

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 100** HLS 161ES 223

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: February 24, 2016 4:55 PM	Author: TALBOT
Dept./Agy.: Treasury	Analyst: Alan M. Boxberger
Subject: Eliminate certain statutory dedications and certain	

FUNDS/FUNDING EG +\$522,381,000 GF RV See Note Page 1 of 2
Eliminates certain statutory dedications and eliminates certain dedications of certain funds (Item #7)

Proposed law eliminates 53 statutorily dedicated funds and authorizes the treasurer to transfer any unencumbered balances remaining in the funds repealed and abolished by proposed law to the State General Fund (SGF) after satisfying appropriations for FY 2015-16.

Proposed law eliminates certain dedications within two specified statutory dedications and requires that unencumbered balances be deposited into the SGF: the allocation to the Department of Public Safety and Corrections and the Department of Justice from the Video Draw Poker Device Fund, and the allocation to the Gaming Control Board, the Department of Justice, the Department of Public Safety and the Louisiana Racing Commission from the Pariimuteul Live Racing Facility Gaming Control Fund.

Proposed law has an effective date of July 1, 2016.

EXPENDITURES	2016-17	2017-18	2018-19	2019-20	2020-21	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW					
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	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	2016-17	2017-18	2018-19	2019-20	2020-21	5 -YEAR TOTAL
State Gen. Fd.	\$522,381,000	\$512,447,000	\$512,447,000	\$512,447,000	\$512,447,000	\$2,572,169,000
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	(\$522,381,000)	(\$512,447,000)	(\$512,447,000)	(\$512,447,000)	(\$512,447,000)	(\$2,572,169,000)
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

While proposed law eliminates 53 statutorily dedicated funds, it does not eliminate the existing expenditures currently supported by these dedications. To the extent that the legislature continues to fund these programs in subsequent fiscal years, the funding source must be replaced by SGF or another revenue source to supplant the loss of the eliminated statutorily dedicated funds. The activities and services supported by these statutory dedications will then compete for annual SGF resources along with other significant SGF supported services. The activities and services currently supported by statutory dedications, if supplanted with SGF support in future fiscal years, would lose the 5% reduction limitation currently provided by the constitution and Title 39.

REVENUE EXPLANATION

Due to the elimination of 53 statutorily dedicated funds, the requirement that the revenue source of such funds flow into the SGF, and the additional elimination of certain dedications within 2 specific statutory dedications, the SGF will receive a remaining statutory dedicated fund balance transfer of approximately \$9.9 M at the end of FY 16 (transferred in FY 17) and an annual supplanting of revenue deposits from statutory dedications into the SGF of approximately \$512.5 M beginning in FY 17 and annually thereafter. The fund balance estimate is based upon information provided to the Legislative Fiscal Office by the State Treasury, consisting of the estimated FY 16 ending year fund balance and the FY 17 adopted revenue forecast (2/10/16). The revenue impact listed in the revenue table above will likely change. The estimate is based upon the current fund balance projection, which includes current revenue and expenditure projections which will likely change and which may be impacted by actions during the 1st Extraordinary Session of the Louisiana. NOTE: Two of the statutory dedications to be eliminated owe an outstanding seed balance to the treasury that must be repaid. To the extent that revenues do not fully allow for reimbursement of the seed during FY 16, the remaining fund balance at the end of FY 16 may be impacted. The outstanding seed balances are \$15.6 M La State Police Salary Fund and \$3.4 M Tobacco Tax Health Care Fund, for a total outstanding seed balance due of \$18.9 M.

CONTINUED ON PAGE 2

- | | | |
|---|--|--------------|
| <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)(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} | |

John D. Carpenter
Legislative Fiscal Officer

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 100** HLS 161ES 223

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: February 24, 2016 4:55 PM	Author: TALBOT
Dept./Agy.: Treasury	
Subject: Eliminate certain statutory dedications and certain	Analyst: Alan M. Boxberger

CONTINUED EXPLANATION from page one:

The specific funds eliminated are as follows:

- | | |
|---|--|
| 2013 Amnesty Collections Fund | Louisiana Public Defender Fund |
| Academic Improvement Fund | Louisiana State Police Salary Fund |
| Center for Excellence for Autism Spectrum Disorder | Major Events Fund |
| Community Water Enrichment Fund | Major Events Incentive Program Subfund |
| Competitive Core Growth Fund | Marketing Fund |
| Compulsive and Problem Gaming Fund | MediFund |
| Department of Health and Hospitals Facility Support Fund | Municipal Fire and Police Civil Service Operating Fund |
| Department of Justice Legal Support Fund | New Orleans Public Safety Fund |
| Department of Revenue Alcohol and Tobacco Control Officers Fund | Overcollections Fund |
| DNA Testing Post-Conviction Relief for Indigents Fund | Payments Towards the UAL Fund |
| Equine Health Studies Program Fund | Rapid Response Fund |
| FEMA Reimbursement Fund | Riverboat Gaming Enforcement Fund |
| Fiscal Administrator Revolving Loan Fund | STEM Upgrade Fund |
| FMAP Stabilization Fund | Sickle Cell Fund |
| Forest Productivity Fund | Southern University AgCenter Program Fund |
| Fund for Louisianans in Need of Civil Legal Assistance | Sports Facility Assistance Fund |
| Health Care Redesign Fund | State Emergency Response Fund |
| Higher Education Financing Fund | Status of Grandparents Raising Grandchildren Fund |
| Higher Education Initiatives Fund | Support Education in Louisiana First Fund |
| Indigent Parent Representation Program Fund | Tobacco Regulation Enforcement Fund |
| Innocence Compensation Fund | Tobacco Settlement Enforcement Fund |
| Legislative Capitol Technology Enhancement Fund | Tobacco Tax Health Care Fund |
| Louisiana Asbestos Detection and Abatement Fund | Tobacco Tax Medicaid Match Fund |
| Louisiana Charter School Start-Up Loan Fund | UAL & Specialized Educ. Institutions Support Fund |
| Louisiana Economic Development Fund | Workforce and Innovation for a Strong Economy |
| Louisiana Interoperability Communications Fund | Workforce Training Rapid Response Fund |
| Louisiana Mega-Project Development Fund | |

The specific funds for which certain dedications within funds are adjusted are as follows:

Pari-Mutuel Live Racing Facility Gaming Control Fund

Certain entities are removed from the funding allocation progression of monies paid through the fund, specifically the Gaming Control Board, the Department of Justice, the Department of Public Safety and the Louisiana Racing Commission. The Legislative Fiscal Office, in its revenue projections included in the table on page 1, assumes 100% of the monies currently recommended to these entities from this fund in the Executive Budget recommendation would instead be deposited into the SGF. Additionally, monies allocated to the New Orleans Sports Franchise Assistance Fund are limited to \$3.1 M annually. In the current priority order, the Sports Franchise Assistance Fund has received an average of approximately \$3.1 M annually over the past five years. The amended allocation may provide funding over the base allocation under certain conditions in future fiscal years wherein the allocation would have been less than \$3.1 M, but will likewise restrict funding under certain conditions wherein the allocation would have been greater than \$3.1 M.

Video Draw Poker Device Fund

Eliminates the allocation to the Department of Public Safety and Corrections and the Department of Justice to enforce the laws and regulations governing video draw poker devices and requires unencumbered balances to be deposited into the SGF. The Legislative Fiscal Office, in its revenue projections included in the table on page 1, assumes 100% of the monies currently recommended to these entities from this fund in the Executive Budget recommendation would instead be deposited into the SGF.

<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)(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}


John D. Carpenter
Legislative Fiscal Officer