Fiscal Note On: **SB** **38** SLS 202ES 121
Bill Text Version: **REENGROSSED**
Opp. Chamb. Action:
Proposed Amd.:
Sub. Bill For.: **REVISED**

Date: October 19, 2020 8:53 AM	**Author:** WHITE, B
Dept./Agy.: Treasury	
Subject: Creates the Fiscal Year 2021 Balanced Budget Reserve Fund	**Analyst:** Alan M. Boxberger

FUNDS/FUNDING   RE SEE FISC NOTE SD EX See Note
Provides relative to the creation, use, dedication, and transfer of funds in the state treasury. (gov sig) (Item #16)

Proposed law creates the 2020 Overcollections Fund, provides for administration of the fund by the treasury, and directs the treasurer to deposit into and credit to the fund the difference between the official forecast of recurring revenue available for the general purpose expenditures of FY 20 adopted by the Revenue Estimating Conference (REC) on 5/11/20, and actual collections of revenue available for general purpose expenditures and attributable to FY 20 and prior to being reported as a balance to the Joint Legislative Committee on the Budget (JLCB) in the prior year and being recognized by the REC.
Proposed law creates the Fiscal Year 2021 Balanced Budget Reserve Fund as a special fund in the treasury and provides that any money transferred, donated, or appropriated to the fund by the legislature shall be deposited into the fund. Proposed law provides for administration of the fund by the treasury.
Proposed law allocates $187,000 of the FY 21 State Sales Tax appropriation from the Shreveport Riverfront and Convention Center and Independence Stadium Fund to LSUHSC - Shreveport. Proposed law shall be effective upon signature of the governor or lapse of time for gubernatorial action.

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	$0	$0	$0	$0	$0	$0
Annual Total						

REVENUES	2020-21	2021-22	2022-23	2023-24	2024-25	5 -YEAR TOTAL
State Gen. Fd.	($190,200,000)	$0	$0	$0	$0	($190,200,000)
Agy. Self-Gen.	$0	$0	$0	$0	$0	$0
Ded./Other	$190,200,000	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	$190,200,000
Federal Funds	$0	$0	$0	$0	$0	$0
Local Funds	$0	$0	$0	$0	$0	$0
Annual Total	$0					$0

EXPENDITURE EXPLANATION
Proposed law creates the 2020 Overcollections Fund and directs the treasurer to deposit into and credit to the fund specific monies (see Revenue Explanation Below). If reported to JLCB and recognized by the REC, these monies will be designated as prior year surplus and made available for specific purposes as detailed in LA Const. Art. VII, §10(D)(2). Proposed law would divert these monies from the constitutional authorized expenditures into the 2020 Overcollections Fund and be available for legislative appropriation from that source. Proposed law does not specify allowable or intended uses of monies deposited into the 2020 Overcollections Fund.

NOTE: The Office of Statewide Reporting and Accounting Policy (OSRAP) reports that in accordance with generally accepted accounting principals (GAAP) and Governmental Accounting Standards Board (GASB), the financial position of the state as of the end of the fiscal year includes those revenues/receivables and expenditures/payables attributable to the fiscal year when it ended. Proposed law directs the treasurer to move FY 20 money after the fiscal year has ended. **Because proposed law was not in effect when the fiscal year ended, or during the accrual period of the fiscal year, OSRAP interprets the bill to utilize current FY 21 resources in an amount equal to the difference between the official forecast of recurring revenue and actual collections of revenue attributable to FY 20 instead of utilizing FY 20 resources.**

REVENUE EXPLANATION
Proposed law creates the 2020 Overcollections Fund and directs the treasurer to deposit into and credit to the fund the difference between the official forecast of recurring revenue available for the general purpose expenditures of FY 20 adopted by the Revenue Estimating Conference (REC) on 5/11/20, and actual collections of revenue available for general purpose expenditures in FY 20, prior to being reported as a balance to the Joint Legislative Committee on the Budget (JLCB) in the prior year and being recognized by the REC. The LFO assumes proposed law intends to divert only SGF excess collections based on the language "available for general purpose expenditures." At the 9/25/20 meeting of the Revenue Estimate Conference (REC), the projected balance of SGF actual revenue collections over the FY 20 forecast as of 5/11/20 was $190.2 M. The effect of proposed law would be to deposit $190.2 M into the statutorily dedicated 2020 Overcollections Fund instead of those monies being available to appropriate for specified allowable and required expenditure purposes in accordance with LA Const. Art. VII, §10(D)(2).

Proposed law also creates the Fiscal Year 2021 Balanced Budget Reserve Fund but does not provide a recurring source of revenues. Monies deposited into the fund will be contingent upon transfers, donations, or appropriations into the fund by the legislature.

Senate	Dual Referral Rules	House	
☒ 13.5.1 >= $100,000 Annual Fiscal Cost {S & H}		☒ 6.8(F)(1) >= $100,000 SGF Fiscal Cost {H & S}	
☐ 13.5.2 >= $500,000 Annual Tax or Fee Change {S & H}		☐ 6.8(G) >= $500,000 Tax or Fee Increase or a Net Fee Decrease {S}	

Christopher A. Keaton
Christopher A. Keaton
Legislative Fiscal Officer

Fiscal Note On: **SB** **38** SLS 202ES 121

Bill Text Version: **REENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.: **REVISED**

Date: October 19, 2020 8:53 AM	**Author:** WHITE, B
Dept./Agy.: Treasury	
Subject: Creates the Fiscal Year 2021 Balanced Budget Reserve Fund	**Analyst:** Alan M. Boxberger

CONTINUED EXPLANATION from page one:
EXPENDITURE EXPLANATION CONTINUED FROM PAGE ONE

Proposed law also creates the Fiscal Year 2021 Balanced Budget Reserve Fund, but does not provide a recurring source of revenues nor stipulate allowable uses of monies deposited into the fund.

Proposed law allocates $187,000 to the Louisiana State University Health Sciences Center - Shreveport out of State Sales Tax Dedications to the Shreveport Riverfront and Convention Center and Independence Stadium Fund ($1.82 M total in FY 21). This amount shall be distributed in equal quarterly amounts of $93,500 for the last two quarters of FY 21 after distributions to entities which have pledged or dedicated such monies into bonds have been made each quarter.Creating two new statutory dedications 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 personnel 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.

Senate	Dual Referral Rules	House	
[x] 13.5.1 >= $100,000 Annual Fiscal Cost {S & H}		[x] 6.8(F)(1) >= $100,000 SGF Fiscal Cost {H & S}	
[ ] 13.5.2 >= $500,000 Annual Tax or Fee Change {S & H}		[ ] 6.8(G) >= $500,000 Tax or Fee Increase or a Net Fee Decrease {S}	

Christopher A. Keaton

Christopher A. Keaton
Legislative Fiscal Officer