

Notices of Intent

NOTICE OF INTENT

Board of Elementary and Secondary Education

Bulletin 741—Louisiana Handbook for School Administrators—Policy for Louisiana's Public Education Accountability System Growth Targets and New Schools/Reconfigured Schools (LAC 28:I.901)

In accordance with R.S. 49:950 et seq., the Administrative Procedure Act, the Board of Elementary and Secondary Education approved for advertisement an amendment to Bulletin 741, referenced in LAC 28:I.901.A, promulgated by the Board of Elementary and Secondary Education in LR 1:483 (November 1975). The proposed amendment more clearly explains the policy by which Growth Targets will be computed for new and reconfigured schools that come on line later in the accountability process. The changes also more clearly define what constitutes a "new school."

Title 28

EDUCATION

Part I. Board of Elementary and Secondary Education

Chapter 9. Bulletins, Regulations, and State Plans

Subchapter A. Bulletins and Regulations

§901. School Approval Standards and Regulations

A. Bulletin 741

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AUTHORITY NOTE: Promulgated in accordance with R.S. 17:3761-3764.

HISTORICAL NOTE: Promulgated by the Board of Elementary and Secondary Education in LR 1:483 (November 1975), amended LR 26:

Growth Targets

2.006.05

Growth Targets for New or Reconfigured Schools. Once a baseline for the new or reconfigured school has been established, a Growth Target shall be set based on the number of cycles remaining until 2009 (K-8) and 2011 (9-12), with a maximum Growth Target of 20 points.

For example, suppose an elementary school enters the Accountability System in 2003 and establishes a baseline SPS of 50 in 2005. Normally, the school's Growth Target would be $(100-50)/2 = 25$. Under this rule, the school's Growth Target shall be 20, the maximum.

Growth Targets for Reconstituted Schools. Until 2009 (for K - 8 schools) and 2011 (for 9 - 12 schools), the reconstituted school's Growth Target shall be equal to 100 minus the SPS divided by 5 minus the number of cycles since reconstitution. For example, suppose a school is reconstituted in 2005 and has an SPS of 50 (based on previous year's data), the school's Growth Target for the first cycle after reconstitution shall be 10 points $[(100-50)/5]$.

New Schools and/or Significantly Reconfigured Schools

2.006.16 For a newly formed school, the school district shall register the new school with the Louisiana Department of Education to have a site code assigned to that school. A new school shall not be created nor shall a new site code be issued in order to prevent a school from entering the Accountability System. Before a new school is created, the Local Education Authority must work with the Louisiana Department of Education to explore ways the new school can be included in the Accountability System.

When two or more schools are created from an existing school (e.g., Grades 4-6 "split" from an existing K-6 structure, creating a K-3 school and a 4-6 school), the existing site code stays with the lower grades (K-3), and the "new" (4-6) school shall receive a new site code. If a new school is created from the population of a school already having an SPS, then prior year data of the existing school shall be used to calculate the SPS of the newly created school. If there is not enough data to give the new school an SPS, then the new school shall receive its initial baseline SPS at the end of the second year of operation, since it shall need two years of data.

Interested persons may submit written comments until 4:30 p.m., January 10, 2000 to Nina Ford, State Board of Elementary and Secondary Education, P.O. Box 94064, Capitol Station, Baton Rouge, LA 70804-9064.

Weegie Peabody
Executive Director

FISCAL AND ECONOMIC IMPACT STATEMENT FOR ADMINISTRATIVE RULES

RULE TITLE: Bulletin 741—Louisiana Handbook for School Administrators—Policy for Louisiana's Public Education Accountability System Growth Targets and New Schools/Reconfigured Schools

- I. ESTIMATED IMPLEMENTATION COSTS (SAVINGS) TO STATE OR LOCAL GOVERNMENT UNITS (Summary)
There are no estimated implementation costs to state governmental units. The proposed changes clarify existing policy.
- II. ESTIMATED EFFECT ON REVENUE COLLECTIONS OF STATE OR LOCAL GOVERNMENTAL UNITS (Summary)
There will be no effect on revenue collections by state/local governmental units.
- III. ESTIMATED COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS OR NONGOVERNMENTAL GROUPS (Summary)
There will be no estimated costs and/or economic benefits to directly affected persons or non-governmental groups.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT
(Summary)

There will be no effect on competition and employment.

Marlyn Langley
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H. Gordon Monk
Staff Director
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NOTICE OF INTENT

Board of Elementary and Secondary Education

Bulletin 741—Louisiana Handbook for School
Administrators—Principal/Assistant Principal Internship
Program (LAC 28:I.901 and 920)

In accordance with R.S. 49:950 et seq., the Administrative Procedure Act, notice is hereby given that the Board of Elementary and Secondary Education approved for advertisement, an amendment to Bulletin 741, referenced in LAC 28:I.901.A, promulgated by the Board of Elementary and Secondary Education in LR 1:483 (November 1975). Bulletin 1882 contained the Guidelines for the Administrative Leadership Academy and the requirement for the Principal/Assistant Principal Internship Program. The proposed amendment aligns Bulletin 741 with current legislation and procedures.

**Title 28
EDUCATION**

**Part I. Board of Elementary and Secondary Education
Chapter 9. Bulletins, Regulations, and State Plans**

Subchapter A. Bulletins and Regulations

§901. School Approval Standards and Regulations

A. Bulletin 741

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AUTHORITY NOTE: Promulgated in accordance with R.S. 17:6(5).

HISTORICAL NOTE: Promulgated by the Board of Elementary and Secondary Education LR 1:483 (November 1975), amended by the Board of Elementary and Secondary Education LR 24:1085 (June 1998), LR 26:

**Bulletin 741—Louisiana Handbook for School
Administrators—Systems Policies and Standards**

1.016.10 All newly appointed principals and assistant principals with standard or provisional certification shall participate in the Principal/Assistant Principal Internship Program.

The Program shall include the following:

1. Individuals appointed to a principalship or an assistant principalship after October 1 shall be enrolled in the Principal Internship Program at the beginning of the following year.

2. Principal Internship and Assistant Principal Internship requirements shall not apply to individuals serving in a temporary capacity.

3. A newly appointed principal with less than five years of experience as an administrator (e.g., as an assistant principal) shall complete both years of the Principal Internship.

4. A newly appointed principal with five or more years of experience as an administrator (e.g., as an assistant

principal) shall complete only the first year requirements of the Principal Internship.

School Policies and Standards

2.106.10 All newly appointed principals and assistant principals with standard or provisional certification shall participate in the Principal/Assistant Principal Internship Program.

The Program shall include the following:

1. Individuals appointed to a principalship or an assistant principalship after October 1 shall be enrolled in the Principal Internship Program at the beginning of the following year.

2. Principal Internship and Assistant Principal Internship requirements shall not apply to individuals serving in a temporary capacity.

3. A newly appointed principal with less than five years of experience as an administrator (e.g., as an assistant principal) shall complete both years of the Principal Internship.

4. A newly appointed principal with five or more years of experience as an administrator (e.g., as an assistant principal) shall complete only the first year requirements of the Principal Internship.

§920. Administrative Leadership Academy Guidelines

A. Bulletin 1882

Repealed.

Interested persons may submit written comments until 4:30 p.m., January 10, 2000 to Ms. Nina Ford, Board Recorder, State Board of Elementary and Secondary Education, P.O. Box 94064, Capitol Station, Baton Rouge, LA 70804-9064.

Weegie Peabody
Executive Director

**FISCAL AND ECONOMIC IMPACT STATEMENT
FOR ADMINISTRATIVE RULES**

**RULE TITLE: Bulletin 741—Louisiana Handbook for
School Administrators—Principal/Assistant Principal
Internship Program**

I. ESTIMATED IMPLEMENTATION COSTS (SAVINGS) TO STATE OR LOCAL GOVERNMENT UNITS (Summary)

The only cost to the State would be \$100 to print and disseminate the updates to the Bulletin 741 Standards to Local School Systems. All current procedures remain the same.

II. ESTIMATED EFFECT ON REVENUE COLLECTIONS OF STATE OR LOCAL GOVERNMENTAL UNITS (Summary)

There is no effect on revenue collections.

III. ESTIMATED COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS OR NONGOVERNMENTAL GROUPS (Summary)

There are no estimated costs associated with the change.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

There is no impact on competition and employment.

Marlyn Langley
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H. Gordon Monk
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Legislative Fiscal Office

NOTICE OF INTENT

Board of Elementary and Secondary Education

Bulletin 746—Louisiana Standards for State Certification of School Personnel—University Counseling Services Requirement (LAC 28:I.903)

In accordance with R.S. 49:950, et seq., the Administrative Procedure Act, notice is hereby given that the Board of Elementary and Secondary Education approved for advertisement, an amendment to Bulletin 746, Louisiana Standards for State Certification of School Personnel, referenced in LAC 28:I.903.A. The proposed amendment deletes the requirement of three hours of counseling by university counseling services for an applicant prior to entry into a teacher education program.

**Title 28
EDUCATION**

**Part I. Board of Elementary and Secondary Education
Chapter 9. Bulletins, Regulations, and State Plans**

Subchapter A. Bulletins and Regulations

§903. Teacher Certification Standards and Regulations

A. Bulletin 746

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AUTHORITY NOTE: Promulgated in accordance with R.S. 17:6 (A)(10), (11), (15); R.S. 17:7(6); R.S. 17:10; R.S. 17:22(6); R.S. 17:391.1-391.10; R.S. 17:411.

