# LEGISLATIVE FISCAL OFFICE
## Fiscal Note

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| **Date:** May 3, 2017      6:54 AM | **Author:** LAFLEUR |
| **Dept./Agy.:** Statewide | |
| **Subject:** Provides relative to funds and state funds | **Analyst:** Alan M. Boxberger |

FUNDS/FUNDING                  EG SEE FISC NOTE GF EX See Note                 Page 1 of 1

Provides relative to funds and state funds. (7/1/17)

Present law provides for the Cash Management Review Board (Board) with the authority to approve the establishment of banking and checking accounts of state agencies and provides for membership. Proposed law adds the Chairman of the Senate Finance Committee and House Appropriations Committee, or their designees, to the Board. Present law establishes the Bond Security and Redemption Fund (BSRF) and provides for the flow of state funds through the BSRF. Proposed law makes technical adjustments and provides that all money received by the state or by any state board, agency or commission shall be deposited into the BSRF with certain exceptions. Proposed law provides that in each fiscal year an amount shall be allocated from the BSRF sufficient to pay all obligations secured by the full faith and credit of the state; provides for exceptions; provides for a training manual for the classification of revenues; provides for establishment of escrow funds; provides for a timeline requirement for classification and transfer of monies in funds; provides for certain allowances and prohibitions with regard to use and establishment of funds; provides for related matters; and effective 7/1/17.

| EXPENDITURES | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 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 | $0 | $0 | $0 | $0 | $0 | $0 |
| **Annual Total** | | | | | | |

| REVENUES | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 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 | $0 | $0 | $0 | $0 | $0 | $0 |
| **Annual Total** | **$0** | **$0** | **$0** | **$0** | **$0** | **$0** |

### EXPENDITURE EXPLANATION

Proposed law creates substantial reporting requirements for agencies. These activities are assumed to be absorbable within existing staff resources, however, monthly and quarterly reporting requirements will likely require an increase in overtime work by agency personnel (particularly the La Department of the Treasury) on a recurring basis. To the extent impacted agencies are not able to absorb any increased workload with existing resources, they may require indeterminable additional budget and possibly staff resources (assumed to be SGF).

Proposed law will likely result in an indeterminable increase in SGF in the current fiscal year, FY 17, due to the requirement of developing of a training manual for the classification of revenues and other matters by early FY 18. This provision is likely to require overtime for staff at the Office of Statewide Reporting and Accounting Policy that cannot be quantified at this time.

Proposed law will require JLCB approval regarding the creation of escrow funds, requests to refund certain monies from escrow funds, and the transfer of monies from escrow funds into the operating accounts of agencies. To the extent that agencies may need to wait for the next meeting of the JLCB, proposed law may result in an indeterminable impact on daily operations and access to monies but should not result in any increased cost.

### REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

| 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} |

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