

HOUSE SUMMARY OF SENATE AMENDMENTS

House Bill No. 1026 by Representative Fannin

FUNDS/FUNDING: Provides for the transfer and deposit of monies among state funds

Synopsis of Senate Amendments

1. Adds provisions relative to the La. Buy Local Purchase Incentive Program and the Shreveport Riverfront and Convention Center and Independence Stadium Fund.
2. Changes allocations of economic damages proceeds from the Deepwater Horizon litigation. Adds allocations to the Medicaid Trust Fund for the Elderly and the Health Trust Fund and provides for the use of such allocations.
3. Adds transfers to the Overcollections Fund from the Payments Towards the UAL Fund, the Riverboat Gaming Enforcement Fund, the Overcollections Fund Program Participation Savings Account, and certain funds identified from the implementation of the plan by Alvarez and Marsal.
4. Changes amounts of transfers from the Louisiana Housing Finance Agency, the Self-Insurance Fund, and the division of administration into the Overcollections Fund.
5. Adds transfers from the High Risk Pool and the Lottery Corp. to the La. Mega-project Development Fund and from the La. Mega-project Development Fund to the Rapid Response Fund.
6. Adds transfers from the Overcollections Fund Program Participation Savings Account to the LA. Medical Assistance Trust Fund.
7. Provides for the transfer of nonrecurring Overcollections Fund monies into the Workforce and Innovation for a Stronger Economy Fund.
8. Abolishes the Small Business Surety Bond Fund and the Louisiana Filmmakers Grant Fund and provides for the transfer of remaining balances.
9. Adds restrictions on the use of principal in the Medicaid Trust Fund for the Elderly.

Digest of Bill as Finally Passed by Senate**LOUISIANA BUY LOCAL PURCHASE INCENTIVE PROGRAM
(EFFECTIVE GOV'S SIGNATURE)**

Present law establishes the Louisiana Buy Local Purchase Incentive Program (the program) and the Louisiana Buy Local Purchase Incentive Program Fund (the fund). Further provides that the program and fund shall terminate on December 31, 2014, and the fund balance shall revert to the state general fund.

Proposed law retains present law providing for the termination of the program but deletes provisions terminating the fund and reverting the fund balance to the state general fund.

Present law provides that monies in the fund shall be used solely to grant incentive payments under the program to eligible restaurants for the purchases of La. agricultural products and for administrative costs not to exceed five percent.

Proposed law deletes references to the program and instead provides that monies shall be used to provide grants to eligible restaurants. Specifies that products are as defined in present law. Provides that the La. Agricultural Finance Authority (LAFA) shall determine grant recipients, the amount of the awards, and eligible administrative costs.

**SHREVEPORT RIVERFRONT AND CONVENTION CENTER AND
INDEPENDENCE STADIUM FUND (EFFECTIVE JULY 1, 2014)**

Present law provides for the deposit of certain state sales tax on hotel rooms collected in the city of Shreveport into the Shreveport Riverfront and Convention Center and Independence Stadium Fund.

Proposed law retains present law.

Present law provides that 3% of the monies in the fund shall be allocated to the African-American Multi-Cultural Tourism Commission.

Proposed law reduces the amount allocated to the African-American Multi-Cultural Tourism Commission from 3% to 1.5% and adds an allocation of 1.5% for the Shreveport Bossier African American Chamber of Commerce.

Present law provides for an annual allocation of \$40,000 to the Pamoja Art Society for African-American cultural activities in Shreveport.

Proposed law increases the allocation from \$40,000 to \$47,000 per year.

COMPETITIVE CORE GROWTH FUND (EFFECTIVE JULY 1, 2014)

Proposed law establishes the Competitive Core Growth Fund as a special treasury fund. Provides that, subject to appropriation by the legislature, the state treasurer shall deposit an amount into the fund equal to at least 15.25% of the amount deposited into the Workforce and Innovation for a Stronger Economy Fund (the WISE Fund). Provides that monies in the fund shall be invested in the same manner as the state general fund; that interest earned shall be credited to the fund; and that monies in the fund at the end of the fiscal year shall remain in the fund.