HISTORICAL NOTE: Promulgated by the Board of Elementary and Secondary Education in LR 1:183, 311, 399, 435, 541 (April, July, September, October, December 1975); amended LR 24:283 (February 1997); LR 24:1091 (June 1998); LR 25:422 (March 1999); LR 26:

Bulletin 746: Teacher Certification Standards and Regulations

* * *

Louisiana Revised Statute 17:7.1A (Act 756 of 1977) requires that (1) the applicant shall have attained a 2.20 average on a 4.00 scale as a condition for entrance into a teacher education program; and (2) the applicant shall have achieved a 2.50 average on a 4.00 scale at graduation from an approved program.

* * *

Interested persons may submit comments until 4:30 p.m., January 10, 2000 to: Nina Ford, State Board of Elementary and Secondary Education, P.O. Box 94064, Capitol Station, Baton Rouge, LA 70804-9064.

Weegie Peabody
Executive Director

**FISCAL AND ECONOMIC IMPACT STATEMENT
FOR ADMINISTRATIVE RULES**

RULE TITLE: Bulletin 746—Louisiana Standards for State Certification of School Personnel—University Counseling Services Requirement

I. ESTIMATED IMPLEMENTATION COSTS (SAVINGS) TO STATE OR LOCAL GOVERNMENTAL UNITS (Summary)

The adoption of this policy will cost the Department of Education approximately \$700 (printing and postage) to disseminate the policy.

II. ESTIMATED EFFECT ON REVENUE COLLECTIONS OF STATE OR LOCAL GOVERNMENTAL UNITS (Summary)

This policy will have no effect on revenue collections.

III. ESTIMATED COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS OR NONGOVERNMENTAL GROUPS (Summary)

This policy will have no estimated cost and/or economic benefits to directly affected persons or non-governmental groups.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

This policy will have no effect on competition and employment.

Marlyn Langley
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NOTICE OF INTENT

Board of Elementary and Secondary Education

Bulletin 904—Charter School Start-Up Loan Program (LAC 28:I.904)

In accordance with R.S. 49:950 et seq., the Administrative Procedure Act, the Board of Elementary and Secondary Education approved for Advertisement revisions to Bulletin 904, Charter Schools, referenced in LAC 28:I.904. In accordance with Act 477 of the 1997 Legislative Session as amended by Act 757 of the 1999 Legislative Session, the Guidelines provide a source for funding no-interest loans to assist both existing and new Type 1, Type 2 or Type 3 Charter Schools with initial start-up funding and for funding the administrative and legal costs associated with the Charter School Program. The Guidelines are an amendment to Bulletin 904 and referenced in LAC 28:I.904.

**Title 28
EDUCATION**

**Part I. Board of Elementary and Secondary Education
Chapter 9. Bulletins, Regulations, and State Plans**

Subchapter A. Bulletins and Regulations

§904. Charter Schools

A. ...

B. Charter School Start-Up Loan Program

Act 477 of the 1997 Legislative Session allows for the operation of up to 20 charter schools statewide in 1998-99 and increases that number to 42 in subsequent years. It also created the Louisiana Charter School Start-Up Loan Fund within the State Treasury for the purpose of providing a source for funding no-interest loans to charter schools. As amended by Act 757 of the 1999 Legislative Session, the loan funds are to be made available to assist both existing and new Type 1, Type 2 or Type 3 Charter Schools with initial start-up funding and for funding the administrative and legal costs associated with the charter school program.

AUTHORITY NOTE: Promulgated in accordance with R.S. 17:3971-3973, 3981-3983, 3991-3993, 3995-3999, and 4001, and R.S. 39:75(C)(1)(b).

HISTORICAL NOTE: Promulgated by the Board of Elementary and Secondary Education, LR 24:1683 (September 1998), amended LR 25:249 (February 1999), LR 26:

Guidelines for the Louisiana Charter
School Start-Up Loan Fund

Under the authority of Act 477 of the 1997 Legislative Session, the Louisiana Charter School Start-Up Loan Fund was initially created within the State Treasury for the purpose of providing funding for no-interest loans to Type 1 and 2 charter schools. As amended by Act 757 of the 1999 Legislative Session, these state loan funds are intended to assist Type 1, Type 2 and Type 3 Charter Schools with initial start-up funding, and for funding the state administrative and legal costs associated with the Charter School Program. Act 757 of the 1999 Legislative Session further provided that SBESE enact a streamlined application, review and approval process in order to administer the monies appropriated from the fund.

In accordance with Act 757 of the 1999 Legislative Session, the SBESE hereby adopts the following rules to govern approval of loan requests of Charter Schools for initial start-up funding.

A. Application

1) As part of any new Type 2 charter school proposal submitted to the SBESE, the applicant may choose to include a request for up to \$100,000 from the Louisiana Charter School Start-up Loan Fund. If such charter school proposal was deemed to be financially sound by the review team and approved by SBESE, then the charter school loan request portion of the proposal is also approved. By law, no additional loan application paperwork may be required if an appropriate request is made within the charter school proposal.

2) Any new or existing Type 1, 2, or 3 charter schools choosing to apply for up to \$100,000 in charter school start-up loan funding after they have already received approval to operate, may submit a separate application providing the information depicted in Section B.

B. Required Information

Per R.S. 17:4001, those requesting a charter school start-up loan must provide the following information either as part of their overall charter school proposal or as a separate request;

1) a budget depicting the planned expenditure of the loan funds during the term of the loan with information showing that any planned expenditures will be used to purchase tangible items such as equipment, technology, instructional materials, and facility acquisition, upgrade and repairs;

2) a budget depicting the overall anticipated revenue and expenditures, including the repayment of any requested charter school loan amount, for each of the three years of operation during the term of the loan (see section G for repayment conditions);

3) a statement of assurance indicating agreement with the conditions of repayment as provided in Section G.

4) a copy of the charter school proposal for any Type 1 or Type 3 school that had been provisionally or otherwise approved to operate by their local school board.

C. Review Process

1) New Type 2 Charter Schools. Start-up loan requests submitted as part of the larger charter school proposal will be reviewed using the same review process approved by SBESE for the review of such charter school proposals.

Each review team will include at least one person representing the Division of Education Finance in the SDE who will review the information required in Section B to determine the financial viability of the proposed school. If the review team recommends provisional approval or provisional approval with modifications of the overall charter school proposal, and such recommendations are approved by SBESE, then such approval by law also constitutes approval of the requested start-up loan funding.

2) Existing Type 1, 2, and 3 Charter Schools. Review of any request made by an already approved charter school will be reviewed by at least one person representing the Division of Education Finance in the SDE and the charter school staff in the BESE Office, who collectively will make a recommendation to SBESE.

3) Grounds for Denial. If a given charter school proposal is deemed to be financially sound by either the state review team (Type 2's), or by the local school board (Type 1's or Type 3's) with which the school is chartered, then the request for charter school loan funds will be granted. Only if all required information listed in Section B is not provided, and/or findings from subsequent background checks reveal information that would require the revocation of the initial approval as depicted in Section F, will a loan approval be revoked or a recommendation for granting requested loan funds not be made.

D. Allowable Use of Loan Funds

Any loans funds:

1) may only be used to purchase tangible items such as equipment, technology, instructional materials, and facility acquisition, upgrade, and repairs; and

2) may not be used to pay prior debts of the nonprofit corporation which formed the charter school, any of the natural persons involved in forming the charter school for any purchase not related to the creation of the charter school principally, or any former or current business or nonprofit venture of any such natural persons, or to pay to members of the immediate family or any such natural persons, or to make any investments.

E. Distribution of Funding

Any approved loan funds will become available for use once: a) all required background check applications have been submitted; and b) provisional approval or provisional approval with modifications has been given to a charter school proposal, or c) approval has been given to a separate loan request. Such loan funds will be distributed upon the receipt of proper paperwork including any invoice or purchase order for equipment, technology or other items as allowed by law and described in Section D. The charter school will keep appropriate paperwork and inventory of all items purchased using state charter school loan funds. In addition, appropriate state tagging procedures for all moveable property costing \$250 or more purchased with state funds will be required. If a school fails to comply with any requirements specified by the granting authority or otherwise fails to open, then any items purchased with such loan funds will become the property of the state as described in Section H.

F. Background Checks.

New and existing charter schools requesting start-up loan funding are subject to background checks. Types 1, 2, and 3 charter schools requesting loan funds shall conduct

background checks on applicable persons as stipulated in the BESE approved regulations. No loan funding will be distributed until the person principal to the charter school proposal has submitted all paperwork regarding the background checks required by SBESE. If the findings from such checks reveal that such person has been convicted of any felony related to misappropriation of funds or theft, the disbursement of any loan funds shall be stopped immediately until another individual whose background checks are clear is placed in charge of the proposed charter school's financial affairs.

G. Repayment

1) For any Type 2 charter school receiving loan funds, the State Department of Education will automatically reduce the last state payment for this school during each of the three years of the loan's term. The amount to be reduced each year is equal to one-third of the total loan amount received to date. If the amount required to be reduced during any given year is greater than the last scheduled payment, then the reduction will come from the last two or more payments. Upon reduction of such funds, the State Department of Education will deposit those monies with the state treasury in the Louisiana Charter School Start-up Loan Fund.

2) Any Type 1 or Type 3 charter school receiving state loan funds must submit to the State Department of Education by June 30th of each year of the loan's term, a payment equal to at least one-third of the total loan amount received by the school to date. The State Department of Education will deposit those monies with the state treasury in the Louisiana Charter School Start-up Loan Fund. Any charter school failing to make such repayments shall be considered a nonapproved school whose students cannot count toward any future state funding.

H. Ceased Operation of the Charter School

In the event that a charter school which had received a charter school start-up loan fails to open or ceases to operate during the three years of automatic loan repayment as described in Section G, any equipment or other items purchased with loan funds equaling the value of the unpaid loan amount will become the property of the state.

I. Eligibility

1) Any new Type 1, 2, or 3 charter school slated to be opened as either a new school or through the conversion of an existing school, is eligible to apply for state loan funds.

