

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 6** SLS 181ES 27

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: February 26, 2018 9:21 AM	Author: LAFLEUR
Dept./Agy.: State	Analyst: Alan M. Boxberger
Subject: Relative to Deepwater Horizon economic damage payments	

FUNDS/FUNDING OR +\$53,333,333 GF RV See Note Page 1 of 1
Provides relative to the 2019 payment of economic damages from the Deepwater Horizon litigation. (Item #17)(gov sig)

Present law provides for creation of the Deepwater Horizon Economic Damages Collection Fund, and provides that all economic damage proceeds from the Deepwater Horizon litigation in excess of the first \$200 million deposited into the FY 15 -16 Deficit Elimination Fund, shall be deposited into the Economic Damages Collection Fund and then deposited as follows: 45% to the Budget Stabilization Fund, 45% to the Medicaid Trust Fund for the Elderly and 10% to the Health Trust Fund. Proposed law retains present law that the 2019 payment from the Deepwater Horizon litigation in the amount of \$53,333,333 shall be deposited into the state general fund.

EXPENDITURES	2018-19	2019-20	2020-21	2021-22	2022-23	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	SEE BELOW	\$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

REVENUES	2018-19	2019-20	2020-21	2021-22	2022-23	5 -YEAR TOTAL
State Gen. Fd.	\$53,333,333	\$0	\$0	\$0	\$0	\$53,333,333
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	(\$53,333,333)	\$0	\$0	\$0	\$0	(\$53,333,333)
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

EXPENDITURE EXPLANATION

Proposed law would shift \$53,333,333 of FY 19 payments related to the Deepwater Horizon litigation to be deposited into the SGF, making them available for general appropriation needs, rather than existing deposits per present law. For the economic damages portion of the settlement agreement, the state has already received a one-time, upfront payment of \$200 M in FY 16. BP is scheduled to make additional annual payments of \$53.3 M annually for 15 years beginning in FY 19.

Proposed law will make funds available for general appropriation and remove deposits into statutorily dedicated funds in FY 19 only as follows: \$23,999,999.85 into the Budget Stabilization Fund (only available for appropriation under certain triggers related to recognized deficits); \$23,999,999.85 into the Medicaid Trust Fund for the Elderly (provides for re-basing of nursing homes, the Medicaid nursing home program case mix reimbursement system, intergovernmental transfer programs, enhanced payment to local government owned health care facilities or health care programs and reimbursement to DHH for the cost of developing the application for and implementing the intergovernmental transfer program); and \$5,333,333.30 into the Health Trust Fund (provides health care to Louisiana's Medicaid and LaCHIP beneficiaries and the medically indigent).

Deposit into the SGF does not restrict the legislature's ability to appropriate these monies for the same purposes provided by the statutory dedications, but it also removes limitations on the purposes for which the funds can be used.

NOTE: These funds are not currently recommended in the executive budget (see note below).

REVENUE EXPLANATION

Proposed law will result in an increase of \$53,333,333 of deposits into the SGF in FY 19 from economic damages paid as part of the Deepwater Horizon litigation.

Proposed law will result in a decrease of deposits into the following statutory dedications in FY 19:

\$23,999,999.85 - Budget Stabilization Fund

\$23,999,999.85 - Trust Fund for the Elderly

\$5,333,333.30 - Health Trust Fund

NOTE: These funds are not currently recognized in the REC, but are anticipated to be included in the next estimate adopted by the committee.

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}

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