



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: SB 72 SLS 25RS 226

Bill Text Version: ENGROSSED

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

| | | |
|---|---------|-------------------------|
| Date: April 17, 2025 | 8:34 AM | Author: REESE |
| Dept./Agy.: LCTCS | | |
| Subject: Maximum amount for related appropriated debt service | | Analyst: Deborah Vivien |

BONDS EG SEE FISC NOTE SD EX See Note Page 1 of 1
Provides relative to the issuance of bonds for financing certain capital improvement projects within the Louisiana Community and Technical College System. (2/3-CA7s6(A))(gov sig)
Current law authorizes LCTCS to issue appropriated debt to cover specific projects in the amounts (plus 15% if necessary) as stipulated in law. Projects are not required to be in the Capital Outlay budget and are managed by a corporation. Current law requires a 12% local match be in place before financing is arranged.

Proposed law retains current law and authorizes LCTCS to fund additional unspecified projects at certain LCTCS campuses under the existing bond authorization but places a cap on annual appropriated debt service of \$43.9M, including payments to the maintenance reserve fund. Proposed law authorizes the LCTCS Board to select new projects related to additional facility needs or economic development to be financed under the new debt service maximum, which remains in place indefinitely. A 12% match requirement can be satisfied by fair market value of donated property. Expenses eligible for financing include those necessary to construction, renovation, improvement or expansion of facilities. Effective July 1, 2025

| EXPENDITURES | 2025-26 | 2026-27 | 2027-28 | 2028-29 | 2029-30 | 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 | SEE BELOW | SEE BELOW | \$0 |
| Federal Funds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Local Funds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Annual Total | \$0 | \$0 | \$0 | | | \$0 |

| REVENUES | 2025-26 | 2026-27 | 2027-28 | 2028-29 | 2029-30 | 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 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Annual Total | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

EXPENDITURE EXPLANATION

The bill caps certain LCTCS project spending at \$43.9 M annually, which is roughly the amount of debt service being paid on these projects through FY 29 (including the Maintenance Reserve Fund). Beginning in FY 29, the existing debt service begins to fall below the cap (\$1.8 M in FY 29 and \$16.5 M in FY 30, increasing with each year thereafter), which would allow LCTCS to issue new bonds to fund the additional projects identified by the board as authorized in the bill. The corporation would continue to manage the new projects with board oversight. In practice, it is expected that actual debt service would adjust in relation to the timing and structure of the new bond sales.

Any new debt would be considered Net State Tax Supported Debt and subject to the state debt limit, which is 6% of state taxes, licenses and fees. State Bond Commission (SBC) indicates that the requirements of this bill can currently be accommodated under the debt limit, though the debt limit changes annually with the forecast in place at the beginning of the fiscal year. The sale of bonds falls under the normal purview of SBC duties and would not require additional resources.

REVENUE EXPLANATION

Proceeds of the bond sales authorized in the bill will fund projects on certain LCTCS campuses. Though project location and eligible costs will be determined by the LCTCS Board, only the following campuses are authorized for projects as specified in the bill:

Northshore Technical Community College, Hammond Campus
River Parishes Community College, Donaldsonville Campus
SOWELA Technical Community College, Lamar Salter Campus (Leesville)
Northwest Louisiana Technical Community College, Shreveport Campus
Louisiana Delta Community College, Bastrop Campus
Central Louisiana Technical Community College, Rod Brady Campus
Central Louisiana Technical Community College, Ward H. Nash Avoyelles Campus
South Louisiana Community College, T.H. Harris Opelousas Campus

Senate

Dual Referral Rules

House

☐ 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}

☐ 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

☐ 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

☐ 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Alan M. Boxberger
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Legislative Fiscal Officer