

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 321** SLS 14RS 718

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: March 31, 2014 12:03 PM	Author: RISER
Dept./Agy.: DOA Facility Planning & Control	Analyst: Willie Marie Scott
Subject: Higher Education Capital Outlay Projects	

CAPITAL OUTLAY OR INCREASE SG EX See Note Page 1 of 1
 Provides for exemption of certain higher education projects not to exceed \$1 M from having to be in the capital outlay budget. (8/1/14)
 Present law provides for an exemption from the capital outlay procedure and capital outlay bill for higher education projects (minor repairs, renovation, or construction of buildings/facilities and the purchase of land or buildings/facilities) when the construction cost or purchase price is less than or equal to \$500,000. The proposed legislation increases the dollar amount of projects exempted from \$500,000 to \$1 M. It further provides that debt may be incurred for a short term loan for such projects not to exceed one year and payable from self-generated revenues. It also increases the dollar amount of professional service contracts related to minor repairs or construction of buildings/facilities exempted from the public bid law from \$500,000 to \$1 M.

EXPENDITURES	2014-15	2015-16	2016-17	2017-18	2018-19	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
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						
REVENUES	2014-15	2015-16	2016-17	2017-18	2018-19	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

Higher educational institutions may realize an indeterminable increase in SGR expenditures only if they elect to exercise their authority to acquire short term loans to fund projects (minor repairs, renovation, or construction of buildings/facilities and the purchase of land or buildings/facilities) not included in the capital outlay budget. The impact on expenditures will depend upon the number and amount of short term loans incurred by higher educational institutions.

REVENUE EXPLANATION

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

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|---|----------------------------|--------------|--|
| <u>Senate</u> | <u>Dual Referral Rules</u> | <u>House</u> | <input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S} |
| <input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} | | | <input type="checkbox"/> 6.8(F)(2) >= \$500,000 State Rev. Reduc. {H & 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} |

Evan Brasseaux
Evan Brasseaux
Staff Director