

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 1005** HLS 16RS 1968

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: April 27, 2016 2:34 PM	Author: WILLMOTT
Dept./Agy.: Division of Administration	Analyst: Alan M. Boxberger
Subject: Requires prior approval of certain purchases	

PURCHASING EG SEE FISC NOTE GF EX See Note Page 1 of 1
Requires prior approval of certain purchases made by state agencies in the last two months of the fiscal year

Proposed law requires the Division of Administration (DOA) to establish a baseline average of monthly expenditures for acquisitions, supplies and travel using the monthly expenditure amount for FY 16 and further requires the DOA to reestablish the baseline average for each agency in FY 20 and every five fiscal years thereafter. Proposed law requires the commissioner of administration to approve any expenditure during the months of May or June in the impacted expenditure categories that exceed the baseline average.

EXPENDITURES	2016-17	2017-18	2018-19	2019-20	2020-21	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Ded./Other	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Federal Funds	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total						

REVENUES	2016-17	2017-18	2018-19	2019-20	2020-21	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

EXPENDITURE EXPLANATION

Proposed law may result in an indeterminable statewide decrease in expenditures across all means of finance.

The Division of Administration (DOA) reports that the Office of Planning and Budget would establish a baseline average of monthly expenditures for certain expenditure categories for each agency. The commissioner of administration would be required to approve certain expenditures in excess of that average during the last two months of every fiscal year. DOA anticipates being able to absorb any workload increase with existing staff and fiscal resources.

DOA reports that many programs and activities of state government are not controlled solely by state policy and law, but by rules, regulations and requirements of multiple sources of funding, including federal funds. DOA states that requiring approval of certain expenditures may create timeliness issues that impact statutory mandates for state agencies.

To the degree that the commissioner may disapprove any expenditures in excess of an agency's calculated monthly average in the last two months of any fiscal year, the state could potentially realize an indeterminable decrease in expenditures across all means of finance. The LFO is unable to determine whether the commissioner would deny any requested expenditures or the scope of any potential cost savings that may result.

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"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} | <input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {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