

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4222-03
Bill No.: SCS for SB 820
Subject: Appropriations; Emergencies; Administration, Office Of
Type: Original
Date: February 10, 2006

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
General Revenue	(\$0 to \$772,100)	(\$0 to \$792,200)	(\$0 to \$812,800)
Total Estimated Net Effect on General Revenue Fund	(\$0 to \$772,100)	(\$0 to \$792,200)	(\$0 to \$812,800)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Governmental Emergency	\$0 to \$772,100	\$0 to \$792,200	\$0 to \$812,800
Total Estimated Net Effect on <u>Other</u> State Funds	\$0 to \$772,100	\$0 to \$792,200	\$0 to \$812,800

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

In response to a previous version of this proposal, officials from the **Office of the State Treasurer** and the **Office of Administration, Division of Budget and Planning** assumed the proposal would have no fiscal impact on their organizations.

Oversight notes that this proposal would increase the amount which could be appropriated, transferred, or otherwise credited to the Governmental Emergency Fund from the current limit of \$100,000 per year to a new maximum which would be initially set at \$850,000 and then adjusted annually beginning July 1, 2007 by the same percentage as the increase in the United States Department of Labor Consumer Price Index. Oversight assumes that all or virtually all of this funding would be transferred or appropriated from the General Revenue Fund.

The United States Department of Labor Consumer Price Index for All Urban Consumers has increased by 2.1%, 3.3%, and 2.5% over the three years ended June 30, 2005 for an average increase of 2.6%. Oversight assumes the new maximum which could be appropriated or transferred to the Governmental Emergency Fund as of June 30, 2007 would be approximately $\$850,000 \times 1.026 = \$872,100$, representing an increase of \$772,100. Oversight has ranged the impact to the General Revenue Fund and the Governmental Emergency Fund from \$0 to 772,100 for FY 2007, from \$0 to \$792,200 for FY 2008, and from \$0 to \$812,800 for FY 2009.

<u>FISCAL IMPACT - State Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
GENERAL REVENUE FUND			
<u>Appropriation or Transfer</u>	<u>(\$0 to \$772,100)</u>	<u>(\$0 to \$792,200)</u>	<u>(\$0 to \$812,800)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>(\$0 to \$772,100)</u>	<u>(\$0 to \$792,200)</u>	<u>(\$0 to \$812,800)</u>
GOVERNMENTAL EMERGENCY FUND			
<u>Appropriation or Transfer</u>	<u>\$0 to \$772,100</u>	<u>\$0 to \$792,200</u>	<u>\$0 to \$812,800</u>
ESTIMATED NET EFFECT ON GOVERNMENTAL EMERGENCY FUND	<u>\$0 to \$772,100</u>	<u>\$0 to \$792,200</u>	<u>\$0 to \$812,800</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

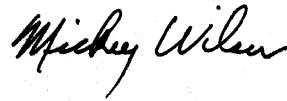
This proposal would increase the maximum amount that may be appropriated to the Governmental Emergency Fund from one hundred fifty thousand dollars to eight hundred fifty thousand dollars per year. The annual maximum would also be adjusted annually based on the increase in the Consumer Price Index.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

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SOURCES OF INFORMATION

Office of the State Treasurer
Office of Administration
Division of Budget and Planning

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Director
February 10 , 2006