

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 229** HLS 18RS 463
 Bill Text Version: **ENGROSSED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: April 25, 2018 7:31 AM	Author: BACALA
Dept./Agy.: Division of Administration/JLCB	Analyst: Alan M. Boxberger
Subject: Provides relative to allocation of expenditures	

BUDGETARY CONTROLS EG SEE FISC NOTE GF EX See Note Page 1 of 1
 Provides relative to the allocation of expenditures in the operating budget

Present law requires the executive budget supporting document to include expenditures for each agency, itemized by category; requires the general appropriation and ancillary bills to include the allocation of expenditures by category for certain agencies; and authorizes the commissioner of administration to review and approve the initial allocation of expenditures for each appropriation for a fiscal year.

Proposed law provides that the commissioner of administration shall review and approve the initial allocation of expenditures by expenditure category contained in the executive budget supporting document; requires the JLCB to be notified of any planned change or transfer of any planned changes or transfers from the personal services expenditure category; prohibits any transfer in or out of the personal services category in excess of 1% without JLCB approval; requires JLCB approval of any transfer in or out of the personal services category if the agency has already made changes totaling 5% or more of the agency's total allocation; and requires posting of the initial allocation by expenditure category contained in the executive budget supporting document on the commissioner's website.

EXPENDITURES	2018-19	2019-20	2020-21	2021-22	2022-23	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	2018-19	2019-20	2020-21	2021-22	2022-23	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 may result in additional SGF expenditures for executive and legislative entities.

Proposed law requires the commissioner of administration to approve the initial allocation of expenditures by expenditure category contained in the executive budget supporting document, which is current practice except with regard to any amendments adopted during the legislative process. Proposed law is unclear with regard to legislative intent for the changes to allocation of expenditures brought about by legislative amendment subsequent to publication of the executive budget supporting document. Historically, most legislative amendments have not specified an expenditure category.

Proposed law will not create any direct, significant expenditure impacts related to notifying and reporting to the JLCB certain expenditure category changes. Proposed law requires reporting to the JLCB any transfers into or out of the personal services expenditure category. Proposed law requires JLCB approval for any transfers into or out of the personal services expenditure category in excess of 1% of the allocation in that category, or for any transfer into or out of the personal services expenditure category if the agency has already made category transfers totaling 5% or more of the agency's total allocation.

Proposed law may create a workload increase for the Office of Planning and Budget, as in addition to analyzing requests for expenditure category transfers the office will additionally be required to undertake multistage approvals for transfers involving the personal services category and to track total cumulative changes by agency to monitor the 5% threshold provided in proposed law. OPB reports that it may seek the support of the Office of Technology Services and incur one-time expenditures to develop a report that could monitor transfers by category as well as by total. The LFO acknowledges that the provisions of proposed law will create a workload impact, but the LFO believes these activities can be absorbed within existing resources and can be tracked through manual processes. To the extent that such transfers may grow in frequency or complexity, OPB may require additional financial resources for overtime or supplemental staffing.

Proposed law may result in an operational impact for agencies should there be delay in JLCB approval or in the case of JLCB disapproval. Agencies may be restricted from taking certain actions during the interim period between meetings of the JLCB assuming the JLCB maintains its average once-per-month meeting schedule. This impact may be compounded during times of emergencies when agencies are required to accelerate drawdown of authorized budget for response, and during end of year close out when all expenditure categories are running near-zero balances and require final adjustments to comply with generally accepted accounting principles. The LFO assumes existing JLCB monthly meetings can absorb required reviews and approvals. To the extent additional or emergency meetings may be necessary, the legislature would realize a SGF expenditure increase associated with legislative per diem and mileage reimbursements.

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
Evan Brasseaux
Staff Director