

To: Kristy Nichols, Commissioner of Administration,
Division of Administration
James Purcell, Commissioner of Higher Education,
Board of Regents

From: Senator Donahue, Chairman, Senate Committee on Finance;
Vice-Chairman, Joint Legislative Committee on the Budget (JLCB)

Date: March 17, 2014

Re: Implementation of Act 96 (SB196) of the 2013 RS

Goal of Act 96

Act 96 requires the executive branch departments and public postsecondary education management boards to report to the Joint Legislative Committee on the Budget (JLCB) any enacted legislation that has been implemented and operational for six months in the prior year and which has a fiscal impact which exceeds the amount of the fiscal note as the bill was enacted in the amount of \$1 million or more. The purpose of Act 96 is "to properly track and assess the impact of legislation over time ... to periodically evaluate the extent to which fiscal impacts have changed from the original estimates."

In accordance with this law, the JLCB will provide for an annual examination of the estimated results compared to the actual implemented results.

Reporting Process

As provided by the Act, each undersecretary and each public postsecondary management board shall annually conduct a review and analyze their respective entities and other such entities that may be attached to identify any legislation which has been implemented and has been operational for at least six months in the prior year and has a fiscal impact which has increased by the amount of one million dollars or more over the amount of the fiscal note as the bill was enacted.

The commissioner of administration and the commissioner of higher education shall review all reports received from the respective entities and shall submit them to the JLCB no later than October 30th of each year. Thereafter, the JLCB will submit the reports to the Legislative Fiscal Office for review and analysis and will annually report all findings by February 1.

Report and Analysis Specifics

"Depending upon the scope of the original legislation, the comparisons between the fiscal note as the bill was enacted and the actual amounts shall include but not be limited to tax increases, decreases, fee increases and repeals, tax exemptions, suspensions, credits, rebates, exclusions, and deductions, among others. The review and analysis shall also examine the receipt, expenditure, allocation, dedication, or means of financing to determine specifically how the increases impact state revenue, the departments, agencies, boards, commissions, and like entities within the executive branch of state government, as well as among the public postsecondary education institutions of the state."

The form shall be used to cover situations where data may not be available to quantify specific dollar amounts but the fiscal effect is estimated to exceed the one million dollar threshold. Additionally, in cases where agencies or postsecondary institutions "absorb" the costs of implementing and operating programs, the department, agency, or other entity shall report those changes on these forms to the committee. (The reporting form and instructions are attached to this letter.)

I have attached the proposed form for each reporting entity to complete. If you have any questions, please do not hesitate to call upon me and my staff for assistance. The successful implementation of this law is imperative to keep elected officials and our constituents aware of annual increases in policy initiatives when they greatly exceed original estimates.

Act 96 of 2013 Regular Session Reporting Form

TO: Departments, Agencies, and Public Postsecondary Boards and Institutions

FM: Joint Legislative Committee on the Budget

Overview

In accordance with the provisions of Act 96 of the 2013 Regular Session of the Legislature, all departments, agencies, boards, commissions (hereinafter referred to as “agencies”), and public postsecondary management boards and institutions (hereinafter referred to as “postsecondary institutions”), or other entities covered under these provisions shall use this form to report any enacted legislation that has been implemented and operational for six months in the prior year and which has a fiscal impact which exceeds the amount of the fiscal note as the bill was enacted by one million dollars or more.

Such reports shall be completed, and submitted by the agency heads or the heads of the public postsecondary management institutions to the commissioner of administration or the commissioner of higher education, respectively, by September 30, 2014. After review of the reports received from their respective entities, the commissioner of administration and the commissioner of higher education shall submit their reports to the Joint Legislative Committee on the Budget by October 30, 2014.

Instructions

The analysis to determine whether legislation implemented has or will exceed the original estimate must use the latest version of the fiscal note prepared by the Legislative Fiscal Office available on the legislative website. The attached form shall be based on the latest version of the fiscal note to conduct the analysis and determine the extent to which costs have exceeded the intended estimates.

The attached form contains separate sections to report how the programs affect expenditures and a section as to how the programs affect revenues. If the programs affect expenditures, please complete Section I. that includes separate tables covering the means of financing for the expenditures, the expenditure functions (personal services, for example), and personnel information. If the programs that have been implemented affect revenues, please complete Section II. at the bottom of the form relative to the revenue means of financing.

For all expenditure costs or revenue impacts, provide a narrative, state all assumptions and show all calculations to show the differences from the original fiscal note. Also use additional sheets as necessary to report this information and backup data.

Additionally, the attached form shall be used to disclose situations where data may not be available to quantify specific dollar amounts but the fiscal effect is estimated to exceed the one million dollar threshold. Further, in cases where agencies or postsecondary institutions “absorb” the costs of implementing and operating programs, the department, agency, or other entity shall report those changes on these forms to the committee.

Finally, provide a copy of the latest version of the fiscal note available on the legislative website as prepared by the Legislative Fiscal Office for the enacted bill to this attached form.

Act 96 of 2013 Regular Session Reporting Form

Person Preparing Revised Estimate _____ Phone Number of this Person _____
 Session Enacted: _____ Act Number: _____ Act Effective Date: _____

Provide a copy of the latest version of the fiscal note prepared by the Legislative Fiscal Office available on the legislative website of the enacted bill to this form.

This form should report the **DIFFERENCE** between the latest fiscal note on the legislative website as the bill was enacted and the revised estimate.

Section I Means of Financing for Expenditures

STATE COSTS FY 13-14 FY 14-15 FY 15-16 FY 16-17 FY 17-18 FY 18-19

State General Fund
 Agency Self-Generated
 Restricted/ Other*
 Federal Funds

* Specify the fund source being used.

In the table below, spread the difference by expenditure function obtained from the table above

Expenditure Increase (Decrease) – by expenditure function

	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19
STATE COSTS						
Personal Services						
Operating Expenses						
Professional Services						
Other Charges						
Equipment						

PERSONNEL (Classified)	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19
	No. Av. Pos. Sal.					
PERSONNEL (Unclassified)						
No. Av.						
Pos. Sal.						

PERSONNEL (Unclassified)	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19
	No. Av. Pos. Sal.					
PERSONNEL (Unclassified)						
No. Av.						
Pos. Sal.						

Narrative Explanation of Expenditure Increases

STATE ALL ASSUMPTIONS AND SHOW ALL CALCULATIONS THAT EXPLAIN THE DIFFERENCES BETWEEN THE LATEST FISCAL NOTE ON THE WEBSITE AS ENACTED AND THE REVISED ESTIMATE. (Please use additional sheets as necessary).

Section II. Revenue Increase (Decrease)

FISCAL YEAR FY 13-14 FY 14-15 FY 15-16 FY 16-17 FY 17-18 FY 18-19

State General Fund
 Agency Self-Generated
 Restricted/ Other*
 Federal Funds

Narrative Explanation of Revenue Impact

STATE ALL ASSUMPTIONS AND SHOW ALL CALCULATIONS THAT EXPLAIN THE DIFFERENCES BETWEEN THE LATEST FISCAL NOTE ON THE WEBSITE AS ENACTED AND THE REVISED ESTIMATE. (Please use additional sheets as necessary)

Please refer all questions to:

Sherry Phillips-Hymel, Chief Budget Analyst
 Louisiana Senate
 hymels@legis.la.gov
 225.342.8894
 225.342.0602 (fax)
 PO Box 94183
 Baton Rouge, La 70804