

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 132** SLS 23RS 226
 Bill Text Version: **ENGROSSED**
 Opp. Chamb. Action: **w/ HSE COMM AMD**
 Proposed Amd.:
 Sub. Bill For.:

Date: May 30, 2023	9:46 AM	Author: REESE
Dept./Agy.: Higher Education		Analyst: Tanesha Morgan
Subject: Capital outlay		

CAPITAL OUTLAY EG1 SEE FISC NOTE Page 1 of 1
 Provides relative to exemptions to capital outlay procedure. (8/1/23)

Present law authorizes a university, higher education facility, or consortium to undertake any new construction, maintenance, or repair project not exceeding \$5,000,000 solely funded from self generated revenues, grants, donations, or local or federal funds without being included in the Capital Outlay Bill. Proposed law increases the maximum threshold from \$5 M to \$10 M.

Present law authorizes minor repairs, renovations, or construction of buildings to be undertaken by an agency without being included in the capital outlay budget if expenditures for these undertakings do not exceed \$150,000 cumulatively per agency per fiscal year. Proposed law increases the maximum threshold from \$150,000 to \$250,000 and removes the cumulative per agency, per fiscal year limitation.

Proposed law adds authority for FP&C to contract with 3rd party management firms and delegate state agency or higher education management board the administration of projects.

EXPENDITURES	2023-24	2024-25	2025-26	2026-27	2027-28	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	\$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						
REVENUES	2023-24	2024-25	2025-26	2026-27	2027-28	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

Proposed law adds authority for FP&C to contract with 3rd party management firms to assist with managing capital outlay projects. To the extent that the fee charged by the firm is more than the fee charged by FP&C, the project's total cost may be impacted.

Proposed law also increases the threshold for which agencies can undertake certain capital outlay projects without the project being included in the capital outlay bill. Increasing the threshold has no effect on the cost or funding sources of those projects.

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
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Interim Deputy Fiscal Officer