Proposed law provides that monies in the fund shall be appropriated to the Board of Regents to be allocated to postsecondary education institutions in order to better align each institution with the minimum postsecondary education funding formula implementation rate. The Board of Regents shall annually establish an allocation of the monies in the fund based on a comparison of the postsecondary education funding formula appropriation of each institution in the current fiscal year with the projected postsecondary education funding formula cost for that institution in the next fiscal year, to bring the institutions with the lowest implementation rates closer to the minimum implementation rate.

**SCIENCE, TECHNOLOGY, ENGINEERING, AND MATH (STEM) UPGRADE
FUND (EFFECTIVE JULY 1, 2014)**

Proposed law establishes the Science, Technology, Engineering, and Math (STEM) Upgrade Fund as a special treasury fund. Provides that, subject to appropriation by the legislature, the state treasurer shall deposit an amount into the fund equal to at least 5% of the amount deposited into the Workforce and Innovation for a Stronger Economy Fund (the WISE Fund). Provides that monies in the fund shall be invested in the same manner as the state general fund; that interest earned shall be credited to the fund; and that monies in the fund at the end of the fiscal year shall remain in the fund.

Proposed law provides that monies in the fund shall be appropriated to the Board of Regents and allocated as follows:

- (1) \$1,000,000 for STEM upgrades at Southern University and Agricultural and Mechanical College.
- (2) \$1,000,000 for STEM upgrades at Grambling State University.

**DEEPWATER HORIZON ECONOMIC DAMAGES COLLECTION FUND
(EFFECTIVE JULY 1, 2014)**

Proposed law establishes the Deepwater Horizon Economic Damages Collection Fund as a special permanent trust fund in the state treasury for deposits of the proceeds of the settlement of the state's economic damages lawsuit to recover economic damages sustained from the Deepwater Horizon explosion and oil spill (DWH litigation) into the fund.

Within 30 days of the receipt of economic damages proceeds from the DWH litigation, proposed law requires the treasurer to make the following deposits:

- (1) 45% of each such receipt to the Budget Stabilization Fund until that fund reaches the amount statutorily mandated by present law (4% of the previous fiscal year's state revenue receipts).
- (2) 45% of each such receipt to the Medicaid Trust Fund for the Elderly until \$700,000,000 has been deposited into the fund.
- (3) 10% of each such receipt to the Health Trust Fund until \$30,000,000 has been deposited into the fund.

Proposed law shall be null, void, and of no effect at the later of the conclusion of the DWH litigation or July 1, 2024.

BUDGET STABILIZATION FUND (EFFECTIVE JULY 1, 2014)

Present law provides for the deposit of monies into the Budget Stabilization Fund. Requires 25% of nonrecurring money to be deposited into the fund.

Proposed law retains present law and requires that at least \$25 million from any source be annually deposited or appropriated into the fund.

Present law prohibits appropriations or deposits into the Budget Stabilization Fund except pursuant to specific legislative appropriation in the same fiscal year in which funds are used, appropriated, or withdrawn until the official forecast reaches the FY 2008 forecast. Present law becomes null, void, and of no effect on July 1, 2015.

Proposed law excepts the annual deposit of at least \$25 million from the prohibition in present law. Changes the date that present law is nullified from July 1, 2015, to July 1, 2017.

DEBT RECOVERY FUND (EFFECTIVE JULY 1, 2014)

Present law requires monies collected by the office of debt recovery to be transferred to the state agency which referred the delinquent debt to the office for collection within 30 days of collection. Further requires the monies to be used by the referring agency as if the monies had been timely collected.

Proposed law deletes present law and instead provides for the deposit of monies from the collection of delinquent debt be deposited into the Debt Recovery Fund. After satisfying all warrants drawn upon the fund for the return of nonstate monies, unexpended and unencumbered monies in the fund at the end of the fiscal year shall remain in the fund unless appropriated.

