

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 409** HLS 16RS 511
 Bill Text Version: **ENGROSSED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: May 12, 2016 7:33 AM	Author: HENRY
Dept./Agy.: Treasury	Analyst: Matthew LaBruyere
Subject: State Funds	

FUNDS/FUNDING EG +\$4,000,000 SD RV See Note Page 1 of 1
 Provides for the transfer, deposit, and use of monies among state funds

Proposed law directs the LSU Health Science Center - Health Care Services Division and the LSU Health Sciences Centers - New Orleans and Shreveport to deposit into the state general fund all public/private partnership hospital and hospital equipment lease payments net of clinci and hospital lease payments made by LSU Health Science Center - Health Care Services Division.

Proposed law directs the Louisiana Housing Corporation to transfer \$4,000,000 from unrestricted and unencumbered fund balances. Requires the deposit to occur after July 1, 2016 and before January 1, 2017 and directs the state treasurer to transfer the deposit into the Overcollections Fund.

Proposed law nullifies any fund transfers that have not occurred by 7/1/2016 contained in the "fund transfer" bills of the 2011 through 2015 Regular Sessions and any fund transfers approved by the Joint Legislative Committee on the Budget as part of a midyear deficit reduction.

EXPENDITURES	2016-17	2017-18	2018-19	2019-20	2020-21	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2016-17	2017-18	2018-19	2019-20	2020-21	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW					
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$4,000,000	\$0	\$0	\$0	\$0	\$4,000,000
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total						

EXPENDITURE EXPLANATION

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

REVENUE EXPLANATION

The proposed legislation would result in an increase in statutorily dedicated revenue as a result of the the Louisiana Housing Corporation depositing \$4 M in unencumbered fund assets into the Treasury on or after July 1, 2016, but before January 1, 2017. The Treasury will then deposit the \$4 M into the Overcollections Fund. At the time of publication of this note these resources have not been recognized by the Revenue Estimating Conference. Since the resources have not been recognized by REC, it is unknown at this time if the \$4 M is recurring or non-recurring revenue.

The proposed legislation would nullify outstanding fund transfers contained in Act 378 of 2011, Act 597 of 2012, Act 420 of 2013, Act 646 of 2014, Act 121 of 2015 and any fund transfers approved by the Joint Legislative Committee on the Budget as part of a midyear reduction. The fund transfers total \$158,824,258. This includes \$75.7 M from fund transfers in the previous fiscal years and \$83.1 M in fund transfers in the current year. To the extent the outstanding funds in the current year are not transferred by July 1, 2016, the amount remaining will be included in the net position of the state.

Although the accounting books for these fiscal years are closed, the State Treasury is of the legal opinion that these transfers are an outstanding obligation of the respective statutorily dedicated fund. Since the prior legislative acts are still effective, the State Treasury continues to transfer these outstanding balances whenever the monies become available. The proposed legislation would cancel the outstanding transfers.

The proposed legislation directs LSU Health Care Sciences Division and LSU Health Science Center - Shreveport to deposit all lease payments into the state general fund. According to the most recently adopted Revenue Estimating Conference forecast of 2/16/16, the FY 16 lease payments are \$190.1 M and the FY 17 lease payments are \$161.3 M.

Senate Dual Referral Rules House

13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}

6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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