

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 620** HLS 13RS 161

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: April 12, 2013	3:27 PM	Author: GEYMANN
Dept./Agy.:		Analyst: Travis McIlwain
Subject: State Operating Budget		

BUDGETARY CONTROLS

OR SEE FISC NOTE GF RV

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Provides with respect to the development of the state operating budget

Proposed bill provides for the legislative auditor to review the executive budget and determine whether the budget recommends appropriations out of the state general fund and dedicated funds for the next fiscal year for health care and for higher education in amounts less than the appropriations enacted for each purpose for the current fiscal year. Proposed bill provides for the Revenue Estimating Conference (REC) to include all funds as defined by Article VII, Section 10(J) of the Constitution, which defines funds (SGF & dedicated funds) as the state general fund and dedicated funds required to be deposited into the state treasury. Proposed bill provides that any money the conference shall designate as nonrecurring money available for appropriation from any source that has not been available for appropriation for the preceding 2 fiscal years or which will not be available for appropriation for the succeeding 2 fiscal years. Proposed bill provides that the executive budget and the appropriations bill shall not include recommendations for appropriations from any fund in excess of the official forecast of money available for appropriation from that fund. The proposed bill provides that the clerk of the House of Representatives shall, within 24 hours of final passage by the Senate, cause an unofficial enrollment of the General Appropriation Bill, which shall reflect all amendments adopted. Effective July 1, 2013.

EXPENDITURES	2013-14	2014-15	2015-16	2016-17	2017-18	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	2013-14	2014-15	2015-16	2016-17	2017-18	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						

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure. To the extent the legislation ultimately results in the REC estimating monies from all dedicated funds, there may be a significant increase in workload for the Office of Planning and Budget and the Legislative Fiscal Office as there are over 400 statutorily dedicated funds. Economists in these offices currently present a forecast for the state general fund and only a small number of dedicated funds. The extent of the additional workload will depend on the forecasting/projecting methods employed.

This bill further provides that the general appropriation bill and other appropriation bills shall not appropriate any funds that are not part of the official revenue forecast and that no contingent appropriation shall be made. Thus, there may be fewer resources available for operating expenditures unless such resources have been considered by REC and designated as recurring resources.

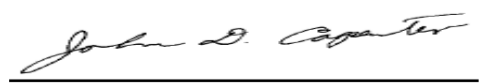
This bill also provides that one of the duties of the legislative auditor will be to determine whether the budget recommends appropriations out of the state general fund and dedicated funds next fiscal year for health care and for higher education in amounts less than the appropriations enacted for each purpose in the current year. **See page 2** for an illustration of this calculation.

REVENUE EXPLANATION

Proposed bill provides that the REC designate as nonrecurring money available for appropriation from any source that has not been available for the preceding 2 fiscal years or which will not be available for the succeeding 2 fiscal years. To the extent this law was currently in place, some significant examples of funding resources supporting the FY 14 budget that could be designated as nonrecurring include: \$47 million - various property sales, \$100 million - Morial Convention Center.

Note: The same item can be deemed nonrecurring and recurring in subsequent periods. For example, if Morial Convention Center resources are utilized again in FY 15, based upon the proposed bill these resources would likely be deemed as recurring by the REC because it would be 3 fiscal years in a row the state budget has utilized Convention Center resources (FY 13 - \$20 million, FY 14 - \$100 million proposed).

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>
<input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}		<input type="checkbox"/> 6.8(F) >= \$500,000 Annual Fiscal Cost {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}


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CONTINUED EXPLANATION from page one:


The table below reflects the analysis to be completed as per this legislation.

<u>DHH</u>	<u>SGF</u>	<u>Dedicated Funds</u>	<u>Total</u>
FY 13 Approp. Letter	\$1,899,986,459	\$524,521,397	\$2,424,507,856
FY 14 Exec. Budget	\$2,472,209,864	\$424,557,369	\$2,896,767,233
Difference	\$572,223,405	(\$99,964,028)	\$472,259,377

<u>Higher Education</u>	<u>SGF</u>	<u>Dedicated Funds</u>	<u>Total</u>
FY 13 Approp. Letter	\$993,591,143	\$192,349,749	\$1,185,840,892
FY 14 Exec. Budget	\$284,542,534	\$778,133,997	\$1,062,67,531
Difference	(\$709,048,609)	\$585,784,248	(\$123,264,361)

Note: DHH and Higher Education budget numbers above include only those agencies in schedule 9 and 19.

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|---|--|--------------|
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| <input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} | <input type="checkbox"/> 6.8(F) >= \$500,000 Annual Fiscal Cost {S} | |
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