

Regular Session, 2008

SENATE BILL NO. 620

BY SENATOR N. GAUTREAUX

FUNDS/FUNDING. Creates the Expenditure Management Incentive Fund as a special fund in the state treasury. (gov sig)

1 AN ACT

2 To enact Subpart P of Part II-A of Chapter 1 of Subtitle I of Title 39 of the Louisiana
3 Revised Statutes of 1950, to be comprised of R.S. 39:100.71, relative to special
4 funds; to create the Expenditure Management Incentive Fund as a special fund in the
5 state treasury; to provide for the deposit, use, and investment of monies in the fund;
6 to provide for an effective date; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. Subpart P of Part II-A of Chapter 1 of Subtitle I of Title 39 of the
9 Louisiana Revised Statutes of 1950, comprised of R.S. 39:100.71, is hereby enacted to read
10 as follows:

11 **SUBPART P. EXPENDITURE MANAGEMENT INCENTIVE FUND**

12 **§100.71. Expenditure Management Incentive Fund**

13 **A.(1) It is the intent of the Legislature of Louisiana to facilitate the most**
14 **efficient and effective management of state funds by the secretaries of the**
15 **various executive branch departments and providing incentives to encourage**
16 **new patterns of fiscal behavior which are based on identified goals and**
17 **strategies, customer service needs, and potential for return on investment.**

1 (2) It is further the intent of the Legislature of Louisiana that
2 department secretaries and agency managers who watch their agency
3 expenditures judiciously and make efficiencies in budgets throughout the fiscal
4 year should be able to benefit from such sound management practices by
5 retaining a portion of such monies to use to enhance productivity and make
6 improvements in the future.

7 B. There is hereby created in the state treasury, as a special fund, the
8 Expenditure Management Incentive Fund, hereinafter referred to as the
9 "fund."

10 C.(1) After departments remit unexpended, unobligated balances from
11 appropriations in the General Appropriation Act and prior to depositing such
12 monies into the state general fund in accordance with the provisions of R.S.
13 39:82(A), the state treasurer shall deposit into the fund to the credit of each
14 executive branch department an amount equal to the unexpended, unobligated
15 state general fund and state general fund by fees and self-generated revenues
16 of that department, not to exceed three percent of the total amount of state
17 general fund and state general fund by fees and self-generated revenues
18 appropriated to that department in the General Appropriation Act at the
19 beginning of the fiscal year. The treasurer shall maintain a record within the
20 state treasury of the amounts credited for each department authorized under
21 this Section and which remain in the state treasury.

22 (2) These provisions shall not apply to appropriations contained in the
23 General Appropriation Act for entities as provided by R.S. 39:82(H) and (I),
24 constitutional distributions, appropriations associated with consent decrees,
25 court orders, debt service, federal mandates, or unavoidable obligations.

26 (3) Monies in the fund shall be invested in the same manner as monies
27 in the state general fund. Interest earned on investment of monies in the fund
28 shall be credited to the state general fund. Unexpended and unencumbered
29 monies in the fund at the end of the fiscal year shall remain in the fund and

1 **shall remain to the credit of each recipient department.**

2 **E. Subject to an annual appropriation by the legislature, monies in the**
 3 **fund shall be used solely for nonrecurring purposes, including but not limited**
 4 **to, new or enhanced employee training, and productivity enhancements such as**
 5 **technology or other improvements.**

6 Section 2. This Act shall become effective upon signature by the governor or, if not
 7 signed by the governor, upon expiration of the time for bills to become law without signature
 8 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
 9 vetoed by the governor and subsequently approved by the legislature, this Act shall become
 10 effective on the day following such approval.

The original instrument and the following digest, which constitutes no part
 of the legislative instrument, were prepared by Jay R. Lueckel.

DIGEST

Proposed law states the intent of the Legislature of Louisiana that department secretaries and agency managers who watch their agency expenditures judiciously and make efficiencies in budgets throughout the fiscal year should be able to benefit from such sound management practices by retaining a portion of such monies to use to enhance productivity and make improvements in the future.

Proposed law creates the Expenditure Management Incentive Fund, as a special fund in the state treasury.

Proposed law provides for the deposit of monies into the fund: such that after departments remit unexpended, unobligated balances from appropriations in the General Appropriation Act and prior to depositing such monies into the state general fund, the state treasurer shall deposit into the fund to the credit of each executive branch department an amount equal to the unexpended, unobligated state general fund and state general fund by fees and self-generated revenues of that department, not to exceed three percent of the total amount of state general fund and state general fund by fees and self-generated revenues appropriated to that department at the beginning of the fiscal year. The treasurer shall maintain a record within the state treasury of the amounts credited for each department authorized under this Section and which remain in the state treasury.

Proposed law provides that these provisions shall not apply to appropriations contained in the General Appropriation Act for entities as provided by R.S. 39:82(H) and (I), constitutional distributions, appropriations associated with consent decrees, court orders, debt service, federal mandates, or unavoidable obligations.

Proposed law provides that subject to an annual appropriation by the legislature, monies in the fund shall be used solely for nonrecurring purposes, including but not limited to, new or enhanced employee training, and productivity enhancements such as technology or other improvements.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Adds R.S. 39:100.71)