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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
Evan J. Brasseaux, LFO Staff Director *EB*

DATE: June 5, 2017

SUBJECT: House Rule 7.19, Supplemental Appropriations HB 625 Engrossed with
Senate Amendments

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 Supplemental Appropriations Bill appropriates one-time money. The Legislative Fiscal Office has determined there is no one-time money in HB 625 Engrossed with Senate Amendments.

Replacement Financing Decisions Discussion

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 subsequent fiscal years relative to the proposed supplemental appropriations bill and its alterations to the FY 17 appropriation. 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 you with a detail of significant potential financing replacements that will require future budgetary consideration.

The Senate utilized \$39.4 M in funds derived from monies currently held in three distinct escrow accounts in order to address projected deficits or specific projects in various departments during the current FY 17. While the revenues held in escrow by the Louisiana Department of Revenue were recognized as part of past projections adopted by the REC, they are not included in the current REC forecast for FY 17. These funds may require REC recognition. The monies held in escrow by the Louisiana Department of Justice are considered by the LFO to be appropriated as SGR to that agency and currently recognized by the REC. Senate amendments to the General Appropriations Bill (HB1) appear to provide additional funding to specific state agencies that have realized an underfunded position over the past few fiscal years, including the Department of Public Safety and Corrections – Corrections Services and Local Housing of Adult Offenders to preclude or minimize future supplemental deficits. The Department of Children and Family Services receives an appropriation of \$9.99 M from the Overcollections Fund to provide for the first phase of an I.T. project to integrate eligibility systems between Medicaid, the Supplemental Nutritional Assistance Program (SNAP) and Temporary Assistance for Needy Families (TANF).

Escrow Balances:

\$15,400,000	Funding held in a Louisiana Department of Revenue escrow account from monies paid in protest related to the sales tax on medical devices
\$18,660,000	Funding held in a Louisiana Department of Revenue escrow account from monies paid in protest related to the sales tax on business utilities
\$5,300,335	Funding held in a Louisiana Department of Justice escrow account from settlement monies

In order to effectuate the transfer of monies into the supplemental appropriation bill, the funds bill, HB 403, was amended in Senate Finance to transfer the \$34,060,000 held in Department of Revenue Escrow accounts into the Overcollections Fund and the \$5,300,335 held in the Department of Justice escrow account into the State Emergency Response Fund (SERF). The supplemental appropriations bill appropriates the Overcollections Fund to the Louisiana Department of Health, the Louisiana Department of Children and Family Services and Local Housing of Adult Offenders. The SERF monies are appropriated to the Department of Military Affairs, the Department of Children and Family Services and the Department of Public Safety and Corrections – Corrections Services for declared emergency expenditures incurred during FY 17.

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