2) Any existing Type 1, 2, or 3 charter school may apply for state loan funds any time during the first five years of their initial charter.

3) Any existing Type 1, 2, or 3 schools whose charters have been renewed after the initial five year term may apply for state loan funds if significant expansion of the charter school is anticipated and approved by the chartering authority. Such expansion includes, but is not limited to, the addition of new grades or the construction of new facilities or renovation of the school's facilities. Any charter school seeking a subsequent state loan will only be approved if adequate funding was available to first provide loans to those schools requesting a loan for the first time.

J. Complaints.

All written complaints received will be handed to the state charter school administrator for review, analysis and investigation to determine the facts and to recommend resolution. Upon completion of the internal review, the

complainant will be notified in writing of the results of the review. Each complaint will be handled in a fair and consistent manner and responded to within 15 working days of receipt.

K. No departure from these guidelines is allowed without unanimous consent from SBESE.

Interested persons may submit written comments until 4:30 p.m., January 19, 2000 to Nina Ford, Board Recorder, State Board of Elementary and Secondary Education, P.O. Box 94064, Capitol Station, Baton Rouge, LA 70804-9064

Weegie Peabody
Executive Director

FISCAL AND ECONOMIC IMPACT STATEMENT FOR ADMINISTRATIVE RULES

RULE TITLE: Bulletin 904—Charter School Start-Up Loan Program

I. ESTIMATED IMPLEMENTATION COSTS (SAVINGS) TO STATE OR LOCAL GOVERNMENT UNITS (Summary)

In Fiscal Year 1999-2000 the legislature has appropriated \$1,825,000 from the Charter School Loan Fund. Of this amount, \$1,788,500 will be used to provide loans to charter schools, and a maximum of 2 percent (\$36,500) will be used for administrative and, if necessary, legal costs. The amount designated for administrative costs is significantly less than that provided in the prior Start-Up Loan Guidelines due to revisions to the Start-Up Loan application process per Act 757 of the 1999 legislative session. The previous regulations required contract services with an external evaluator to develop the loan application and guidelines and to review the applications. The current attached Guidelines require that all applications will be evaluated by the BESE approved proposal review team as well as staff from the Education Finance Division of the SDE. The actual amount expended for charter school start-up purposes will depend on the number of loans approved and the amounts per loan.

II. ESTIMATED EFFECT ON REVENUE COLLECTIONS OF STATE OR LOCAL GOVERNMENTAL UNITS (Summary)

This action will have no effect on revenue collections of state or local governmental units.

III. ESTIMATED COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS OR NONGOVERNMENTAL GROUPS (Summary)

The Loan Fund will provide the necessary start-up funding for eligible groups with new charter schools.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

This action will ultimately have the effect of creating additional employment opportunities for teachers and other school personnel in charter schools. This may create a competitive situation for schools in that particular area.

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NOTICE OF INTENT

Board of Elementary and Secondary Education

(Editor's Note: Bulletin 1929 was adopted in LR 20:1097 (October 1994). The present revision is being published in codified form, hence historical notes will reflect a history, by section, from this time forward.)

Bulletin 1929—Louisiana Accounting and
Uniform Governmental Handbook
(LAC 28:XL.Chapters 1-11)

In accordance with the Administrative Procedure Act, R.S. 49:950 et seq., notice is hereby given that the State Board of Elementary and Secondary Education approved for advertisement revised Bulletin 1929 promulgated in LR 20:1097 (October 1994). The Bulletin is being revised to add new items or clarify existing items. The present Bulletin is being repealed and promulgated as a codified document.

Title 28

EDUCATION

**Part XL. Bulletin 1929—Louisiana Accounting and
Uniform Governmental Handbook**

Chapter 1. Purpose of Handbook

§101. Introduction

A. The primary purpose of the Louisiana Accounting and Uniform Governmental Handbook for local school boards is to serve as a vehicle for program cost accounting at the local and state levels.

B. The Louisiana State Department of Education has a responsibility to provide and interpret comprehensive statistics about the condition of education in the state. In addition, it has congressional mandates to publish fiscal data as well as to provide statistical data that can be used by local school boards to improve their activities.

C. The Louisiana Accounting and Uniform Governmental Handbook attempts to produce comprehensive and compatible sets of standardized terminology for use in education management and reporting. The following basic criteria were used in selecting items and classifications for inclusion in this publication.

1. The items, accounts, and categories of information should provide the basic framework fundamental to a comprehensive financial management system.

2. The guidelines should serve all sizes and types of school systems.

3. The categories of accounts should be both contractible and expandable, enabling all school systems to adapt them to support various financial management information systems.

4. Data elements should be added into needed categories for purposes of reporting and comparing at the local, state and federal levels.

5. The guidelines should conform to generally accepted accounting principals.

6. The guidelines should include the categories necessary to provide full disclosure of financial information.

7. The categories included should provide an adequate audit trail.

D. The local school board is the organization most likely to use the account classifications described here. However, the Louisiana State Department of Education is, most likely, the direct user. Both will derive direct benefits as acceptance and use of these guidelines spread among local school boards. The resulting increased uniformity of accounting records in use at the local level will make financial data assembled at the state and federal levels more comparable and meaningful.

E. While this publication includes a complete listing of classifications and standard terminology, it is not all-

inclusive, specifically, it does not provide the information listed below.

1. methods and procedures for recording financial data (such as how to record entries in journals and ledgers);

2. methods and procedures for reporting financial data (such as actual preparation of financial reports from the ledgers);

3. methods and procedures for utilizing financial data (such as budgeting and making decisions about the financial position of the local school board).

AUTHORITY NOTE: Promulgated in accordance with R.S. 17(2)(e).

HISTORICAL NOTE: Promulgated by the Board of Elementary and Secondary Education, LR 26:

**Chapter 3. The Account Classification Structure
§301. Explanation/General Information**

A. This publication provides for classifying three basic types of financial activity: revenues and other sources of funds; expenditures and other uses of funds; and transactions affecting the balance sheet only. For each type of transaction, the specific account code is made up of a combination of classifications called *dimensions*. Each dimension describes one way of classifying financial activity. The dimensions applicable to each type of transaction are:

Revenues	Expenditures	Balance Sheet
Fund	Fund	Fund
Source	Object Function	Balance Sheet Accounts

B. The purpose and uses of each of these dimensions are described below. The chart of accounts for each of these dimensions is shown later in this handbook.

1. *Fund*—a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources. It also contains all related liabilities and residual equities or balances, or changes therein. Funds are established to carry on specific activities or to attain certain objectives of an LEA according to special legislation, regulations, or other restrictions.

2. *Source*—permits segregation of revenues by source. The primary classification differentiates local, state and federal revenue sources.

3. *Object*—the service or commodity bought. There are nine major object categories: Salaries, Employee Benefits, Purchased Professional and Technical Services, Purchased Property Services, Other Purchased Services, Supplies, Property, Other Objects, and Other Uses of Funds.

4. *Function*—the activity for which a service or material object is acquired. The functions of an LEA are classified into five broad areas: Instruction, Support Services, Operation of Non-Instructional Services, Facilities Acquisition and Construction Services, and Other Uses.

5. *Balance Sheet Accounts*—these classifications correspond to those items normally appearing on the balance sheet in three areas: assets and other debits; liabilities and other credits; and fund equity.

AUTHORITY NOTE: Promulgated in accordance with R.S. 17(2)(e).

HISTORICAL NOTE: Promulgated by the Board of Elementary and Secondary Education, LR 26:

Chapter 5. Fund Classifications

§501. Explanation/General Information/

Introduction/Overview

A. Governmental accounting systems should be organized and operated on a fund basis. Unlike a private business, which is accounted for as a single entity, a governmental unit is accounted for through separate fund and account group entities, each accounting for designated assets, liabilities and equity or other balances. Therefore, from an accounting and financial management viewpoint, a governmental unit is a combination of several distinctively different fiscal and accounting entities, each having a separate set of self-balancing accounts and functioning independently of other funds and account groups. Each fund must be so accounted for that the identity of its resources, obligations, revenues, expenditures, and fund equities is continually maintained.

B. The various activities of a government are not typically considered to form a homogeneous whole. Instead, a governmental entity is considered to comprise a number of separate fiscal entities known as "funds." Such funds are established to segregate specific activities or objectives of a government in accordance with special regulations, restrictions, or limitations. Thus, in governmental accounting, the accounting entity is each individual fund, not the overall government organization.

Funds used by governmental entities are classified into three broad categories: governmental, proprietary, and fiduciary. These funds are supplemented by two account groups: the General Fixed Assets Account Group and the General Long-Term Debt Account Group.

AUTHORITY NOTE: Promulgated in accordance with R.S. 17(2)(e).

HISTORICAL NOTE: Promulgated by the Board of Elementary and Secondary Education, LR 26:

§503. Governmental Funds

A. Governmental Funds are funds through which most functions are typically financed. Governmental funds are accounting segregations of financial resources. Their measurement focus is on the determination of financial position and on the changes in financial position (sources, uses, and balances of financial resources), rather than on net income determination. This measurement focus is basically the flow of current financial resources. This measurement focus is unique in that generally only current expendable financial resources are accounted for in the governmental fund category. Within the governmental funds category are the four fund types described below.

1. The General Fund—used to account for all financial resources except those required to be accounted for in another fund. Typically, the general fund is the chief reporting vehicle for a government's current operations.

2. Special Revenue Funds—used to account for specific revenue sources that legally may be expended only for specific purposes. Special revenue funds are not used for amounts held in trust or for resources that will be used for major capital projects.

3. Capital Projects Funds—used to account for major capital acquisitions or construction. These funds are not used for construction financed by proprietary or trust funds. A separate Capital Projects Fund is usually established when the project exceeds a single fiscal year, when the financing

sources are provided by more than one fund, or when the capital asset is financed by specifically designated resources.

