

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 434** HLS 13RS 591
 Bill Text Version: **RE-REENGROSSED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: May 14, 2013 4:42 PM	Author: MORRIS, JAY
Dept./Agy.:	Analyst: Travis McIlwain
Subject: Discetionary/Nondiscretionary	

(Constitutional Amendment) Requires spending due to constitutional or other mandates to be considered in a separate appropriation bill from spending that is not required to be funded if health care or higher education funding is reduced. Proposed constitutional amendment provides for the legislative auditor to determine if the proposed budget for health care and higher education are less than the appropriations for such purposes from the state general fund and dedicated funds enacted in the prior regular session of the legislature. If that is the case, the governor shall cause to be submitted a general appropriation bill with 2 separate sections (discretionary & nondiscretionary).

EXPENDITURES	2013-14	2014-15	2015-16	2016-17	2017-18	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
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						

REVENUES	2013-14	2014-15	2015-16	2016-17	2017-18	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	<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	\$0

EXPENDITURE EXPLANATION

The proposed bill provides for the potential of the General Appropriations Bill to have a discretionary section and nondiscretionary section. If the proposal from state general fund and dedicated funds for health care and higher education are less in the executive budget than what was previously appropriated in the last legislative session, then the governor will be required to provide separate recommendations for discretionary and nondiscretionary expenditures within HB 1. All fiscal staffs will be required to track and analyze 2 different sections within the General Appropriation Bill, which will likely result in an indeterminable increase in workload. The table below reflects the analysis to be completed as per this legislation.

DHH	SGF	Dedicated Funds	Total
FY 13 Approp. Letter	\$1,899,986,459	\$524,521,397	\$2,424,507,856
FY 14 Exec. Budget	\$2,472,209,864	\$424,557,369	\$2,896,767,233
Difference	\$572,223,405	(\$99,964,028)	\$472,259,377

Higher Education	SGF	Dedicated Funds	Total
FY 13 Approp. Letter	\$993,591,143	\$192,349,749	\$1,185,840,892
FY 14 Exec. Budget	\$284,542,534	\$778,133,997	\$1,062,67,531
Difference	(\$709,048,609)	\$585,784,248	(\$123,264,361)

Note: DHH and Higher Education budget numbers above include only those agencies in schedule 9 and 19.

Based upon the table above, if this constitutional change were currently in place, due to the FY 14 Executive Budget Recommendation for higher education being approximately \$123.3 million less than FY 13, there would be 2 sections within the GAB.

This bill is contingent upon the approval of the following HBs: HB 435, HB 436, HB 437 & HB 620 of the 2013 Regular Legislative Session. Also, this bill is contingent upon the passage of the following revenue measures: HB 456,474,571,653 and 696. In addition, this bill is also contingent upon the passage of the General Appropriations Bill, HB 1.

The proposed bill provides for a constitutional amendment to be submitted to voters at the November 4, 2014 election. The November 4, 2014 election is a statewide election, when all precincts in the state are scheduled to be opened. As a regular practice, the Secretary of State budgets for up to 10 constitutional amendments for the fall statewide elections.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>
<input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}		<input type="checkbox"/> 6.8(F) >= \$500,000 Annual Fiscal Cost {S}
<input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}		<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

John D. Carpenter
Legislative Fiscal Officer