

2024 Regular Session

HOUSE BILL NO. 314

BY REPRESENTATIVE MCFARLAND

APPROPRIATIONS/ANCILLARY: Provides for the ancillary expenses of state government

1 AN ACT

2 To provide for the establishment and reestablishment of agency ancillary funds, to be
3 specifically known as internal service funds, auxiliary accounts, or enterprise funds
4 for certain state institutions, officials, and agencies; to provide for appropriation of
5 funds for Fiscal Year 2024-2025; to provide for an effective date; and to regulate the
6 administration of said funds.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. There are hereby appropriated the amounts shown below, which shall be
9 payable out of the state general fund, to the extent of funds deposited, unless otherwise
10 specified, for the establishment and reestablishment of agency ancillary funds which shall
11 be specifically known as internal service funds, auxiliary accounts, or enterprise funds. The
12 monies in each fund shall be used for working capital in the conduct of business enterprises
13 rendering public service, auxiliary service, and interagency service.

14 In the conduct of each such business, receipts shall be deposited in the state treasury
15 and disbursements made by the state treasurer to the extent of the amount deposited to the
16 credit of each ancillary fund, for the current fiscal year. All funds appropriated herein shall
17 be expended in compliance with the public bid laws of the state.

18 Section 2.A. Except as otherwise provided by law or as herein otherwise provided,
19 any fund equity resulting from prior year operations shall be included as a resource of the
20 fund from which the ancillary fund is directly or indirectly derived.

1 B. Funds on deposit with the state treasury at the close of the fiscal year are
2 authorized to be transferred to each fund respectively, as equity for the next fiscal year.

3 All unexpended cash balances as of June 30, 2025, shall be remitted to the state
4 treasurer on or before August 14, 2025. If not reestablished in the subsequent year's Act, the
5 agency must liquidate all assets and return all advances no later than August 14, 2025.

6 C. The program descriptions contained in this Act are not part of the law and are not
7 enacted into law by virtue of their inclusion into this Act.

8 Section 3. All money from federal, interagency transfers, statutory dedications, or
9 fees and self-generated revenues shall be available for expenditure in the amounts herein
10 appropriated.

11 Any increase in such revenues shall be available for allotment and expenditure by
12 an agency on approval of an increase in the appropriation by the commissioner of
13 administration and the Joint Legislative Committee on the Budget. Any increase in such
14 revenues for an agency without an appropriation from the respective revenue source shall
15 be incorporated into the agency's appropriation on approval of the commissioner of
16 administration and the Joint Legislative Committee on the Budget.

17 Section 4.A. The figures in parentheses following the designation of a budget entity
18 are the total authorized positions and authorized other charges positions for that entity. The
19 number of employees approved for each agency, as a result of the passage of this Act, may
20 be increased by the commissioner of administration when sufficient documentation is
21 presented and the request is deemed valid. However, any request which exceeds five
22 positions shall be approved by the commissioner of administration and the Joint Legislative
23 Committee on the Budget.

24 B. The budget request of any agency with an appropriation level of thirty million
25 dollars or more shall include within its existing table of organization positions which
26 perform the function of internal auditing, including the position of a chief audit executive.
27 The chief audit executive shall be responsible for ensuring that the internal audit function
28 adheres to the Institute of Internal Auditors, International Standards for the Professional
29 Practice of Internal Auditing. The chief audit executive shall maintain organizational
30 independence in accordance with these standards and shall have direct and unrestricted

1 access to the commission, board, secretary, or equivalent head of the agency. The chief
2 audit executive shall certify to the commission, board, secretary, or equivalent head of the
3 agency that the internal audit function conforms to the Institute of Internal Auditors,
4 International Standards for the Professional Practice of Internal Auditing.

5 Section 5. All key and supporting performance objectives and indicators for the
6 departments, agencies, programs, and budget units contained in the Governor's Executive
7 Budget Supporting Document shall be adjusted by the commissioner of administration to
8 reflect the funds appropriated therein. The commissioner of administration shall report on
9 these adjustments to the Joint Legislative Committee on the Budget each year by August
10 fifteenth.

