

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 448** HLS 19RS 511

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.: **w/ PROP HSE COMM AMD**

Sub. Bill For.:

Date: April 30, 2019	7:12 AM	Author: IVEY
Dept./Agy.: Statewide		Analyst: Monique Appeaning
Subject: Cybersecurity & Information Technology Fund		

FUNDS/FUNDING OR SEE FISC NOTE SD RV Page 1 of 1
Establishes the State Cybersecurity and Information Technology Fund and dedicates revenues into the fund

Proposed law creates the State Cybersecurity and Information Technology Fund (SCITF) as a special treasury fund, requires 0.25% of monies in the Bond Security and Redemption Fund (BSRF) to be deposited into this special fund for the state's information technology infrastructure and cybersecurity needs. Proposed law provides for appropriations from the SCITF to be expended solely for support of projects to enhance or upgrade the state's information technology infrastructure or cybersecurity needs.

Effective January 1, 2020; if vetoed by the governor and subsequently approved by the legislature, this Act shall become effective on January 1, 2020, or on the day following such approval by the legislature, whichever is later.

EXPENDITURES	2019-20	2020-21	2021-22	2022-23	2023-24	5 -YEAR TOTAL
State Gen. Fd.	(\$34,051,965)	(\$34,051,965)	(\$34,051,965)	(\$34,051,965)	(\$34,051,965)	(\$170,259,825)
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$34,051,965	\$34,051,965	\$34,051,965	\$34,051,965	\$34,051,965	\$170,259,825
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2019-20	2020-21	2021-22	2022-23	2023-24	5 -YEAR TOTAL
State Gen. Fd.	(\$34,051,965)	(\$34,051,965)	(\$34,051,965)	(\$34,051,965)	(\$34,051,965)	(\$170,259,825)
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$34,051,965	\$34,051,965	\$34,051,965	\$34,051,965	\$34,051,965	\$170,259,825
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 will result in an increase in statutory dedication expenditures out of the newly created SCIT of approximately of \$34.1 M annually to be expended solely for support of projects to enhance or upgrade the state's information technology infrastructure or cybersecurity needs. Proposed law will indirectly impact expenditures, possibly across multiple means of finance (designated in this fiscal note as SGF for simplicity). In addition to SGF, SGR and most statutory dedications flow through BSRF and may be impacted. The impact will depend on legislative appropriations.

Proposed law provides that the legislature may authorize the creation and establishment of a committee to assist in the consideration of priorities for the funding of cybersecurity and information technology infrastructure projects through appropriations of the fund with the consent of a majority of the elected members of each house of the legislature.

Creating a new statutory dedication - SCITF within the Treasury will result in a marginal additional workload for the Treasury, which can generally be absorbed with existing resources. However, to the extent other legislative instruments create new statutory dedications, there may be material additional costs associated with the aggregate effort to administer these funds. The Treasury performs fund accounting, financial reporting, banking and custodial functions for 399 special funds. When unable to absorb additional workload with existing resources, the treasury anticipates a personal services expenditure increase of approximately \$71,000 for 1 T.O. position plus approximately \$2,500 for a one-time purchase of office equipment. These expenditures are assumed to be SGF.

REVENUE EXPLANATION

Proposed law diverts existing deposits of approximately \$34.M annually from the BSRF to be deposited into the newly created statutory dedication - SCITF instead of the SGF. NOTE: For illustrative purposes, FY 18 revenue and receipts, including accruals for the BSRF as reported by the Treasury was \$13.6 B. Therefore, the estimated amount that would be diverted to the newly created fund is \$34.1 M, annually (\$13.6 B x 0.25%). Proposed law will indirectly impact revenues, possibly across multiple means of finance (designated in this fiscal note as SGF for simplicity). In addition to SGF, SGR and most statutory dedications flow through BSRF and may be impacted. The impact will depend on decisions made through legislative appropriations.

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