

---

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Jay R. Lueckel.

---

## DIGEST

Donahue (SB)

Proposed law provides that all economic reports for projects submitted in conjunction with the request for either the review or approval of the Joint Legislative Committee on the Budget (JLCB) shall be in accordance with the following procedures:

- (1) The requesting department shall retain a non-public party or an economist with experience in dynamic economic modeling and static economic modeling to perform an economic analysis of the proposed project using both models. The non-public party or economist shall be selected from a list of not less than three non-public parties or economists recommended by the Legislative Fiscal Office (LFO).
- (2) The department shall submit the request for JLCB approval of the project with both economic analyses for its review at least two full weeks prior to the meeting at which the department is seeking the committee's approval.

Proposed law also provides for definitions:

"Project" shall mean any public-private partnership, agreement with a non-public party, lease, cooperative endeavor agreement, memorandum of understanding, or other contractual agreement which would result in or is expected to result in the obligation of state resources or the expenditure of revenues from the operation, management, or control of a state resource.

"Dynamic economic model" shall mean a model that accounts for the input-output relationships between all industry sectors within the particular study locale, while also incorporating the effects of wage and price adjustments, consequent substitution effects in production inputs and the consumption of outputs, labor and population flows, and productivity changes as an initiating change or ripples through the economy.

"Static input-output economic model" shall mean a model based on data reflecting the inputs from all supplying industries that are necessary to produce a unit of output by a particular industry of interest. Also, the collection of input and output data for all industries is often transformed into tables of "multipliers" that reflect how much of a given change in the economic activity of a particular industry in a particular region will be associated with changes in all the other industries in the region.

Effective July 1, 2014.

(Adds R.S. 24:653(M))