OVERCOLLECTIONS FUND

Effective upon signature of the governor, authorizes the following to be deposited into the Overcollections Fund:

Amount	Source
\$ 777,318	Community Water Enrichment Fund
\$ 90,375	Dept. of Justice Debt Collection Fund
\$ 191,558	Dept. of Justice Legal Support Fund
\$ 238	Dept. of Health and Hospitals' Facility Support Fund
\$ 1,773	DNA Testing Post-Conviction Relief for Indigents Fund
\$ 3,850,189	Employment Security Administration Account
\$ 35,375	FEMA Reimbursement Fund
\$ 679	Fish and Wildlife Violations Reward Fund
\$ 2,681,729	Hazardous Waste Site Cleanup Fund
\$ 267,900	Health Care Facility Fund
\$ 17,329	La. Interoperability Communications Fund
\$ 496	La. Help Our Wildlife Fund
\$ 24,064	Marketing Fund
\$ 187	Medical and Allied Health Professional Education Scholarship and Loan Fund
\$ 409,144	Small Business Surety Bonding Fund
\$ 1,544,046	Two Percent Fire Insurance Fund
\$ 111	UNO Slidell Technology Park
\$ 19,892	Variable Earnings Transaction Fund
\$ 12,570,426	Payments Towards the UAL Fund
\$ 18,600,000	Riverboat Gaming Enforcement Fund
\$ 25,000,000	La. Housing Finance Agency or its successor from unrestricted or unencumbered fund assets - nonrecurring
\$ 34,000,000 (no less than)	from the Self-Insurance Fund
\$ 39,900,000 (at least)	from the division of administration
\$ 3,700,000	La. Property Assistance Agency
\$ 250,000	office of aircraft services
Unspecified	The interest portion due to the state from the recovery of funds expended out of the Motor Fuels Underground Storage Tank Trust Fund on behalf of an owner who was not an eligible participant
Unspecified	Cash balances subject to remission at the end of FY 2013-2014
Unspecified	Any funds identified by the commissioner of administration from the paln by Alvarez and Marsal to effectuate the preamble of the General Appropriation Act, subject to Joint Legislative Committee on the Budget approval

Effective upon governor's signature, determines the order in which the state treasurer shall transfer nonrecurring revenues into the Overcollections Fund and directs the treasurer to transfer certain funds as follows:

- (1) The amount appropriated out of the fund from nonrecurring revenues for debt defeasance, not to exceed \$37,002,124.
- (2) The amount appropriated out of the fund from nonrecurring revenues for unfunded accrued liability (UAL) payments to the La. State Employees' Retirement System (LASERS) and the Teachers' Retirement System of La. (TRSL), not to exceed \$6,000,000.
- (3) \$25,000,000 transferred to the Budget Stabilization Fund.
- (4) \$11,000,000 transferred to the Workforce Innovation for a Stronger Economy (WISE) Fund. Specifies that specific legislative allocations to institutions from the

WISE fund shall not preclude any such institution from receiving additional monies from the WISE Fund.

- (5) 5% of any remaining nonrecurring revenues shall be available for appropriation to the UAL of LASERS and TRSL.

Effective July 1, 2014, authorizes and directs the state treasurer to transfer the following into the Overcollections Fund:

Amount	Source
Unspecified	Nonrecurring revenue from increased net state tax receipts realized from the implementation of additional fraud initiatives.
Unspecified	The amount of nonrecurring state funds identified by the Dept. of Revenue as collected from debt recovery efforts of the office of debt recovery.

MISCELLANEOUS FUNDS TRANSFERS (EFFECTIVE GOV'S SIGNATURE)

Upon cessation of the La. Health Plan board by March 1, 2016, transfers the excess High Risk Pool Funds to the Mega-project Development Fund.

Authorizes and directs the Louisiana Lottery Corp. to deposit into the state treasury unrestricted and unencumbered assets of \$9 million and transfers the deposit into the La. Mega-project Development Fund.

Transfers \$20,000,000 from the La. Mega-project Development Fund to the Rapid Response Fund.

Transfers the balance of the Overcollections Fund Program Participation Savings Account to the La. Medical Assistance Trust Fund.

2013 AMNESTY COLLECTIONS FUND (EFFECTIVE GOV'S SIGNATURE)

Effective upon signature of the governor, transfers \$44,400,000 of Fees and Self-Generated Revenues collected by the Dept. of Revenue to the 2013 Amnesty Collections Fund.