11 Section 6. The following definition is provided for the terms of this Act: "working
12 capital" shall be considered the excess of current assets over current liabilities on an accrual
13 basis.

14 Section 7. Should any section, subsection, clause, sentence, phrase, or part of the Act
15 for any reason be held, deemed, or construed to be unconstitutional or invalid, such decisions
16 shall not affect the remaining provisions of the Act, and the legislature hereby declares that
17 it would have passed the Act, and each section, subsection, clause, sentence, phrase, or part
18 thereof, irrespective of the fact that one or more of the sections, subsections, clauses,
19 sentences, phrases, or parts thereof, is declared unconstitutional or invalid. To this end, the
20 provisions of this Act are hereby declared severable.

21 Section 8. Internal Service Funds. These funds account for the financing of goods
22 or services provided by one department or agency to other departments or agencies of the
23 governmental unit, or to other governmental units, on a cost-reimbursement basis. Excess
24 cash funds, excluding cash funds arising from working capital advances, shall be invested
25 by the state treasurer with the interest proceeds therefrom credited to each account and shall
26 not be transferred to the state general fund.

27 Section 9. In conjunction with the continuing assessment of the existing staff, assets,
28 contracts, and facilities of each department, agency, program or budget unit's information
29 technology resources and procurement resources, upon completion of this assessment and
30 to the extent optimization of these resources will result in the projected cost savings through

1 staff reductions, realization of operational efficiencies, cost avoidance, and elimination of
 2 asset duplication, the commissioner of administration is authorized to transfer the functions,
 3 positions, assets, and funds from any other department, agency, program, or budget units
 4 related to these optimizations to a different department. The provisions of this Section shall
 5 not apply to the Department of Culture, Recreation and Tourism, or any agency contained
 6 in Schedule 04, Elected Officials, of the General Appropriation Act.

7 **SCHEDULE 21**

8 **ANCILLARY APPROPRIATIONS**

9 **21-800 OFFICE OF GROUP BENEFITS**

10 EXPENDITURES:	<u>FY 24 EOB</u>	<u>FY 25 REC</u>
11 State Group Benefits -		
12 Authorized Positions	(56)	(56)
13 Expenditures	<u>\$ 1,810,338,359</u>	<u>\$ 1,912,028,797</u>
14 Program Description: <i>Provides for the administration of group health and accidental</i>		
15 <i>insurance and group life insurance for current and former state employees and other</i>		
16 <i>participating groups.</i>		
17 TOTAL EXPENDITURES	<u><u>\$1,810,338,359</u></u>	<u><u>\$1,912,028,797</u></u>

18 MEANS OF FINANCE:		
19 State General Fund by:		
20 Interagency Transfers	\$ 1,098,733	\$ 1,098,733
21 Fees & Self-generated Revenues	<u>\$ 1,809,239,626</u>	<u>\$ 1,910,930,064</u>
22 TOTAL MEANS OF FINANCING	<u><u>\$ 1,810,338,359</u></u>	<u><u>\$ 1,912,028,797</u></u>

23 **21-804 OFFICE OF RISK MANAGEMENT**

24 EXPENDITURES:	<u>FY 24 EOB</u>	<u>FY 25 REC</u>
25 Risk Management -		
26 Authorized Positions	(42)	(42)
27 Expenditures	<u>\$ 351,935,936</u>	<u>\$ 324,549,759</u>

28 **Program Description:** *Provides for the overall executive leadership and management of*
 29 *the office, support services, policy analysis, management direction of the state's self-*
 30 *insurance program; provides funding for the payment of losses on medical, malpractice,*
 31 *property, comprehensive general liability, personal injury, automobile liability, automobile*
 32 *physical damage, bonds, crime, aviation, wet marine boiler and machinery and*
 33 *miscellaneous tort claims; provides funding for the payment of contracts issued for*
 34 *professional legal defense of claims made against the state; provides funding for the*
 35 *reimbursement of the Division of Risk Litigation in the Office of the Attorney General for*
 36 *costs incurred for professional legal defense of claims made against the state.*

37 TOTAL EXPENDITURES	<u><u>\$ 351,935,936</u></u>	<u><u>\$ 324,549,759</u></u>
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38 MEANS OF FINANCE:		
39 State General Fund (Direct)	\$ 10,500,000	\$ 0
40 State General Fund by:		
41 Interagency Transfers	\$ 294,354,590	\$ 292,247,518

