

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 479** HLS 20RS 755
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: April 22, 2020 5:59 AM **Author:** IVEY
Dept./Agy.: Statewide **Analyst:** Alan M. Boxberger
Subject: Establishes the State Budget Authority Shortfall Trust

BUDGETARY CONTROLS OR SEE FISC NOTE SD EX Page 1 of 1

Establishes the State Budget Authority Shortfall Trust for exclusive use by agencies who experience budget shortfalls during the course of the fiscal year

Proposed law creates the State Budget Authority Shortfall Trust to be used in the event that state agencies experience budget shortfalls; authorizes the commissioner of administration, acting in concert with the Joint Legislative Committee on the Budget, to allocate revenues from the trust to fill budget shortfalls when an agency has spent all of its state general fund and interagency transfer means of finance in a fiscal year; authorizes the legislature to provide by law for requirements for eligibility for a budget authority enhancement under the provision of proposed law; provides that unexpended money in the trust at the end of the fiscal year must be recognized as non-recurring revenue by the Revenue Estimating Conference and shall be eligible for appropriation in accordance with Louisiana Constitution Article VII, Section 10; requires the treasurer to report not less than quarterly to the commissioner of administration and the Joint Legislative Committee on the Budget the total amount of funds available for distribution; and provides the source of funding to be any monies appropriated to the fund. Proposed law is effective July 1, 2020.

EXPENDITURES	2020-21	2021-22	2022-23	2023-24	2024-25	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
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>	<u>\$0</u>
Annual Total						
REVENUES	2020-21	2021-22	2022-23	2023-24	2024-25	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>	<u>\$0</u>
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure. Proposed law creates the new State Budget Authority Shortfall Trust from which the commissioner of administration, acting in concert with the Joint Legislative Committee on the Budget (JLCB), can allocate monies to fill budget shortfalls when an agency has spent all of its state general fund and interagency transfer means of finance in a fiscal year. Proposed law would provide an additional avenue to provide supplemental funds to an agency outside of the legislative session with commissioner recommendation and JLCB approval. These shortfalls are typically addressed by supplemental appropriation during the regular legislative session each year. Any funds available from the Trust would require deposit by legislative appropriation and require action by the full legislature. Additionally, proposed law authorizes the legislature to provide by law for requirements for eligibility for appropriations from the trust.

For informational purposes, the legislature appropriated \$131.6 M SGF and \$74.9 M IAT in FY 19 via the Supplemental Bill (Act 50 of the 2019 Regular Session). For FY 18, the legislature appropriated \$158.5 M SGF and \$2.2 M IAT via the Supplemental Bill (Act 59 of the 2018 Regular Session).

Creating a new statutory dedication within the state treasury will result in a marginal workload increase for the Department of Treasury, which can generally be absorbed within existing resources. However, to the extent other legislative instruments create new statutory dedications, there may be material additional costs associated with the aggregate effort to administer these funds. The Treasury performs fund accounting, financial reporting, banking and custodial functions for 404 special funds. When unable to absorb additional workload with existing resources, the Treasury anticipates it will be required to add one T.O. position at a total personal services cost of approximately \$71,000, plus approximately \$2,450 for a one-time purchase of office equipment. These expenditures are assumed to be SGF in this fiscal note.

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}

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