

BDR 34-815

SB 391

EXECUTIVE AGENCY FISCAL NOTE

AGENCY'S ESTIMATES

Date Prepared: April 1, 2017

Agency Submitting: Office of the State Treasurer

Items of Revenue or Expense, or Both	Fiscal Year 2016-17	Fiscal Year 2017-18	Fiscal Year 2018-19	Effect on Future Biennia
Cost Allocation (Expense)		\$69,154	\$70,312	\$139,466
Total	0	\$69,154	\$70,312	\$139,466

Explanation

(Use Additional Sheets of Attachments, if required)

The State Treasurer's Office (STO) has reviewed BDR 34-815 and determined that there will be a fiscal impact to the office. As we do not know our specific responsibilities of the fund created, it does appear to at least approximate the same responsibilities of the Tobacco Master Settlement Agreement (MSA) that the STO currently administers. The STO budget requests for FY 2018 and FY 2019 that are reflected above encompass the cost allocated salaries of several staff that all have a partial responsibility in the administration of the MSA as well as operational administrative expenses. While this bill in and of itself may not create the need for an additional employee in the Cash Management Division and may possibly be absorbed by current staff, that cannot be determined at this time. If the work load is absorbed by current staff, we could possibly reduce the cost allocation of the MSA and reduce the cost allocation of this fund.

Additionally, Sec. 8. 2. states "The interest and income earned on: (b) Unexpended appropriations made to the Account from the State General Fund, must be credited to the Account." This will reduce the amount of annual General Fund Interest received into budget account 9050. Generally Accounts that receive State General Fund Appropriations DO NOT receive interest on the appropriation; they only receive interest on the gifts and/or grants received. As we do not know the amount of the appropriation we cannot determine the amount of General Fund interest lost at this time.

Name Budd Milazzo

Title Sr. Deputy Treasurer

GOVERNOR'S OFFICE OF FINANCE COMMENTS

Date Friday, March 24, 2017

The agency's estimate appears reasonable.

Name Laura E. Freed

Title Exec. Branch Budget Officer