

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 1** SLS 182ES 28
 Bill Text Version: **ENGROSSED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: May 24, 2018	5:07 PM	Author: ALLAIN
Dept./Agy.: Statewide		Analyst: Alan M. Boxberger
Subject: Provides for transfer, deposit and use of state funds monies		

FUNDS/FUNDING EG INCREASE GF RV See Note Page 1 of 1
 Provides for the transfer, deposit, and use of monies among state funds.(7/1/18)

Present law provides in Article VII, Section 10(F)(2)(b) of the Constitution of Louisiana, for the purposes of enactment of the state budget for the next fiscal year, when the official forecast of recurring revenues for the next fiscal year is at least one percent less than the official forecast for the current fiscal year, an amount not to exceed 5% of the total appropriation or allocations for the current fiscal year from any fund established by law or the Constitution shall be available for expenditure in the next fiscal year for a purpose other than as specifically provided by law or the Constitution of Louisiana.

Proposed law states that the official forecast of recurring revenues in the SGF for FY 19 is at least one percent less than the official forecast for FY 18, thus satisfying the requirements of Article VII, Section 10(F)(2)(b), allowing for amounts not to exceed 5% of total appropriations or allocations for FY 18 from any fund are available for transfer to the SGF for expenditure in FY 19. Proposed law further provides that any monies available for expenditure in FY 19 for a purpose other than as specifically provided shall be transferred from the fund and deposited into the SGF. Effective 7/1/18.

EXPENDITURES	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>5 -YEAR TOTAL</u>
State Gen. Fd.	INCREASE	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	DECREASE	\$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

REVENUES	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>5 -YEAR TOTAL</u>
State Gen. Fd.	INCREASE	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	DECREASE	\$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

EXPENDITURE EXPLANATION

Proposed law will transfer an amount equal to as much as 5% of the current FY 18 appropriation level from specified statutory and constitutional dedications into the SGF during FY 19 as permitted in Article VII, Section (10)(F)(2)(b) of the Constitution. This will make an unspecified total available for general appropriation purposes in FY 19 from the SGF and result in an equal expenditure reduction from unspecified statutory and constitutional dedications as enumerated in proposed law. Enactment of proposed law will require a reduction to appropriations made from certain, to-be-determined dedications reflected in House Bill 1 Original of the 2018 2nd Special Session.

REVENUE EXPLANATION

Proposed law would result in increased deposits into the SGF in FY 19 and a corresponding decrease in unspecified statutory and constitutional dedications in an amount equal to as much as 5% of the current FY 18 appropriation from each dedication.

Proposed law provides that the trigger mechanism detailed in Article VII, Section 10(F)(2)(b) of the Constitution has been met with the official forecast of recurring revenues for FY 19 exceeding one percent less than the official forecast for the current year, allowing an amount not to exceed five percent of the total appropriations for FY 18 from any fund established by law or the Constitution of Louisiana to be available for expenditure in FY 19 for a purpose other than as specifically provided by law or the Constitution of Louisiana.

Proposed law does not alter existing appropriations or identify specific statutory or constitutional dedication appropriations in the current year that may be designated for a 5% reduction (by transfer to the SGF) in FY 19. The Division of Administration identified approximately \$3.79 B of current appropriations from dedicated funds allowable under Article VII, Section 10(F)(2)(b). If 100% of these funds were targeted for a 5% reduction, the approximate yield would be \$189.6 M. This number, however, does not exclude statutory dedications with federal sources that historically have been determined to be ineligible for transfer. The largest of such statutory dedications is the Transportation Trust Fund - Federal, with a FY 18 appropriation of \$794.1 M. Excluding only the TTF - Federal would reduce the maximum potential yield to approximately \$149.8 M.

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

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