4. Debt Service Funds—used to account for the accumulation of resources to pay the principal and interest on the general long-term debt that is recorded in the entity's General Long-Term Debt Account Group. A Debt Service Fund may be used for each obligation; however, it should be established only if legally required or if resources are being accumulated to meet future payments. When obligations are paid, on a current basis, by the General Fund or by a Special Fund, there is no need to create a Debt Service Fund unless legally required to do so.

AUTHORITY NOTE: Promulgated in accordance with R.S. 17(2)(e).

HISTORICAL NOTE: Promulgated by the Board of Elementary and Secondary Education, LR 26:

§505. Proprietary Funds

A. A Proprietary Fund is used to account for governmental activities that are similar to activities that may be performed by a commercial enterprise. The measurement focus is on the determination of net income, financial position, and changes in financial position. This measurement focus, similar to that found in the private sector, is based on the flow of economic resources; it requires the reporting of all assets and liabilities associated with a particular activity. Within the proprietary fund category are two fund types.

1. Enterprise Funds—used to account for operations when one or both of the following conditions exist:

a. operations are financed and operated in a manner similar to a private business enterprise, where the intent of management is that the costs (expenses, including depreciation) of providing goods or services to the public on a continuing basis are financed or recovered primarily through user charges;

b. management has decided that the periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Internal Service Funds—used to account for the financing of goods or services provided by one department or agency to other departments or agencies within the governmental unit, or to other governmental units, on a cost-reimbursement basis. Thus, the objective of an Internal Service Fund is not to make profit, but rather to recover over a period of time the total cost of providing the goods or services.

AUTHORITY NOTE: Promulgated in accordance with R.S. 17(2)(e).

HISTORICAL NOTE: Promulgated by the Board of Elementary and Secondary Education, LR 26:

§507. Fiduciary Funds

A. Fiduciary Funds are used to account for assets when a governmental unit is functioning either as a trustee or as an agent for another party; they are commonly referred to as trust and agency funds. The trust and agency funds are further divided into four "sub fund types." These subfund types reflect variations in how assets are held and how they may be used.

1. Expendable Trust Funds—used to account for resources held in trust when both principal and earnings may

be spent in their entirety for the purpose or purposes specified in the trust agreement.

2. Nonexpendable Trust Funds—used to account for resources held in trust when only earnings may be expended and the principal must remain intact.

3. Pension Trust Funds—used to account for resources accumulated to finance pension benefits.

4. Agency Funds—used to account for assets held on behalf of others in a custodial capacity.

AUTHORITY NOTE: Promulgated in accordance with R.S. 17(2)(e).

HISTORICAL NOTE: Promulgated by the Board of Elementary and Secondary Education, LR 26:

§509. Account Groups

A. Account Groups are groups of accounts used to record and control general fixed assets and unmatured general long-term liabilities. Long-term liabilities of proprietary and trust funds should not be accounted for here but should be kept within those individual funds.

1. General Fixed Assets—capital assets that are not assets of any fund, but of the government unit as a whole. Most often these assets arise from the expenditure of the financial resources of governmental funds. The General Fixed Assets Account Group is a self-balancing group of accounts established to account for fixed assets of a government not accounted for through specific proprietary funds or trust funds. The General Fixed Assets Account Group is not a fund; it does not have a balance sheet as such, nor does it report operations. Instead the General Fixed Assets Account Group, which serves as a list of a government's fixed assets, is designed to ensure accountability and management control of the fixed assets.

2. General Long-Term Debt—normally expected to be repaid from governmental funds. The General Long-Term Debt Account Group is used to accumulate the non-current unmatured portion of long-term obligations; it typically reports the following categories of long-term liabilities:

- a. long-term debt (bonds, notes, capital leases);
- b. unfunded pensions contributions;
- c. claims and judgements;
- d. compensated absences; and
- e. loss contingencies.

The General Long-Term Debt Account Group is not a fund because it does not account for available financial resources or current obligations. Financial resources are neither accumulated nor expended through the General Long-Term Debt Account Group. This account group simply lists all long-term liabilities that are not presented as liabilities of a specific fund. Long-term liabilities presented in the General Long-Term Debt Account Group are generally backed by the full faith and credit of the issuer, which means the debt is secured by the general credit and revenue raising powers of the issuer rather than by the assets acquired or by specific fund resources.

AUTHORITY NOTE: Promulgated in accordance with R.S. 17(2)(e).

HISTORICAL NOTE: Promulgated by the Board of Elementary and Secondary Education, LR 25:

Chapter 7. Classification of Revenues and Other Sources of Funds

§701. Revenue Codes

A. 1000 Revenue From Local Sources

1. 1100 Taxation—compulsory charges levied by the school system to finance services performed for the common benefit.

a. 1110 Ad Valorem Taxes - Gross—amounts levied on the taxable assessed value of real and personal property on a parish-wide basis. By "gross," it is meant that the taxes are recorded at the amount actually collected by the tax collector before deduction for the assessor's compensation and/or deduction for amounts remitted to the retirement systems. Penalties and interest on delinquent taxes are recorded in this account.

i. 1111 Constitutional Tax—the tax that is permitted to be levied by a school system under authority of the 1974 constitution. This tax is in perpetuity; it is not subject to a vote of the electorate. The amount of millage that may be levied varies from parish to parish. This tax is a General Fund revenue.

ii. 1112 Renewable Taxes—taxes that the electorate have authorized the school system to levy for a specified period of time, not to exceed ten (10) years. At the end of the time period specified, the electorate must approve by popular vote an extension, not to exceed ten (10) years, for the tax to be levied again. These taxes may be either General Fund or Special Revenue Fund revenues, depending on their purpose and the manner in which the tax was imposed.

iii. 1113 Debt Service Taxes—taxes that the electorate have authorized the school system to levy for the retirement of general obligation long-term debt. The proceeds are normally placed in the Debt Service Fund.

iv. 1114 Up to 1 percent Collections By the Sheriff On Taxes Other Than School Taxes—The Sheriff and Ex-Officio Tax Collector of each parish is mandated by State law to remit 1 percent of the total qualifying taxes collected within the parish to the Teachers Retirement System of Louisiana for the credit of the parish school system. This amount may be obtained annually from the Tax Collector's office. It is recorded by debiting retirement expenditures and crediting this account. This tax is a General Fund revenue.

b. 1130 Sales and Use Taxes—Gross—taxes assessed by the school system on the taxable sale and consumption of goods and services within the parish. By "gross" it is meant that the taxes are recorded at the amount actually collected before any deduction for the cost of collection. This tax may be a General Fund, Special Revenue Fund, or Debt Service Fund revenue.

2. 1200 Revenue From Local Governmental Units Other Than LEA's is revenue from the appropriations of another governmental unit. The LEA is not the final authority, within legal limits, in determining the amount of money to be received; the money is raised by taxes or other means that are not earmarked for school purposes. This classification could include revenue from townships, municipalities, parishes, etc.

3. 1300 Tuition—revenue from individuals, welfare agencies, private sources and other LEA's for education provided by the LEA.

a. 1310 Tuition From Individuals—amounts paid by students to attend summer school classes. It is irrelevant whether the students reside inside or outside the parish. This revenue is normally a General Fund revenue.

b. 1320 Tuition From Other LEA's—amounts paid by public school systems outside the parish to the school system for educational services rendered by the school system to students from the outside parish. This revenue is normally a General Fund revenue.

c. 1390 Tuition From Other Sources—amounts paid by persons other than individuals and other local education agencies for tuition.

4. 1400 Transportation Fees—revenue from individuals, welfare agencies, private sources, or other LEA's for transporting students to and from school and school activities. Transportation funds received for non-public transportation are to be recorded in 3250 Non-Public Transportation.

a. 1410 Transportation Fees From Individuals—amounts paid by individual persons for transportation services rendered by the school system. This fee is normally a General Fund revenue.

b. 1420 Transportation Fees From Other LEA's—amounts paid by other local education agencies for transportation services rendered by the school system. This fee is normally a General Fund revenue.

c. 1440 Transportation Fees From Other Sources—amounts paid by persons other than individuals and other local education agencies for transportation services rendered by the school system.

5. 1500 Earnings On Investments—revenue from holdings invested for earning purposes. The revenue is credited to the fund that has provided the monies for the investments.

a. 1510 Interest On Investments—interest revenue on temporary or permanent investment in United States treasury bills, notes, savings accounts, checking accounts, time certificates of deposit, mortgages, or other interest-bearing investments.

b. 1540 Earnings On Investment in Real Property—revenue received for renting or leasing, royalties, use charges and other income from real property held for investment purposes.

i. 1541 Earnings From 16th Section Property—amounts charged or received for the use or severance of natural resources from 16th Section properties owned by the school system, including leases under LRS 30:154. This revenue is normally a General Fund revenue.

ii. 1542 Earnings From Other Real Property—amounts charged or received for the use or severance of natural resources from lands other than 16th Section property owned by the school system, including leases under LRS 30:154. This revenue is normally a General Fund revenue.

6. 1600 Food Service—revenues collected by the School Food Service Department for dispensing food to students, adults, and other agencies. This revenue includes funds for "at cost" meals, paying students, contracted meals, and catering revenues.

a. 1610 Income From Meals—revenues collected by the School Food Service Department for meals served to students, adults, or visitors, contract meals, second meals to students, and "at cost" meals.

b. 1620 Income From Extra Meals—revenues collected by the School Food Service Department for extra

servings, catering services, special functions, or sales of milk and juice.

7. 1800 Community Service Activities—charges received from providing community service activities operated by the school system. This fee is a revenue to the fund to which expenditures of operation of the activity are charged.

