

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 51** SLS 15RS 79
 Bill Text Version: **ENGROSSED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

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Dept./Agy.: Division of Administration (DOA)	Analyst: Travis McIlwain
Subject: Federal Funds - Projected Deficit	

FUNDS/FUNDING EG SEE FISC NOTE GF RV See Note Page 1 of 1
 Constitutional amendment to authorize limited redirection and transfer of funds supporting appropriations and allocations from the state general fund and dedicated funds in certain circumstances. (2/3s-CA7s10(F)(1))
 Proposed constitutional amendment provides for another parameter of when a budget deficit exists in the current fiscal year and in the next fiscal year. The additional parameter is if there is a decrease in the receipt of federal revenues associated with the support of state assistance programs. To be submitted to the electors at the statewide election on October 24, 2015. The companion to this legislation is SB 63, which is the proposed Title 39 statutory changes.

EXPENDITURES	2015-16	2016-17	2017-18	2018-19	2019-20	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

REVENUES	2015-16	2016-17	2017-18	2018-19	2019-20	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	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total						

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure. This bill adds another provision in the constitution by which a projected deficit is designated in the current fiscal year and in the subsequent fiscal year. The proposed constitutional amendment will be considered by voters at the statewide election to be held on October 24, 2015. The Secretary of State may incur minimal ballot printing costs associated with this measure. However, as a regular practice, the Secretary of State typically budgets for up to 10 constitutional amendments for the fall statewide elections.

REVENUE EXPLANATION

This bill creates an additional condition by which a deficit would trigger the governor's and/or legislature's interim budget balancing powers and trigger subsequent fiscal year capabilities for the "next fiscal year." The additional condition is when there is a decrease in the receipt of federal revenues associated with the support of state assistance programs in the current year or in the subsequent fiscal year. This bill appears to target any decrease in Federal Medical Assistance Percentages (FMAP) or any other federal revenue decrease that would require additional state general fund (SGF) support. Currently a deficit is based upon SGF revenue projections.

To the extent this bill is enacted and adopted by the voters at the October 24, 2015 election, these proposed provisions would be in effect during FY 16 and the building of the FY 17 budget. This bill essentially provides for another definition of the "deficit" beyond just a reduction in the SGF revenue forecast.

NOTE: By including this additional deficit parameter, the Division of Administration (DOA) will likely be required to provide a monthly report to the Joint Legislative Committee on the Budget (JLCB) on the status of not only the SGF, but also the federal revenues associated with state assistance programs.

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| Senate | <u>Dual Referral Rules</u> | House | <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 Rev. Red. to State {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} | |

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