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TO: The Honorable Taylor F. Barras, Speaker of the House of Representatives
Honorable Members of the House of Representatives

FROM: John D. Carpenter, Legislative Fiscal Officer *JDC*
Evan J. Brasseaux, LFO Staff Director *EB*

DATE: June 4, 2018

SUBJECT: House Rule 7.19, HB 1 Reengrossed *with Senate Amendments*
of the 2nd EOS of 2018

Pursuant to House Rule 7.19, the Legislative Fiscal Office (LFO) is required to submit a report to the House of Representatives, which indicates whether the appropriation bill appropriates one-time money. The LFO is providing this information for HB 1 – Reengrossed with Senate Amendments.

HR 7.19 One-Time Money

Pursuant to HR 7.19(C)(2), appropriations from one-time money for ordinary recurring expenses may not exceed the projected growth of the state general fund from the fiscal year for which the appropriation is proposed and the subsequent fiscal year according to the most recent official forecast. The threshold calculation is the difference between the official SGF revenue forecast adopted by the Revenue Estimating Conference on April 12, 2018, and affirmed on May 22, 2018, for FY 19 of \$8,947.2 M and for FY 20 of \$9,093.9 M, which equates to an increase of \$146.7 M in SGF revenue. The amount of one-time funds, as defined by HR 7.19, allowed to be appropriated in HB 1 for FY 19 expenditure is \$146.7 M. **After adopted Senate amendments to HB 1, there is no (\$0) one-time money as defined in House Rule 7.19 in HB 1 Engrossed.**

FY 20 Replacement Financing Decisions

Although HR 7.19 contains a definition of “one-time money,” the rule itself is not indicative of the financing decisions that will have to be made in FY 20 relative to the current structure of the FY 19 proposed operating budget. Due to this issue, the LFO is not only providing the HR 7.19 report to comply with the House Rule, we are also providing a detail of significant potential FY 20 financing replacements that will have to be made as a result of the proposed FY 19 budget. The Senate redirected \$46.2 M in statutorily dedicated funds from the Deepwater Horizon Economic Damages Fund to the state general fund to fund spending priorities in various budget units. These revenues will not be available for transfer in FY 20 unless the legislature effectuates similar transfers or makes statutory changes. As such, agencies utilizing these revenues will either require offsets from other means of finance or will be required to reduce expenditures.

If you have any questions about any of the information presented in this memo, please contact me by email at carpenterj@legis.la.gov or by phone at 225-342-7233.