8. 1900 Other Revenues From Local Sources—other revenue from local sources not classified above.

a. 1910 Rentals—fees charged for the use of school facilities or equipment. These fees are normally a General Fund revenue.

b. 1920 Contributions and Donations—revenue from philanthropic foundations, private individuals, or private organizations for which no repayment or special service to the contributor is expected. The granting person may require that a special accounting be made of the use of the funds provided, a stipulation that may require the use of a Special Revenue Fund or a Trust Fund.

c. 1940 Books and Supplies Sold—revenue received from the sale of such materials and supplies. This revenue is normally a General Fund revenue.

d. 1950 Services Provided Other LEA's—revenues received from other local education agencies other than for tuition and transportation services. This revenue is normally a General Fund revenue.

e. 1960 Services Provided Other Local Governments—fees charged for services rendered to other units of local government. This fee is normally a General Fund revenue.

f. 1970 Services Provided Other Funds—interfund charges for services rendered by one fund to another fund. This account would be used with only Internal Service funds.

g. 1990 Miscellaneous—revenues from other local sources that are not classified above. This revenue is normally a General Fund revenue.

i. 1991 Medicaid Reimbursement—reimbursement received from the Medicaid program for services rendered to qualifying students under the program. This revenue is normally a General Fund revenue.

ii. 1992 Kid Med—fees or reimbursements received for providing EPSDT services to qualifying students. This revenue is normally a General Fund revenue.

iii. 1993 Federal 4-rate (Gross)—reimbursement received as part of the Telecommunications Act of 1996. The federal government set up the Schools and Librarians Universal Service Program with the express purpose of providing affordable access to telecommunications services. This program gives discounts of 20 percent to 90 percent on telecommunication services, internet access, and internal connections.

iv. 1999 Other Miscellaneous Revenues—revenues from other miscellaneous sources not classified above.

B. 3000 Revenue From State Sources

1. 3100 Unrestricted Grants-In-Aid—revenue recorded as grants by the LEA from state funds, which can be used for any legal purpose desired by the LEA without restriction. Separate accounts may be maintained for general grants-in-aid that are not related to specific revenue sources of the state and for those assigned to specific sources of revenue, as appropriate.

a. 3110 State Public School Fund—monies distributed to Louisiana public school systems under the Minimum Foundation Program (MFP). This revenue is a General Fund revenue.

b. 3115 State Public School Fund—monies distributed to Louisiana public school systems under the minimum foundation program (MFP) for food services operations. This revenue is an Other Special Funds revenue.

c. 3120 16th Section Land Fund Interest—interest paid by the State to certain school systems due to the erroneous sale of 16th Section lands during the nineteenth century. The rate of interest is fixed at 4 percent per annum per LRS 41:641.

d. 3190 Other Unrestricted Revenues—other funds distributed by the State to the school systems; these funds are not dedicated, or required to be used for specific purposes. This revenue may be General Fund or Special Revenue Fund revenue.

2. 3200 Restricted Grants-in-Aid—revenue recorded as grants by the LEA from state funds; these funds must be used for a categorical or specific purpose. If such money is not completely used by the LEA, it must be returned, usually, to the State.

a. 3210 Special Education—amounts granted by the State; they are required to be used solely for special education purposes. This revenue may be General Fund or Special Revenue Fund revenue.

b. 3220 Education Support Fund—amounts granted under the 8(g) Mineral Trust Fund by the Board of Elementary and Secondary Education (B.E.S.E.) to be used for specific purposes stated in the grant application. This revenue may be General Fund or Special Revenue Fund revenue.

c. 3223 Sixteenth Section Land Funds (withdrawals)—revenue derived from Sixteenth Section indemnity lands. This revenue is held in trust by the Louisiana Department of Treasury for all school districts involved.

d. 3225 Adult Education—amounts granted by the State under LRS 17:14; it is required that the revenue be used solely for adult education purposes. This revenue may be General Fund or Special Revenue Fund revenue.

e. 3230 PIP—funds granted by the State to school systems for paying professional improvement program (PIP) salaries to qualifying teachers in the systems. This revenue is normally General Fund revenue.

f. 3250 Non-Public Transportation—amounts granted by the State for which payment is made to the LEA upon receipt of an agreement between the LEA and the non-public school system to provide transportation of non-public students to non-public schools by the use of the LEA's transportation system. This revenue is normally a General Fund revenue.

g. 3255 Non-Public Textbook—amounts granted by the State to reimburse LEA's for purchases of textbooks on behalf of non-public schools. This revenue is normally a General Fund revenue.

h. 3260 Part C/Infant Toddler (Child Search)—funds granted by the State for purposes of ensuring that qualifying Part C -Infant/Toddlers (0-2 year olds) are identified.

i. 3290 Other Restricted Revenues—other restricted revenues received from the State, other than those described

above; these funds must be used for a categorical or specific purpose.

3. 3800 Revenue in Lieu of Taxes—commitments or payments made out of general revenues by a state to the LEA in lieu of taxes it would have had to pay had its property or other tax base been subject to the taxation by the LEA on the same basis as privately owned property. It would include payment made for privately owned property that is not subject to taxation on the same basis as other privately owned property due to action by the State.

a. 3810 Revenue Sharing—Constitutional Tax—funds appropriated annually by the State Legislature to fulfill its constitutional obligation to compensate local school systems partially for tax revenue lost due to homestead exemptions on the constitutional Ad Valorem tax. This revenue is normally General Fund revenue.

b. 3815 Revenue Sharing—Other Taxes—funds appropriated annually by the State Legislature to fulfill its constitutional obligation to compensate local school systems partially for tax revenue lost due to homestead exemptions on Ad Valorem taxes other than the constitutional Ad Valorem tax. This revenue is normally revenue to the fund associated with the particular Ad Valorem tax.

c. 3820 Revenue Sharing—Excess Portion—a distribution made by the Tax Collector to qualifying taxing authorities with remaining State revenue-sharing funds after all other required distributions have been made. This revenue is normally General Fund revenue.

d. 3890 Other Revenue in Lieu of Taxes—other commitments or payments made by the State in lieu of taxes.

4. 3900 Revenue for/on Behalf of LEA—commitments or payments made by a state for the benefit of the LEA, or contributions of equipment or supplies. Such revenue includes the payment to a pension fund by the State on behalf of an LEA employee for services rendered to the LEA and a contribution of fixed assets by a State unit to the LEA.

a. 3910 Employer's Contribution to Teachers Retirement—direct payments made by the State to the Teachers Retirement System for persons receiving PIP salaries. It is recorded by debiting retirement expenditures and crediting this account. This revenue is a General Fund Revenue.

b. 3990 Other Revenue for/on Behalf of the LEA—other commitments or payments made by the State for the benefit of the LEA.

C. 4000 Federal Sources

1. 4100 Unrestricted Grants-in-Aid Direct from the Federal Government—revenues direct from the Federal Government as grants to the LEA; this revenue can be used for any legal purpose desired by the LEA, without restriction.

a. 4110 Impact Aid Fund—amounts paid directly by the Federal Government to the LEA to supplement the education of children from families stationed at military bases who attend the LEA's public schools under P. L. 81-874. This revenue is normally a General Fund Revenue.

b. 4190 Other Unrestricted Grants—Direct—other revenues direct from the Federal Government other than those programs described above.

2. 4200 Unrestricted Grants-in-Aid from the Federal Government Through the State—revenues from the Federal

Government through the State as grants that can be used for any legal purpose desired by the LEA, without restriction.

a. 4210 Flood Control—amounts received from the Federal Government and distributed by the State for flood control to the LEA.

b. 4290 Other Unrestricted Grants Through State—other revenues received from the Federal Government through the State other than those classified above.

3. 4300 Restricted Grant-in-Aid Direct from the Federal Government—revenue direct from the Federal Government as grants to the LEA; the revenue may be used for a categorical or specific purpose. If such money is not completely used by the LEA, it usually is returned to the governmental unit.

a. 4310 Federally Affected Areas – Capital Outlay (P. L. 81–815) – Amounts paid directly by the Federal Government to the LEA for purchase of capital assets under provisions of P. L. 81–815. This revenue is normally a Special Revenue Fund revenue, since an accounting must be made to demonstrate appropriate use of the proceeds received.

b. 4320 Vietnamese and Refugee Program Fund – The Vietnamese and Refugee Program Fund accounts for a program that provides financial assistance to State and local educational agencies to meet special education needs of eligible refugee children enrolled in elementary and secondary schools.

c. 4330 ROTC – Amount paid directly to the LEA for operation of a Reserve Officer Training Corps (ROTC) program at schools in the district. This is revenue to the fund that pays the expenditures of the ROTC program.

d. 4340 Headstart Program – Amount paid directly to the LEA for operation of the Headstart program in the district. This is revenue to the fund that pays the expenditures of the Headstart program.

e. 4390 Other Restricted Grants – Direct – Funds received from the Federal Government other than those shown above.