1	Fees & Self-generated Revenues	\$ 45,081,346	\$ 30,302,241
2	Statutory Dedications:		
3	Future Medical Care Fund	\$ 2,000,000	\$ 2,000,000
4	TOTAL MEANS OF FINANCING	<u>\$ 351,935,936</u>	<u>\$ 324,549,759</u>

21-806 LOUISIANA PROPERTY ASSISTANCE AGENCY

6	EXPENDITURES:	<u>FY 24 EOB</u>	<u>FY 25 REC</u>
7	Louisiana Property Assistance -		
8	Authorized Positions	(37)	(37)
9	Expenditures	<u>\$ 12,592,368</u>	<u>\$ 12,508,355</u>

10 **Program Description:** *Provides for the accountability of the state's movable property*
 11 *through the development and implementation of sound management practices.*

12	TOTAL EXPENDITURES	<u>\$ 12,592,368</u>	<u>\$ 12,508,355</u>
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13	MEANS OF FINANCE:		
14	State General Fund by:		
15	Interagency Transfers	\$ 1,615,846	\$ 1,615,846
16	Fees & Self-generated Revenues	<u>\$ 10,976,522</u>	<u>\$ 10,892,509</u>
17	TOTAL MEANS OF FINANCING	<u>\$ 12,592,368</u>	<u>\$ 12,508,355</u>

18	Payable out of the State General Fund by		
19	Fees and Self-generated Revenues to the		
20	Louisiana Property Assistance Program for		
21	reimbursements from the sale of movable		
22	property		\$ 15,000,000

21-807 LOUISIANA FEDERAL PROPERTY ASSISTANCE AGENCY

24	EXPENDITURES:	<u>FY 24 EOB</u>	<u>FY 25 REC</u>
25	Federal Property Assistance -		
26	Authorized Positions	(9)	(9)
27	Expenditures	<u>\$ 3,455,836</u>	<u>\$ 3,482,573</u>

28 **Program Description:** *Seeks to assure the fair and equitable distribution of federal*
 29 *property allocated to Louisiana by the General Services Administration to eligible Louisiana*
 30 *donees.*

31	TOTAL EXPENDITURES	<u>\$ 3,455,836</u>	<u>\$ 3,482,573</u>
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32	MEANS OF FINANCE:		
33	State General Fund by:		
34	Interagency Transfers	\$ 1,084,342	\$ 1,084,342
35	Fees & Self-generated Revenues	<u>\$ 2,371,494</u>	<u>\$ 2,398,231</u>
36	TOTAL MEANS OF FINANCING	<u>\$ 3,455,836</u>	<u>\$ 3,482,573</u>

21-811 PRISON ENTERPRISES

38	EXPENDITURES:	<u>FY 24 EOB</u>	<u>FY 25 REC</u>
39	Prison Enterprises -		
40	Authorized Positions	(72)	(72)
41	Expenditures	<u>\$ 35,380,985</u>	<u>\$ 35,700,056</u>

1 **Program Description:** *Utilizes the resources of the Department of Public Safety and*
 2 *Corrections in the production of food, fiber, and other necessary items used by offenders in*
 3 *order to lower the cost of incarceration; provides products and services to state agencies*
 4 *and agencies of parishes, municipalities, and other political subdivisions; and provides work*
 5 *opportunities for offenders. Prison Enterprises conducts both industry operations and*
 6 *agriculture operations.*

7 TOTAL EXPENDITURES \$ 35,380,985 \$ 35,700,056

8 MEANS OF FINANCE:

9 State General Fund by:

10 Interagency Transfers \$ 26,231,562 \$ 26,478,752
 11 Fees & Self-generated Revenues \$ 9,149,423 \$ 9,221,304

12 TOTAL MEANS OF FINANCING \$ 35,380,985 \$ 35,700,056

13 **21-815 OFFICE OF TECHNOLOGY SERVICES**

14 EXPENDITURES:	<u>FY 24 EOB</u>	<u>FY 25 REC</u>
15 Technology Services -		
16 Authorized Positions	(819)	(833)
17 Authorized Other Charges Positions	(9)	(9)
18 Expenditures	\$ 723,703,210	\$ 668,970,138

