

RÉSUMÉ DIGEST

ACT 11 (HB 12)

2020 First Extraordinary Session

Zeringue

New law appropriates funds and provides for ancillary expenses of state government, including internal service funds, auxiliary accounts, and enterprise funds.

New law provides for the establishment and reestablishment of agency ancillary funds, to be specifically known as internal service funds, auxiliary accounts, or enterprise funds for certain state institutions, officials, and agencies. Requires the appropriated funds, to the extent deposited, unless otherwise specified, to be used for working capital in the conduct of business enterprises rendering public, auxiliary, and interagency services. Requires receipts from the conduct of such businesses to be deposited to the credit of each ancillary fund for FY 2020-2021. Requires all funds to be expended in accordance with public bid laws.

New law requires, except as otherwise provided, any fund equity resulting from prior-year operations to be included as a resource of the fund from which it is derived. Provides that all funds on deposit with the state treasury at the close of the fiscal year are authorized to be transferred to each fund as equity for FY 2021-2022. Further provides that all unexpended cash balances as of June 30, 2021, shall be remitted to the state treasurer on or before Aug. 14, 2021. Further provides that, if not reestablished in the subsequent year's act, the agency must liquidate all assets and return all advances no later than Aug. 14, 2021.

Proposed law provides that all money from federal, interagency, statutory dedications, or self-generated revenues of an agency be deemed available for expenditures in the amounts appropriated, and any increase in such revenues over the amounts appropriated shall only be available for expenditure by the agency with approval of the division of administration and the Joint Legislative Committee on the Budget (JLCB).

New law provides that the number of employees approved for each agency may be increased by the commissioner of administration, subject to JLCB approval, when appropriate documentation is deemed valid.

New law requires any agency with an appropriation level of \$30 million or more to include positions within its table of organization which perform internal auditing services, including the position of a chief audit executive responsible for adhering to the Institute of Internal Auditors, International Standards for the Professional Practice of Internal Auditing.

New law directs the commissioner of administration to adjust performance objectives and indicators contained in the Executive Budget Supporting Document to reflect the funds appropriated and to report such adjustments to the JLCB by Aug. 15, 2020.

New law provides that the treasurer shall invest excess cash funds, excluding those arising from working capital advances, with the interest earned being credited to the account.

New law authorizes the commissioner of administration to transfer functions, positions, assets, and funds between and within departments in conjunction with the continuing assessment of the existing staff, assets, contracts, and facilities of each department, agency, program, or budget unit's information technology resources, and procurement resources, in order to optimize resources and provide cost savings. Proposed law does not apply to the Dept. of Culture, Recreation and Tourism, or any agency contained in Schedule 04, Elected Officials, of the General Appropriation Act.

Effective July 1, 2020.

VETO MESSAGE: "Please be advised that I have signed House Bill 12 of the First Extraordinary Session with one line item veto.

Veto No. 1: I have vetoed lines 30-31 on page 3 and lines 1-10 of page 4 of the bill. This same item was vetoed in House Bill 1 of the 2020 First Extraordinary Session. This mandate, in violation of Article 10, Section 10 of the Louisiana Constitution, encroaches upon the exclusive constitutional authority of the State Civil Service Commission to regulate the compensation of employees in the classified service and meet its duty to maintain a uniform

pay and classification plan. In implementing the compensation redesign plan in 2017, the State Civil Service Commission sought to rectify the drain upon the state's financial resources caused by employee turnover and inability to recruit qualified personnel. The market adjustment required by Civil Service Rule 6.32 is a critical component in the state's ability to maintain a skilled workforce to provide quality service to our citizens."