4. 4500 Restricted Grants–in–Aid from the Federal Government Through the State - Revenues from the Federal Government through the State as grants to the LEA; this revenue must be used for a categorical or specific purpose.

a. 4510 Vocational Education – Federal funds granted to the local education agency and administered by the State under the Carl D. Perkins Vocational Act Education Program. These monies are reimbursement type grants.

b. 4515 School Food Service – All federal funds administered by the State and granted to the School Food Service Department for subsidies for all student meals in the National School Lunch and School Breakfast Programs, Summer Food Service Program, Child and Adult Care Food Program, and the Nutrition, Education, and Training Program. This revenue also includes funds from the Cash in Lieu of Commodities Program. The value of USDA commodities received should be recorded in 4220 Value of USDA Commodities.

c. 4520 Adult Basic Education – All federal funds administered by the State and granted to the LEA for purposes of providing Adult Basic Education (ABE).

d. 4530 Special Education – All federal funds administered by the State and granted to the LEA for students identified as being mentally or physically disabled.

i. 4531 IDEA–Part B – Federal funds administered by the State and granted to the LEA for special education purposes under the Individuals with Disabilities Education Act (IDEA). This revenue is generally a Special Revenue Fund revenue.

ii. 4532 IDEA–Preschool – Federal funds administered by the State and granted to the LEA for all pre-school special education children under the Individuals with Disabilities Education Act (IDEA). This revenue is generally a Special Revenue Fund revenue.

iii. 4533 IASA – Federal funds administered by the State and granted to the LEA under the Title I program for handicapped children under the Improving America's Schools Act (IASA). This revenue is generally a Special Revenue Fund revenue.

iv. 4534 IDEA Part c –Infant/Toddler – Federal funds administered by the State and granted to the LEA for all children ages 0–2. This revenue is generally a Special Revenue Fund revenue.

v. 4535 Other Special Education Programs – All other federally funded program grants administered by the State and granted to the LEA for special education purposes, other than those described above. This revenue is generally a Special Revenue Fund revenue.

e. 4540 Improving America's Schools Act (IASA) – Federal funds administered by the State and granted to the LEA for programs for economically and educationally deprived school children.

i. 4541 Title I Grants to Local Educational Agencies – Federal funds administered by the State to provide a program for economically and educationally deprived children; the funds supplement rather than supplant activities that are state or locally mandated. This revenue is normally a Special Revenue Fund revenue.

ii. 4542 Title I, Part C – Migrant Education Basic State Grant Program – Federal funds administered by the State to provide programs to meet the special education needs of children of migratory agricultural workers and migratory fishers, needs that have resulted from their migratory lifestyles or history.

iii. 4543 Title VI Innovative Education Program Strategies – Federal funds administered by the State to provide various types of programs that the school board may institute with the approval of the State Department of Education. This revenue is normally a Special Revenue Fund revenue.

iv. 4544 Title IV – Safe and Drug Free Schools and Communities State Grants – Federal funds administered by the State to educate children to prevent drug abuse. This revenue is normally a Special Revenue Fund revenue.

v. 4545 Title II – Eisenhower Professional Development State Grants – Federal funds administered by the State to provide financial assistance to improve the skills of teachers in mathematics and science. This revenue is normally a Special Revenue Fund revenue.

vi. 4546 Other IASA Programs – All other federally funded program grants administered by the State and granted to the LEA under the improving America's Schools Act other than those described above. This revenue is generally a Special Revenue Fund revenue.

f. 4550 Job Training Partnership Act (JTPA) – Federal funds administered by the State under the Job

Training Partnership Act Program. This revenue is normally a Special Revenue Fund revenue.

g. 4580 FEMA – Disaster Relief – Federal funds administered by the State to provide financial assistance to an LEA for repairs and/or rebuilding necessary after a natural disaster.

h. 4585 Starting Points Program – Federal funds administered by the State to provide financial assistance for pre-school programs designed to provide quality education to children whose parents are enrolled in job-training programs.

i. 4590 Other Restricted Grants Through State – Federal funds administered by the State other than those shown above.

5. 4800 Revenue in Lieu of Taxes - Commitments or payments made out of general revenues by the Federal Government to the LEA in lieu of taxes it would have had to pay had its property or other tax base been subject to taxation by the LEA on the same basis as privately owned property or other tax base. Such revenue would include payment made for privately owned property that is not subject to taxation on the same basis as other privately owned property because of action by the Federal Governmental unit.

a. 4810 Loss of Taxes Because of Federal Housing Projects – Federal payments in lieu of taxes made directly to the LEA because of the existence of a Federally-funded housing project in the district, the location of which causes a loss of Ad Valorem tax revenue. This revenue is normally pro-rated to the funds that record the affected Ad Valorem tax revenues.

b. 4820 Sale of Timber, etc., On Federal Forest Reserves – Federal payments in lieu of taxes made directly to the LEA because of the existence of a federal forest reserve in the district and for which the Federal Government has agreed to share a portion of the revenues derived from the sale of timber or other products contained thereon. This revenue is normally a General Fund Revenue.

c. 4890 Other Revenue in Lieu of Taxes – Other revenue in lieu of taxes made directly to the LEA, other than those described above.

6. 4900 Revenue for/on Behalf of the LEA - Commitments or payments made by the Federal Government for the benefit of the LEA, or contributions of equipment or supplies. Such revenue includes a contribution of fixed assets by a Federal governmental unit to the LEA and funds donated by the Federal Government to the LEA.

a. 4910 Nonfood Assistance – Federal assistance received in terms of non-cash and non-food type items granted directly to the LEA. This revenue is recorded by debiting the appropriate expenditure account that would have been charged had the LEA purchased the particular item and by crediting this account.

b. 4920 Value of USDA Commodities – Federal assistance received by the School Food Service Department in terms of the stated value of United States Department of Agriculture commodities. This revenue is recorded by debiting the appropriate food account and by crediting this account.

c. 4990 Other Revenues for/on Behalf of the LEA – Other commitments or payments made by the Federal

Government for the benefit of the LEA or contributions of equipment or supplies, other than those described above.

D. 5000 Other Sources of Funds

1. 5100 Sale of Bonds - The proceeds from the sale of bonds.

a. 5110 Bond Proceeds – Principal received through the issuance of a debt instrument by the LEA. This revenue is normally accounted for in the fund that will expend the proceeds from the debt issuance (e.g., Capital Projects Funds).

b. 5120 Accrued Interest and Premium on Bonds Sold – Amounts received for accrued interest from the sale of bonds and/or that portion of the sales price of bonds in excess of their par value. This revenue is normally credited to the fund that is responsible for payment of the principal and interest on the debt.

2. 5200 Interfund Transfers - Amount available from another fund that will not be replaced.

a. 5210 Transfer of Indirect Costs – Amounts of indirect costs transferred from direct federal grants, usually to the General Fund.

b. 5220 Operating Transfers In – Interfund transfers made by the LEA from one fund to another that does not carry a corresponding obligation on the receiving fund to repay the amount to the paying fund. This account is credited by the receiving fund, while the paying fund debits Fund Transfers Paid in the Other Use of Funds Section.

3. 5300 Sale or Compensation for Loss of Fixed Assets - Amounts available from the sale of school property or compensation for the loss of fixed assets.

a. 5310 Sale of Surplus Items/Fixed Assets – Amounts received by the LEA for the sale of land, buildings, improvements, furniture or equipment. This revenue is normally revenue to the fund which had originally purchased the fixed assets.

b. 5320 Insurance Proceeds from Losses – Amounts received by the LEA from an insurance company to compensate for the fire, theft, or other casualty to fixed assets. This revenue is normally revenue to the fund that had originally purchased the items.

c. 5330 Collection for Lost or Damaged Textbooks – Amounts received by the LEA from students (or parents) for textbooks that have been lost or stolen. This revenue is normally revenue to the fund that originally purchased textbooks.

4. 5400 Loans - Proceeds from loans greater than twelve (12) months.

5. 5500 Capital Lease - Amount equal to the present value of minimum lease payments arising from capital lease agreements entered into by the LEA. This revenue is recorded by debiting the associated expenditures account and by crediting this account. Corresponding entries should be made in the General Fixed Asset and General Long-Term Debt Account Groups.

6. 5600 Judgments – Amounts received as a result of a court order or judgment in favor of the LEA. This revenue is normally a revenue to the fund that expended monies to rectify the claim or paid the associated legal fees relative to the action that gave rise to the favorable judgment.

AUTHORITY NOTE: Promulgated in accordance with R.S. 17(2)(e).

HISTORICAL NOTE: Promulgated by the Board of Elementary and Secondary Education, LR 26:

Chapter 9. Classification of Expenditures and Other Uses of Funds

§901. Object Codes

A. This dimension is used to describe the service or commodity obtained as the result of a specific expenditure. There are nine major object categories, each of which is further subdivided. Listed below are definitions of the object classes and selected sub-object categories.

B. 100 Salaries - Amounts paid to both permanent and temporary LEA employees, including personnel substituting for those in permanent positions. This expenditure includes gross salary for personal services rendered while on the payroll of the LEA's.

1. 110 Salaries of Regular Employees - Full-time, part-time, and prorated portions of the costs for work performed by permanent employees of the LEA.

a. 111 Officials/Administrators/Managers - These are occupations requiring administrative personnel who set broad policies, exercise overall responsibility for execution of these policies, or direct individual departments or special phases of the school system. Included in this category are superintendents of schools; assistant, deputy and associate superintendents; instructional coordinators, supervisors and directors; principals and assistant principals; and school business officials.

b. 112 Teachers - Staff members assigned the professional activities of instructing pupils in courses in classroom situations for which daily-pupil attendance figures for the school system are kept. Included in this category are music, band, physical education, home economics, librarians, special education, etc.

c. 113 Therapists/Specialists/Counselors - Staff members responsible for teaching or advising pupils with regard to their abilities and aptitudes, educational and occupational opportunities, personal and social adjustments. Included in this category are speech therapists, occupational therapists, physical therapists, guidance counselors, psychologists, social workers, assessment teachers/diagnosticians, and instructional specialists.

d. 114 Clerical/Secretarial - These are occupations requiring skills and training in all clerical-type work including activities such as preparing, transcribing, systematizing, or preserving written communication and reports, or operating such mechanical equipment as bookkeeping machines, typewriters and tabulating machines. Included in this category are bookkeepers, messengers, office machines operators, clerk-typist, stenographers, statistical clerks, dispatchers, and payroll clerks.

e. 115 Aides - Staff members working with students under the direct supervision of a classroom teacher or under the direct supervision of a staff member performing professional-educational-teaching assignments on a regular schedule. Included in this category are teacher aides, library aides, bus aides, etc.

f. 116 Service Workers - Staff members performing a specialized service; included in this category are cafeteria workers, bus drivers, school security guards, custodians, etc.

g. 117 Skilled Crafts - Occupations in which workers perform jobs that require special manual skill and a thorough and comprehensive knowledge of the process

involved in the work, which is acquired through on-the-job training and experience or through apprenticeship or other formal training programs. Included in this category are mechanics, electricians, heavy equipment operators, carpenters, etc.

h. 118 Degreed Professionals - Occupations requiring a high degree of knowledge and skills acquired through at least a baccalaureate degree or its equivalent. This classification normally includes nurses, architects, lawyers, accountants, etc.

i. 119 Other Salaries - Other staff members other than those classified above.

