

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



Fiscal Note On: **HB 132** HLS 17RS 656  
 Bill Text Version: **ENGROSSED**  
 Opp. Chamb. Action: **w/ SEN COMM AMD**  
 Proposed Amd.:  
 Sub. Bill For.:

<b>Date:</b> June 1, 2017 12:38 PM	<b>Author:</b> EDMONDS
<b>Dept./Agy.:</b> Statewide	<b>Analyst:</b> Alan M. Boxberger
<b>Subject:</b> Provides relative to allocation of expenditures - state budget	

BUDGETARY CONTROLS EG1 SEE FISC NOTE GF EX See Note Page 1 of 1  
 Provides relative to the allocation of expenditures of the state operating budget

Present law requires the commissioner of administration to notify each budget unit of the amount of appropriations contained in the General Appropriation Act and permits the commissioner to review and approve the initial allocation of expenditures for a fiscal year. Proposed law changes the review and approval of the commissioner of administration of the initial allocation of expenditures from a permissive review to a mandatory review and approval and further specifies that the initial allocation shall be by category of expenditures. Proposed law further requires prior approval of the Joint Legislative Committee on the Budget to change the initial allocation of expenditures or transfer funds between categories for individual transfers of \$20,000 or more and transfers occurring after a cumulative \$100,000 or more in such transfers have occurred in a fiscal year. Proposed law provides for exceptions in the event of a declared disaster. Proposed law provides for reporting requirements of all transfer of funds between expenditure categories. Effective July 1, 2017.

<b>EXPENDITURES</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</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	\$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>REVENUES</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</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**

To the extent this bill were to result in additional legislative committee hearings by the JLCB, proposed law would result in an increase of SGF expenditures of \$7,488 per day for 48 members to attend meetings if they are held on a day when the JLCB is not meeting. Members would also be entitled to mileage reimbursement, which is currently \$0.54 per mile. Such costs can be mitigated if these hearings coincide with a scheduled JLCB meeting, which typically meets at least monthly, but may not be entirely avoidable (see below).

Proposed law requires the commissioner of administration to approve the initial spread of expenditures at the start of each fiscal year, which is current practice. Proposed law further requires prior approval of the JLCB to change the initial allocation of expenditures or transfer funds between categories for individual transfers of \$20,000 or more and transfers occurring after a cumulative \$100,000 or more in such transfers have occurred in a fiscal year. The Division of Administration assumes the intent of proposed law is to require authorization of any transfer of authority between major expenditure categories (i.e. from salaries to supplies, professional services to acquisitions, etc.) and not from one expenditure subcategory to another within the same major expenditure category (i.e. from salaries regular to salaries overtime). The Commissioner shall also report all transfers, whether requiring JLCB approval or not, to both the JLCB and to an on-line website maintained by the Division of Administration.

There is no direct, significant impact in notifying and requesting authorization of the JLCB to any expenditure category changes. Agency operations could potentially be impacted should there be a delay in JLCB approval or in the case of JLCB disapproval. Agencies will be unable to make expenditures in a major expense category unless there is sufficient authority to cover that expenditure. The LFO assumes that agencies will adapt and submit requests for such transfers with additional time necessary to allow for JLCB approval. At certain times and in certain circumstances, the JLCB may be required or requested to meet more frequently than once per month, as is the current standard, such as during end of year closeout when remaining expenditure authority in all major expenditure categories approaches a zero balance. During this time, numerous final adjustments are required statewide among agencies in order to comply with generally accepted accounting principles.

Proposed law shall not apply in the event of a declared disaster, but any changes in expenditures or transfers of expenditures shall be approved by the commissioner of administration.

**REVENUE EXPLANATION**

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

Senate Dual Referral Rules  
 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}  
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}

House  
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}  
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

*Evan Brasseaux*  
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