RAPID RESPONSE FUND (EFFECTIVE JULY 1, 2014)

Effective July 1, 2014, provides that the state treasurer shall not include unexpended and unencumbered monies in the Rapid Response Fund at the end of FY 2013-2014 in the determination of the unencumbered balance of the fund for purposes of determining the amount to be deposited into the fund at the beginning of the fiscal year pursuant to R.S. 51:2361(A)(2).

STATE GENERAL FUND (EFFECTIVE JULY 1, 2014)

Effective July 1, 2014, authorizes the following to be deposited into the state general fund:

- (1) All receipts of lease payments for the lease of state hospital buildings and equipment as determined by the Revenue Estimating Conference (REC).
- (2) GO Zone Bond Payments, as recognized by the REC.
- (3) LA1 toll receipts received in reimbursement of the LA1 loan payment as recognized by the REC.

LOUISIANA FILMMAKERS GRANT FUND (EFFECTIVE JULY 1, 2014)

Present law permits the transfer of motion picture tax credits. Requires transferors or transferees to notify the Dept. of Revenue and include a processing fee of up to \$200.

Proposed law retains present law.

Present law establishes the La. Filmmakers Grant Fund and provides that the processing fee be credited to the fund to be used solely for the support of Louisiana's independent filmmakers through the La. Filmmakers Grant Program. The program shall award grants to filmmakers domiciled in the state who make a film in Louisiana, the total cost of which film shall not exceed \$300,000. The maximum amount of any grant shall not exceed the lesser of 50% of the total cost of the film or \$100,000.

Proposed law repeals present law and further provides that any balances remaining in the fund be transferred to the La. Economic Development Fund.

SMALL BUSINESS SURETY BONDING FUND (EFFECTIVE JULY 1, 2014)

Present law creates the Small Business Surety Bonding Fund and provides that funds received by the Dept. of Economic Development for small business surety bonding be deposited into the fund. Provides that the fund shall be used by the department solely to fund the department's efforts to provide financial assistance to small businesses to mitigate gaps in the state surety bonding market. Requires prior approval of the undersecretary of the office of management and finance and the assistant secretary of the office of business development of any obligation by the bonding assistance program.

Proposed law repeals present law and further provides that any balances remaining in the fund be transferred to the Overcollections Fund.

MEDICAID TRUST FUND FOR THE ELDERLY (EFFECTIVE JULY 1, 2014)

Present law (R.S. 46:2691) establishes the Medicaid Trust Fund for the Elderly and provides that the sources of the fund shall be an intergovernmental transfer program provided in present law and interest earnings from the fund.

Proposed law retains present law and adds a portion of the proceeds from the settlement, judgment, or final disposition of the state's economic damages claims as provided in proposed law creating the Deepwater Horizon Economic Damages Fund, not to exceed \$700,000,000.

Present law prohibits the use of the principal in the fund for purposes other than those specified under present law.

Proposed law retains the present law restrictions on the use of the fund's principal and additionally, after July 1, 2014, prohibits the principal in the fund from being appropriated unless authorized by a joint resolution approved by two-thirds of the elected members of each house.

HEALTH TRUST FUND (EFFECTIVE JULY 1, 2014)

Present law (R.S. 46:2731) establishes the Health Trust Fund and the sources of such fund.

Proposed law retains present law and creates the Medicaid Disabilities Account (the account) within the Health Trust Fund. Provides that the source of funds for the account shall be a portion of the settlement from the settlement, judgment, or final disposition of the state's economic damages claims as provided in proposed law creating the Deepwater Horizon Economic Damages Fund. Provides that monies in the account shall be used solely for services provided by home and community based healthcare providers utilized by the developmentally disabled. Prohibits monies in the fund from supplanting state general fund appropriations for services provided by home and community based healthcare providers utilized by the developmentally disabled below the amounts for the 2001-2002 Fiscal Year.

(Amends R.S. 3:284(D)(3)(a) and (F), R.S. 39:94(A)(3) and (C)(4)(b), R.S. 46:2691(A) and (B)(1)(intro. para.) and 2731(B) and (E)(1) and R.S. 47:302.2 (C)(1)(b), 332.6(B), and 1676(E); Adds R.S. 17:3138.2 and 3138.3 and R.S. 39:91; Repeals R.S. 47:6007(C)(7) and R.S. 51:942(I)(2))