2. 120 Salaries of Temporary Employees - Full-time, part-time, and prorated portions of the costs for work performed by employees of the LEA who are hired on a temporary or substitute basis.

a. 121 Acting Employee - The cost of work performed by a person who is temporarily taking over the duties or position of a regular employee.

b. 122 Seasonal Employee - The cost of work performed by a person who is hired on a temporary basis usually not more than five months which is affected by or dependent on a certain time of year.

c. 123 Substitute Employee - The cost of work performed by a person who is hired on a day-by-day basis in place of a regular employee.

d. 129 Other Temporary Employee - Temporary employees other than those classified above.

3. 130 Salaries for Overtime - Amounts paid to employees of the LEA in either temporary or permanent positions for work performed in addition to the normal work period for which the employee is compensated under regular salaries and temporary salaries above. The terms of such payment for overtime are a matter of State and local regulations and interpretation.

4. 140 Salaries for Sabbatical Leave - Amounts paid by the LEA to employees on sabbatical leave.

5. 150 Stipend Pay - A one-time payment or allowance to regular employees to attend workshops or in service training programs.

C. 200 Employee Benefits - Amounts paid by the LEA on behalf of employees; these amounts are not included in the gross salary, but are in addition to that amount. Such payments are fringe benefit payments and, while not paid directly to employees, are, nevertheless, part of the cost of personal services. Such amounts must be distributed to each function according to the employee's assignment.

1. 210 Group Insurance - Employer's share for current employees of any insurance plan. Group insurance for retirees should be reported under object code 270: Health Benefits.

2. 220 Social Security Contributions - Employer's share of Social Security paid by the LEA. (FICA)

3. 225 Medicare/Medicaid contributions - Employer's share of Medicare/Medicaid paid by the LEA.

4. 230 Retirement Contribution - Employer's share of any State or local employee retirement system paid by the LEA, including the amount paid for employees assigned to federal programs.

a. 231 Louisiana Teachers' Retirement System Contributions (TRS)

b. 233 Louisiana School Employees' Retirement System Contributions (LSERS)

c. 235 Louisiana Parochial School Employees' Retirement System Contributions (LPERS)

d. 239 Other Retirement Contributions

5. 240 Tuition Reimbursement - Amounts reimbursed by the LEA to any employee qualifying for tuition reimbursement based upon LEA policy.

6. 250 Unemployment Compensation - Amounts paid by the LEA to provide unemployment compensation for its employees.

7. 260 Workmen's Compensation - Amounts paid by the LEA to provide workmen's compensation insurance for its employees.

8. 270 Health Benefits - Amounts paid by the LEA to provide health benefits for employees now retired and for whom benefits are paid.

9. 280 Sick Leave Severance Pay - Amounts of unused sick leave paid by the LEA to its employees upon their retirement.

10. 290 Other Employee Benefits - Employee benefits other than those classified above.

D. 300 Purchased Professional and Technical Services - Services which, by their nature, can be performed only by persons or firms with specialized skills and knowledge. While a product may or may not result from the transaction, the primary reason for the purchase is the service provided.

1. 310 Purchased Official/Administrative Services - Services in support of the various policy-making and managerial activities of the LEA. Included would be management consulting activities oriented to general governance or business and financial management of the LEA; school management support activities; election and tax assessing and collecting services. This object code is usually used with functions 2300 General Administration and 2400 School Administration.

a. 311 Assessor Fees - Money paid to the tax assessor, who assesses property for taxation.

b. 312 Sheriff Fees - Money paid to the local sheriff, who is charged with the collection and remittance of property taxes to the LEA.

c. 313 Pension Fund - Monies deducted from the proceeds of property taxes for the payment of all pensions into the Pension Accumulation Fund (L. R. S. 17:696).

d. 314 Sales Tax Collection Fees - Money paid to another individual or other governmental body charged with the collection and remittance of sales and use taxes.

e. 315 State Tax Commission Fees - Money paid to the Louisiana Tax Commission pursuant to a judgment upheld by the courts against a company that files suit to contest the correctness or legality of any final determination of its assessed valuation for taxation. The fee is an amount equal to ten percent (10%) of the proceeds received (L. R. S. 47:1856f).

f. 316 Election Fees - Money paid to other governmental agencies for expenses related to the election of school board members, as well as elections for the purpose of collecting tax revenues.

g. 317 Management Consultants - Money paid to an individual or firm to study and evaluate the activities of the school system.

h. 319 Other Fees - Official and administrative services other than those classified above.

2. 320 Purchased Educational Services - Services supporting the instructional program and its administration. Included would be curriculum improvement services, counseling and guidance services, library and media support and contracted instructional services. Also included would be payments to speakers to make presentations at workshops and in service training programs. This object code is usually used with functions 1000 Instruction, 2100 Pupil Support Services, and 2200 Instructional Staff Services.

3. 330 Other Purchased Professional Services - Professional services which support the operation of the LEA other than educational services. Included are medical doctors, lawyers, architects, auditors, accountants, therapists, audiologists, dieticians, editors, negotiations specialists, systems analysts, planners, and the like. This object code is usually used with function 2000 Support Services.

a. 331 Occupational/Physical Therapist Services - Professional services contracted or paid by the LEA for treatment of an injury by physical activity rather than with drugs or for the treatment of mental ailments by work designed to divert the mind.

b. 332 Legal Services - Professional services contracted or paid by the LEA to defend itself against lawsuits and to assist the LEA's in conforming with the law.

c. 333 Audit/Accounting Services - Professional services contracted or paid by the LEA to examine and check the financial operations of the school system, as well as to provide assistance in keeping, analyzing and explaining accounts.

d. 334 Architect/Engineering Services - Professional services contracted or paid by the LEA to design buildings, to draw up the plans, and generally to supervise the construction.

e. 335 Medical Doctors - Professional services contracted or paid by the LEA to provide medical services such as a physical for employees or for students that want to participate in athletics.

f. 339 Other Professional Services - Professional services other than those classified above.

g. 340 Purchased Technical Services - Services to the LEA which are not regarded as professional, but which require basic scientific knowledge, manual skills, or both. Included are data processing services, banking services, purchasing and warehousing services, graphic arts and the like. This object code is used usually with functions 1000 Instruction and 2000 Support Services.

E. 400 Purchased Property Services - Services purchased to operate, repair, maintain, and rent property owned or used by the LEA. These services are performed by persons other than LEA employees. While a product may or may not result from the transaction, the primary reason for the purchase is the service provided.

1. 410 Utility Services - Expenditures for utility services other than energy services supplied by public or private organizations. Water and sewerage are included here. Telephone and telegraph are not included here, but are classified under object 530 Telephone and Postage. This object code is used with only function 2600 Operations and Maintenance of Plant Services.

a. 411 Water/Sewage -Expenditures for water/sewage utility services from a private or public utility company.

2. 420 Cleaning Services - Services purchased to clean buildings (apart from services provided by LEA employees). This object code is used with only function 2600 Operations and Maintenance of Plant Services.

a. 421 Disposal Services – Expenditures for garbage pickup and handling not provided by LEA personnel.

b. 422 Snow Plowing Services – Expenditures for snow removal not provided by LEA personnel.

c. 423 Custodial Services – Expenditures to an outside contractor for custodial services.

d. 424 Lawn Care – Expenditures for lawn and grounds upkeep, minor landscaping, nursery services and the like not provided by LEA personnel.

3. 430 Repairs and Maintenance Services - Expenditures for repairs and maintenance services not provided directly by LEA personnel. This expenditure includes contracts and agreements covering the upkeep of buildings, upkeep of equipment, including computers and related technology, and portable building relocation expenses. Costs for renovating and remodeling are not included here but are classified under object 450 Construction Services.

4. 440 Rentals - Costs for renting or leasing land, buildings, equipment, and vehicles.

a. 441 Renting Land and Buildings – Expenditures for leasing or renting land and buildings for both temporary and long-range use by the LEA. This object code is used with function 2600 Operations and Maintenance of Plant Services or other appropriate programs.

b. 442 Rental of Equipment and Vehicles – Expenditures for leasing or renting equipment or vehicles for both temporary and long-range use by the LEA. This expenditure includes bus and other vehicle rental when operated by a local LEA, lease-purchase arrangements, and similar rental agreements. This object code is usually used with function 1000 Instruction or 2000 Support Services, and appropriate program code.

5. 450 Construction Services – Expenditures for constructing, renovating and remodeling paid to contractors. This object code includes the installation of new phone lines or cable to provide Internet access. It is used only with functions 4500 Building Acquisition and Construction Services, and 4600 Building Improvement Services.

6. 490 Other Purchased Property Services - Purchased property services that are not classified above. Costs for telephone and telegraph are not included here, but are included in object 530 Telephone and Postage. This object code is used usually with function 2600 Operations and Maintenance of Plant Services.

F. 500 Other Purchased Services - Amounts paid for services rendered by organizations or personnel not on the payroll of the LEA (separate from professional and technical services or property services). While a product may or may not result from the transaction, the primary reason for the purchase is the service provided.

