 7 The review of intended versus actual results should apply to both state
 8 departments, agencies, boards, and commissions, as well as higher education
 9 institutions. A process for review shall be established by the Joint Legislative
 10 Committee on the Budget and all findings shall be reported to all members of
 11 the legislature.

12 (2) As provided by R.S. 17:3351(F), beginning October 1, 2013, and each
 13 year thereafter, the Board of Regents shall review the reports of legislation with
 14 significant fiscal impact submitted by the various public postsecondary
 15 education management boards. After the Board of Regents has performed its
 16 review of the reports submitted by the management boards, the reports shall be
 17 submitted to the Joint Legislative Committee on the Budget by October
 18 thirtieth of each year as required by R.S. 24:653(L).

19 * * *

20 §3351. General powers, duties, and functions of college and university boards

21 * * *

22 F. Each public postsecondary education management board shall
 23 annually conduct a review to identify any legislation that has been implemented
 24 and has been operational for at least six months in the prior year that affects the
 25 board or the institutions under its control and has a fiscal impact which has
 26 increased by the amount of one million dollars or more over the amount of the
 27 fiscal note as the bill was enacted. The analysis should also report the impact
 28 to the higher education institutions in terms of operations and personnel. Each
 29 management board shall compile the report and submit the report to the Board
 30 of Regents by September thirtieth of each year in accordance with the

1 provisions of R.S. 17:3130(C). The report shall be in a manner as provided by
 2 R.S. 24:653(L)(2).

3 Section 2. R.S. 24:653(L) is hereby enacted to read as follows:

4 §653. Duties and functions

5 * * *

6 L.(1)(a) Upon receipt of the reports from the various departments
 7 within the executive branch of state government as provided by R.S. 36:8(A)(6)
 8 and the public postsecondary education management boards as provided by
 9 R.S. 17:3130(C) and 3351(F), the Joint Legislative Committee on the Budget
 10 shall transmit the reports to the legislative fiscal office for review and analysis
 11 and may conduct hearings to review the reports.

12 (b) The legislative fiscal office shall review the reports and perform any
 13 additional analysis of the reports that is necessary to provide an accurate actual
 14 estimate as compared to the fiscal note as the bill was enacted.

15 (2) The reports required to be submitted under this Section shall be in
 16 a manner as prescribed by the chairman of the Joint Legislative Committee on
 17 the Budget and shall be accompanied by such other information as the
 18 chairman may require. At a minimum, the report shall present the differences
 19 between the original estimate as the bill was enacted and the actual current
 20 revenues or expenditures. Depending upon the scope of the original legislation,
 21 the comparisons between the fiscal note as the bill was enacted and the actual
 22 amounts shall include but not be limited to tax increases, decreases, fee
 23 increases and repeals, tax exemptions, suspensions, credits, rebates, exclusions,
 24 and deductions, among others.

25 (3) No later than February first of each year, the committee shall report
 26 its findings in a public meeting relative to any legislation that has been enacted
 27 that affects state revenues, public postsecondary education management boards
 28 and the related institutions or the various departments and the related entities
 29 and that legislation has a fiscal impact which has increased by the amount of
 30 one million dollars or more over the amount of the fiscal note as the bill was

1 enacted. The review and analysis shall also examine the receipt, expenditure,
 2 allocation, dedication, or means of financing to determine specifically how the
 3 increases impact state revenue, the departments, agencies, boards, commissions,
 4 and like entities within the executive branch of state government, as well as
 5 among the public postsecondary education institutions of the state. The Joint
 6 Legislative Committee on the Budget shall transmit copies of the final report to
 7 the governor, the president of the Senate, and the speaker of the House of
 8 Representatives, and distribute a copy to each member of the legislature.

9 Section 3. R.S. 36:8(A)(6) is hereby enacted to read as follows:

10 §8. Fiscal oversight and program evaluation

11 A. In discharging the responsibilities of accounting and budget control and
 12 management and program analysis, the undersecretary shall have the following
 13 powers:

14 * * *

15 (6)(a) Each undersecretary under this Section shall conduct a review and
 16 analyze the department and its revenues, agencies, the various boards,
 17 commissions, and other such entities that may be attached to the department.
 18 The review and analysis conducted by the undersecretary shall identify any
 19 legislation which has been implemented and has been operational for at least six
 20 months in the prior year that affects the department, its revenue, agencies, or
 21 other entities under its control and has a fiscal impact which has increased by
 22 the amount of one million dollars or more over the amount of the fiscal note as
 23 the bill was enacted. The review and analysis shall also examine the impact to
 24 the department and its related entities in terms of operations or personnel.
 25 Each undersecretary shall compile the report and submit it to the department
 26 secretary. The report shall be in a manner as provided by R.S. 24:653(L)(2).
 27 The secretary shall review the report and submit the report to the commissioner
 28 of administration no later than September thirtieth of each year.

29 (b) The commissioner of administration shall review the reports as
 30 required by Subparagraph (a) of this Paragraph, and shall submit all reports

1 from the departments to the Joint Legislative Committee on the Budget by
2 October thirtieth of each year in accordance with the provisions of R.S.
3 24:653(L).

4 Section 4. This Act shall become effective on July 1, 2013; if vetoed by the governor
5 and subsequently approved by the legislature, this Act shall become effective on July 1,
6 2013, or on the day following such approval by the legislature, whichever is later.

PRESIDENT OF THE SENATE

SPEAKER OF THE HOUSE OF REPRESENTATIVES

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____