19 **Program Description:** *The mission of the Office of Technology Services (OTS) is to*
 20 *establish competitive, cost-effective technology systems and services while acting as the sole*
 21 *centralized customer for the acquisition, billing and record keeping of those technology*
 22 *services. OTS shall charge respective user agencies for the cost of the technology and*
 23 *services provided including the cost of the operation of the office in a fair, equitable, and*
 24 *consistent manner, in full compliance with State of Louisiana statutes.*

25 Cyber Assurance Program -		
26 Authorized Positions	(14)	(0)
27 Expenditures	\$ <u>34,463,692</u>	\$ <u>29,828,040</u>

28 **Program Description:** *The mission of the Cyber Assurance program is to properly align*
 29 *and invest in Louisiana's proven cyber capabilities to provide sustainable cyber assurance*
 30 *services to state and local entities which operationally increase visibility/awareness to*
 31 *threats and reduce cyber risk to an acceptable level.*

32 TOTAL EXPENDITURES \$ 758,166,902 \$ 698,798,178

33 MEANS OF FINANCE:

34 State General Fund by:

35 Interagency Transfers \$ 756,648,429 \$ 697,279,705
 36 Fees & Self-generated Revenues \$ 1,518,473 \$ 1,518,473

37 TOTAL MEANS OF FINANCING \$ 758,166,902 \$ 698,798,178

38 Payable out of the State General Fund by
 39 Interagency Transfers from various agencies
 40 to the Technology Services Program for
 41 five (5) authorized T.O. positions \$ 666,155

1 **21-816 DIVISION OF ADMINISTRATIVE LAW**

2	EXPENDITURES:	<u>FY 24 EOB</u>	<u>FY 25 REC</u>
3	Administration -		
4	Authorized Positions	(58)	(59)
5	Expenditures	<u>\$ 9,437,006</u>	<u>\$ 9,302,033</u>

6 **Program Description:** *Provides a neutral forum for handling administrative hearings for*
 7 *certain state agencies, with respect for the dignity of individuals and their due process*
 8 *rights.*

9	TOTAL EXPENDITURES	<u>\$ 9,437,006</u>	<u>\$ 9,302,033</u>
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10 MEANS OF FINANCE:

11	State General Fund by:		
12	Interagency Transfers	\$ 9,408,109	\$ 9,273,136
13	Fees & Self-generated Revenues	<u>\$ 28,897</u>	<u>\$ 28,897</u>

14	TOTAL MEANS OF FINANCING	<u>\$ 9,437,006</u>	<u>\$ 9,302,033</u>
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15	Payable out of the State General Fund by		
16	Interagency Transfers from the Louisiana		
17	Department of Health for additional case		
18	load experienced due to the Public		
19	Health Emergency unwind		\$ 234,315

20 **21-820 OFFICE OF STATE PROCUREMENT**

21	EXPENDITURES:	<u>FY 24 EOB</u>	<u>FY 25 REC</u>
22	Office of State Procurement -		
23	Authorized Positions	(99)	(99)
24	Expenditures	<u>\$ 13,657,114</u>	<u>\$ 13,430,188</u>

25 **Program Description:** *The mission of the Office of State Procurement is to provide cost-*
 26 *effective services that satisfy the needs of approved governmental units of the State of*
 27 *Louisiana through the management of products and services.*

28	TOTAL EXPENDITURES	<u>\$ 13,657,114</u>	<u>\$ 13,430,188</u>
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29 MEANS OF FINANCE:

30	State General Fund by:		
31	Interagency Transfers	\$ 4,999,758	\$ 4,725,806
32	Fees & Self-generated Revenues	<u>\$ 8,657,356</u>	<u>\$ 8,704,382</u>

33	TOTAL MEANS OF FINANCING	<u>\$ 13,657,114</u>	<u>\$ 13,430,188</u>
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34 **21-829 OFFICE OF AIRCRAFT SERVICES**

