

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



Fiscal Note On: **HB 618** HLS 18RS 345  
 Bill Text Version: **ORIGINAL**  
 Opp. Chamb. Action:  
 Proposed Amd.:  
 Sub. Bill For.:

<b>Date:</b> March 18, 2018 8:53 AM	<b>Author:</b> ABRAMSON
<b>Dept./Agy.:</b> DOTD Capital Outlay - Highway Priority Program	<b>Analyst:</b> Alan M. Boxberger
<b>Subject:</b> Provides for changes to the highway priority program	

TRANSPORTATION OR INCREASE SD EX See Note Page 1 of 2  
 Provides for changes to the highway priority program

Proposed law provides clarification of legislative intent with regard to the highway priority program; prioritizes Priority A and B mega-projects for which funding is available from sources other than state or federal; provides for prioritization of projects that will meet the needs of local or regional planning organizations to ensure equitable distribution around the state; requires establishment of a multi-year timeline along with source of monies; requires submission of annual progress reports; requires the program to be segregated into two separate lists - one including a three-year plan for all projects in the program where funding is available and a second including a three-year plan for all projects that can be funded if additional revenue becomes available; provides with respect to moving projects from list two to one; requires DOTD district administrators to determine prioritization of pavement preservation projects; provides for additional duties of the legislative auditor in reviewing the avails of motor fuels taxes to ensure compliance with laws, regulations and adequacy of internal controls; and provides for other reporting requirements of DOTD and the Legislative Auditor.

<b>EXPENDITURES</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</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	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
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>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</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**

Proposed law will result in expenditure increases for DOTD and the Legislative Auditor.

Department of Transportation and Development (DOTD)

DOTD reports that the reporting requirements detailed in proposed law will require new specialized software, modifications to the LaGov Project system, training for approximately 100 project managers and staff, and an additional 9 T.O. positions.

DOTD estimates the following expenditures will be necessary to comply with proposed law:

Implementation Costs

LaGov Project System programming	\$100,000
Critical Path Model software	\$500,000
Initial training for 100 project managers/staff	<u>\$75,000</u>
	<b>\$675,000</b>

Annual Operating Costs

9 T.O. Positions plus Related Benefits (avg \$62k salary)	\$558,900
Annual software licensing fee	<u>\$50,000</u>
	<b>\$608,900</b>

The Legislative Fiscal Office is unable to corroborate the estimated implementation costs or ongoing operating costs (including T.O. positions). However, the LFO acknowledges that the requirements of proposed law will result in a workload increase for the department and existing software solutions are incapable of meeting the stated legislative requirements. To the extent that annual modifications are done to software solutions, DOTD may be able to absorb some of this cost within its existing information technology allocation. To the extent that some operating requirements could be absorbed into the work product of existing T.O. positions, the workload increase may be somewhat mitigated. To the extent that the department is unable to accommodate the requirements of proposed law, the department will require an increase to its operating budget of an indeterminable amount and presumably from the Transportation Trust Fund - Regular.

**EXPENDITURE EXPLANATION CONTINUED ON PAGE 2**

**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*  
**Evan Brasseaux**  
**Staff Director**

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CONTINUED EXPLANATION from page one:

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**EXPENDITURE EXPLANATION CONTINUED FROM PAGE 1**

Louisiana Legislative Auditor (LLA)

The LLA estimates that there will be a cost of approximately \$71,500 (650 hours x \$110) in the implementation year of proposed law and out year expenditures are estimated at \$33,000 (300 hours x \$110). Proposed law requires the LLA to audit the avails of motor fuels taxes, to ensure compliance with laws, regulations and adequacy of internal controls. Additionally, the LLA will be required to conduct performance audit services to evaluate performance measures and to measure specific outcomes. Should the auditors discover unorganized, inaccurate or incomplete data at the outset, the costs for required audit activities may increase accordingly.

The Legislative Fiscal Office is unable to corroborate the estimated workload necessitated by additional audits as prescribed by proposed law. The LLA will realize additional audit requirements surrounding transportation programs and funding. To the extent that some of these activities may be conducted simultaneous to other audit functions, the costs may be mitigated to some degree. That likelihood is indeterminable.

In practice, the LLA creates a schedule of annual charges for departments based on anticipated audit activities. Therefore, the LFO anticipates that additional expenditures by the LLA will be paid via Interagency Transfer from DOTD out of statutory dedications from the Transportation Trust Fund - Regular.

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}

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