



**LEGISLATIVE FISCAL OFFICE
Fiscal Note**

Fiscal Note On: **HB 597** HLS 23RS 639
 Bill Text Version: **ENROLLED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: June 12, 2023	1:01 PM	Author: IVEY
Dept./Agy.: Louisiana Legislative Auditor		Analyst: Garrett Ordner
Subject: Louisiana Transparency Portal		

LEGISLATIVE AUDITOR EN -\$3,500,000 GF RV See Note Page 1 of 2
 Provides for a portal to provide comprehensive financial and other information to the public

Proposed law requires the LA Legislative Auditor (LLA) to establish and maintain the LA Transparency Portal website. Proposed law provides requirements for the functionality of the website and requires the commissioner of administration to provide databases to the LLA for the website. Proposed law requires all agencies, boards, commissions, departments, institutions of higher education, the legislature, and the judiciary to furnish data to either the commissioner or LLA for use on the website. Proposed law requires the LLA to report noncompliance with proposed law to the Legislative Audit Advisory Council and the Joint Legislative Committee on the Budget. Proposed law establishes the LA Transparency Fund and provides that monies in this fund shall be available for use by the Legislative Budgetary Control Council to fund the development and maintenance of the website. If FY 24 general fund revenues are recognized by the Revenue Estimating Conference (REC) in excess of the official FY 24 REC forecast at the beginning of FY 24, proposed law dedicates \$3.5 M of this revenue to the LA Transparency Fund. Proposed law requires the state treasurer to transfer \$3.5 M from the general fund to the LA Transparency fund on July 1 of each fiscal year beginning July 1, 2024. Proposed law repeals statutes which establish the Louisiana Checkbook fiscal transparency website. The website is subject to appropriation.

EXPENDITURES	2023-24	2024-25	2025-26	2026-27	2027-28	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	INCREASE	INCREASE	
Agy. Self-Gen.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Ded./Other	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total						
REVENUES	2023-24	2024-25	2025-26	2026-27	2027-28	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	(\$3,500,000)	(\$3,500,000)	(\$3,500,000)	(\$3,500,000)	(\$14,000,000)
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	SEE BELOW	\$3,500,000	\$3,500,000	\$3,500,000	\$3,500,000	\$14,000,000
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total		\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

Proposed law will increase total costs to the LLA by a significant amount for the development and maintenance of the LA Transparency Portal website. Proposed law will also increase Statutory Dedications expenditures from the LA Transparency Fund to the extent that the LLA utilizes such funds to develop the website. Finally, the proposed law may increase costs to other state government entities to furnish the required data to the LLA for inclusion in the website.

The LLA, after consultation with a vendor, estimates that costs to implement the website will be \$3.2 M in FY 24 alone. To the extent that costs exceed the \$3.5 M annual dedication to the LA Transparency Fund, additional general fund will be needed. The table below provides a breakdown of the LLA's cost estimates in FY 24 through FY 28. The LLA estimates it will require four (4) positions as well as hardware and software to manage a small but indeterminable amount of data.

Category	2024	2025	2026	2027	2028	Total
Platform	\$2,600,000	\$2,730,000	\$2,866,500	\$3,009,825	\$3,160,316	\$14,366,641
LLA Personnel Costs	\$530,197	\$551,405	\$573,461	\$596,400	\$620,255	\$2,871,718
LLA IT Costs	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$250,000
Total	\$3,180,197	\$3,331,405	\$3,489,961	\$3,656,225	\$3,830,572	\$17,488,359

Note: This is an updated cost estimate provided by the LLA after further discussion with the vendor.

Proposed law requires the commissioner of administration to establish databases containing the required transparency data from executive branch agencies and to provide these databases to the LLA for incorporation into the website. The Division of Administration (DOA) reports that this will not result in any increased costs to the DOA.

EXPENDITURE EXPLANATION CONTINUED ON PAGE TWO

REVENUE EXPLANATION

If the official forecast of FY 24 general fund revenue increases during FY 24, proposed law dedicates \$3.5 M of this revenue to the LA Transparency Fund after any deposit to the New Opportunities Waiver Fund. Proposed law also dedicates \$3.5 M general fund to the LA Transparency Fund in FY 25 and beyond. (Note: Act 187 of the 2023 RLS dedicates 12% of the same excess SGF revenue up to \$50 M to the Community Options Waiver Fund. The priority order of multiple dedications of FY24 SGF revenue growth is unclear.)

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>
<input checked="" type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}	<input checked="" type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}	
<input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}	<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}	

Evan Brasseaux

 Evan Brasseaux
 Interim Deputy Fiscal Officer



LEGISLATIVE FISCAL OFFICE

Fiscal Note

Fiscal Note On: **HB 597** HLS 23RS 639
Bill Text Version: **ENROLLED**
Opp. Chamb. Action:
Proposed Amd.:
Sub. Bill For.:

Date: June 12, 2023 1:01 PM	Author: IVEY
Dept./Agy.: Louisiana Legislative Auditor	
Subject: Louisiana Transparency Portal	Analyst: Garrett Ordner

CONTINUED EXPLANATION from page one:

Page 2 of 2

EXPENDITURE EXPLANATION CONTINUED FROM PAGE ONE

In addition, other branches of government, as well as public university systems and many boards and commissions, do not utilize the LaGov Enterprise Resource Planning (ERP) system to the extent that most executive agencies do. As a result, data for these entities cannot be extracted from the LaGov ERP. There may be increased costs or workload to these entities to compile the data which must be provided to LLA to the extent that this data is not currently available.

The Louisiana Supreme Court reports that costs are indeterminable because the required format of the data is not known. Furthermore, because data from lower courts are not unified, it is unclear how the judiciary would ultimately comply with the requirements of the proposed law. The legislature reports that it will not incur costs to comply with the proposed legislation; however, data from the legislature is not currently available on the existing fiscal transparency website Louisiana Checkbook. It is therefore unclear how the legislature will ultimately comply with the requirements of the proposed law. In addition, the proposed law requires the LLA to create a budget database in coordination with House Fiscal Division, Senate Fiscal Services, and the Legislative Fiscal Office. The increase in workload required to implement this database is indeterminable.

The Louisiana Technical and Community Colleges System (LCTCS) reports it will experience marginal costs for its staff to develop data collection reports to provide to the LLA. The Louisiana State University (LSU) and Southern University (SU) systems report that the costs they will incur to comply with the proposed law are indeterminable. Several campuses within the University of Louisiana (UL) system indicate that they will incur indeterminable costs and workload increases to provide the required data. The work involved for these UL campuses would include making changes to their own ERP systems as well as manually redacting personal information from the data that would be reported.

For informational purposes, the current fiscal transparency website, Louisiana Checkbook, was constructed by the Office of Technology Services (OTS) at a cost of approximately \$700,000 and is maintained at a cost of \$1,000 annually. The requirements of the proposed law are very similar to the statutory requirements applicable to Louisiana Checkbook. The extent to which Louisiana Checkbook meets these requirements is unclear. For example, Louisiana Checkbook's expenditure database contains very limited data on the expenditures of the legislature, judiciary, and public universities.

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 436 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 \$78,000, plus approximately \$2,450 for a one-time purchase of office equipment. These expenditures are assumed to be SGR in this fiscal note.

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
Interim Deputy Fiscal Officer