35	EXPENDITURES:	<u>FY 24 EOB</u>	<u>FY 25 REC</u>
36	Flight Maintenance -		
37	Authorized Positions	(4)	(4)
38	Expenditures	<u>\$ 3,388,815</u>	<u>\$ 3,477,876</u>

39 **Program Description:** *The mission of the Office of Aircraft Services is to manage the*
 40 *overall maintenance and provide all needed and required support for safe, proper, and*
 41 *economic operation of the State's various aircraft. Flight Maintenance Operations ensures*
 42 *flight safety, maintains high safety standards while minimizing aircraft downtime for repairs,*

1 *and provides high quality, efficient, and economical repair and fueling services for state-*
2 *operated aircraft.*

3 TOTAL EXPENDITURES \$ 3,388,815 \$ 3,477,876

4 MEANS OF FINANCE:

5 State General Fund by:

6 Interagency Transfers \$ 3,209,600 \$ 3,298,661

7 Fees & Self-generated Revenues \$ 179,215 \$ 179,215

8 TOTAL MEANS OF FINANCING \$ 3,388,815 \$ 3,477,876

9 **21-860 ENVIRONMENTAL STATE REVOLVING LOAN FUNDS**

10 EXPENDITURES: **FY 24 EOB** **FY 25 REC**

11 Environmental State Revolving Loan Fund \$ 130,775,600 \$ 130,775,600

12 **Program Description:** *The Water Planning and Assessment Division in conjunction with*
13 *the Financial Services Division - State Revolving Fund Section strive to uphold Title VI and*
14 *amended section 221 of the federal Clean Water Act and to protect the health and welfare*
15 *of the citizens of the state, as well as to enhance the environment of the state by*
16 *administering the Clean Water State Revolving Fund and the Sewer Overflow and*
17 *Stormwater Reuse Municipal Grants Program. The Remediation Division's Brownfields*
18 *Program, in conjunction with the Financial Services Division, strives to uphold the Small*
19 *Business Liability Relief and Brownfields Revitalization Act and 2018 Brownfields*
20 *Utilization, Investment, and Local Development (BUILD) Act to address environmental*
21 *concerns at vacant and underutilized properties to facilitate their reuse and to support*
22 *community revitalization.*

23 TOTAL EXPENDITURES \$ 130,775,600 \$ 130,775,600

24 MEANS OF FINANCE:

25 State General Fund by:

26 Statutory Dedications:

27 Clean Water State Revolving Fund \$ 125,000,000 \$ 125,000,000

28 Brownfields Cleanup Revolving

29 Loan Fund \$ 350,000 \$ 350,000

30 Matching Funds Fund \$ 4,256,600 \$ 4,256,600

31 Federal Funds \$ 1,169,000 \$ 1,169,000

32 TOTAL MEANS OF FINANCING \$ 130,775,600 \$ 130,775,600

33 **21-861 DRINKING WATER REVOLVING LOAN FUND**

34 EXPENDITURES: **FY 24 EOB** **FY 25 REC**

35 Drinking Water Revolving Loan Fund \$ 50,681,458 \$ 50,681,458

36 **Program Description:** *Assist public water systems in financing needed drinking water*
37 *infrastructure improvements (e.g. treatment plant, distribution main replacement, storage*
38 *facilities, new wells). The Drinking Water Revolving Loan Fund provides assistance in the*
39 *form of low-interest loans and technical assistance to public water systems in Louisiana to*
40 *assist them with complying with state and federal drinking water regulations, ensuring that*
41 *their customers are provided with safe drinking water thereby protecting the public health.*

42 TOTAL EXPENDITURES \$ 50,681,458 \$ 50,681,458

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.

Proposed 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, 2024.

Proposed 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.

Proposed 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, 2024.

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Appropriations to the original bill:

1. Increase the budget authority from the state general fund by fees and self-generated revenues to the La. Property Assistance Program.
2. Increase the budget authority from the state general fund by interagency transfers to the Division of Administrative Law.
3. Transfer 14 T.O. positions and associated funding from the Cyber Assurance Program to the Technology Services Program within the office of technology services.
4. Add 5 new T.O. positions and associated funding for the Enterprise Architect project with the office of technology services.
5. Make technical changes.