1. 510 Student Transportation Services - Expenditures for transporting children to and from school and other

activities. This object code is used with only function 2700 Student Transportation Services.

a. 511 Student Transportation Purchased from Another LEA within the State – Amounts paid to other LEAs within the state for transporting children to and from school and school-related events. Expenditures for the rental of buses that are operated by personnel on the LEA payroll are recorded not here, but under object code 442 Rental of Equipment and Vehicles.

b. 512 Student Transportation Purchased from Another LEA outside the State – Payments to other LEAs outside the State for transporting children to and from school and school-related events.

c. 513 Payments in Lieu of Transportation – Payments to individuals who transport themselves or their own children or for reimbursement of transportation expenses on public carriers.

d. 519 Student Transportation Purchased from other Sources – Payments to persons or agencies other than LEAs for transporting children to and from school and school-related events.

2. 520 Insurance (Other than Employee Benefits) - Expenditures for all types of insurance coverage, including property, liability, and fidelity. Insurance for group health should be recorded under object 200 Employee Benefits.

a. 521 Liability Insurance – Insurance that pays and renders service on behalf of the LEA for loss arising out of its responsibility, due to negligence, to others as imposed by law or assumed by contract.

b. 522 Property Insurance – Insurance that indemnifies the LEA with an interest in physical property for its loss or the loss of its income producing ability.

c. 523 Fleet Insurance – Insurance that protects the LEA against any physical damage to its vehicles, property damage, liability and/or other coverages.

d. 524 Errors and Omissions Insurance – Professional liability insurance that protects the LEA against legal liability resulting from negligence, errors and omissions, and other aspects of rendering or failing to render professional service. It does not cover fraudulent, dishonest or criminal acts.

e. 525 Faithful Performance Bonds – A bond that will reimburse the LEA for loss up to the amount of the bond, sustained by the LEA by reason of any dishonest act of an employee or employees covered by the bond.

f. 529 Other Insurance – Payments for insurance other than those classified above.

3. 530 Telephone and Postage - Expenditure for services provided by persons or businesses to assist in transmitting and receiving messages or information. This category includes telephone and telegraph services, postage machine rental and postage, and Internet access charges via telephone lines or cable. This object code is used usually with functions 2300 General Administration or 2400 School Administration. This object code may be used with 1900 Instructional Technology.

4. 540 Advertising - Expenditures for announcements in professional publications, newspapers or broadcasts over radio and television. These expenditures include advertising for such purposes as personnel recruitment, legal ads, new and used equipment, and sale of property. Costs for professional advertising or public relations services should

be charged to object 330 Other Purchased Professional Services. This object code is used usually with functions General Administration, 2500 Business Services , or 2800 Central Services.

5. 550 Printing and Binding - Expenditures for job printing and binding, usually according to specifications of the LEA. This expenditure includes designing and printing forms and posters as well as printing and binding LEA publications. Pre-printed standard forms should be recorded under object 610 Materials and Supplies. This object code is used usually with function 2500 Business Services.

6. 560 Tuition - Expenditures to reimburse other educational agencies for providing instructional services for students residing within the legal boundaries of the paying LEA. This object code is used with only function 1000 Instruction.

a. 561 Tuition to Other in State LEA's – Tuition paid to other LEAs within the State.

b. 562 Tuition to Other LEA's Outside the State – Tuition paid to other LEAs outside the State.

c. 563 Tuition to Private Sources – Tuition paid to private schools.

d. 564 Tuition to Intermediate Education Agencies within the State.

e. 565 Tuition to Intermediate Education Agencies outside the State.

f. 569 Other Tuition – Tuition paid to other governmental organizations as reimbursement for providing specialized instructional services to students residing within the boundaries of the paying LEA.

7. 570 Food Service Management - Expenditures for the operation of a local food service facility by other than employees of the LEA. Included are contracted services, such as food preparation, associated with the food service operation. Direct expenditures by the LEA for food, supplies, labor and equipment would be charged to the appropriate object codes. This object code is used with only function 3100 Food Service Operations.

8. 580 Travel - Expenditures for transportation, meals, hotel, and other expenses associated with staff travel for the LEA. Payments for per diem in lieu of reimbursements for subsistence (room and board) also are charged here. This object code is used with all functions except 5000 Other Sources of Funds.

a. 581 Mileage Allowance – A sum of money granted at stated intervals for travel expenses in lieu of reimbursement for actual travel expenses.

b. 582 Travel Expense Reimbursement – A sum of money paid for travel expenses at a specified amount per mile plus actual reimbursement for meals, hotel and other expenses.

c. 583 Operational Allowance – A sum of money granted to those individuals at stated intervals for the operation and maintenance of a vehicle.

9. 590 Miscellaneous Purchased Services - Expenditures for purchased services other than those described above. Any inter-district payments other than tuition should be classified here.

a. 591 Services Purchased Locally – Expenditures for purchased services not otherwise classified in the 300 Purchased Professional and Technical Services, 400

Purchased Property Services, or 500 Other Purchased Services series of objects. This object code is used with all functions except 5000 Other Sources of Funds.

b. 592 Services Purchased from Another LEA within the State – Payments to another LEA within the state for services rendered, other than tuition and transportation fees. Examples of such services are data processing, purchasing, nursing and guidance. When a question arises as to whether to code such payments to the 300 series of object code, purchased professional and technical services, or to this code, 592 should be used so that all inter-district payments can be eliminated when consolidating reports from multiple LEA's at state and federal levels. This code is used with only function 2000 Support Services.

c. 593 Services Purchased from Another LEA outside the State – Payments to another LEA outside the state for services rendered, other than tuition and transportation fees. Examples of such services are data processing, purchasing, nursing and guidance. When a question arises as to whether to code such payments to the 300 series of object codes or to this code, 593 Services Purchased from Another LEA within the State should be used so that all inter-district payments can be eliminated when consolidating reports at the federal level. This object code is used with only function 2000 Support Services.

G. 600 Supplies - Amounts paid for items that are consumed, worn out, or deteriorated through use; or for items that lose their identity through fabrication or incorporation into different or more complex units or substances. Refer to Appendix D for the criteria for distinguishing between a supply and an equipment item.

1. 610 Materials and Supplies - Expenditures for all supplies (other than those listed below) for the operation of an LEA, including freight and cartage. A more thorough classification of supply expenditures is achieved by identifying the object with the function: for example, audiovisual supplies or classroom teaching supplies. See Appendix A. This object code is used with all functions except 5000 Sources of Funds.

2. 620 Energy - Expenditures for energy – including gas, oil, coal, gasoline, and services received from public or private utility companies.

a. 621 Natural Gas – Expenditures for gas utility services from a private or public utility company. This object code is used with functions 1000 Instruction, 2600 Operations and Maintenance of Plant Services, and 3100 Food Services Operations.

b. 622 Electricity – Expenditures for electric utility services from a private or public utility company. This object code is used usually with functions 1000 Instruction, and 2600 Operations and Maintenance of Plant Services.

c. 623 Bottled Gas – Expenditures for bottled gas, such as propane gas received in tanks. This object code is used with functions 1000 Instruction, 2600 Operations and Maintenance of Plant Services, 3100 Food Services Operations.

d. 624 Oil – Expenditures for bulk oil normally used for heating. This object code is used with only function 2600 Operations and Maintenance of Plant Services.

e. 625 Coal – Expenditures for raw coal normally used for heating. This object code is used with only function 2600 Operations and Maintenance of Plant Services.

f. 626 Gasoline – Expenditures for gasoline purchased in bulk or periodically from a gasoline service station. This object code is used usually with functions 2600 Operations and Maintenance of Plant Services and 2700 Student Transportation Services.

g. 629 Other – Expenditures for energy that cannot be classified in one of the foregoing categories.

3. 630 Food - Expenditures for food used in the school food service program. This object code is used with only function 3100 Food Services Operations. Food used in instructional programs is charged under object code 610 Materials and Supplies.

a. 631 Purchased Food – Food that is purchased from vendors rather than food received from the U.S. Department of Agriculture.

b. 632 Commodities – Food that is passed through the State Department of Agriculture from the U.S. Department of Agriculture.

4. 640 Books and Periodicals - Expenditures for books, textbooks and periodicals prescribed and available for general use, including reference books. This category includes the cost of workbooks, textbook binding or repairs, as well as textbooks that are purchased to be resold or rented. Also recorded here are the costs of binding or other repairs to school library books. This object code is used with all functions except 5000 Other Use of Funds.

a. 641 Library Books – A collection of books systematically arranged for reading or reference.

b. 642 Textbooks – A book giving instructions in the principles of a subject of study or any book used as the basis or partial basis of a course of study.

c. 643 Workbooks – A book for the use of students. It contains questions and exercises based on a textbook or course of study.

d. 644 Periodicals – A publication appearing at regular intervals of more than one day, as a weekly magazine.

H. 700 Property - Expenditures for acquiring fixed assets, including land or existing buildings; improvements of grounds; initial equipment; additional equipment; and replacement of equipment.

1. 710 Land and Improvements - Expenditures for the purchase of land and the improvements thereon. Purchases of air rights, mineral rights and the like are included here. Also included are special assessments against the LEA for capital improvements such as streets, curbs and drains. Not included here, but generally charged to object codes 450 Construction Services or 340 Technical Services as appropriate, are expenditures for improving sites and adjacent ways after acquisition by the LEA. This object code is used with only functions 4100 Site Acquisition services and 4200 Site Improvement Services.

2. 720 Buildings - Expenditures for acquiring existing buildings. Included are expenditures for installment or lease payments (except interest) that have a terminal date and that result in the acquisition of buildings, except payments to public school-housing authorities or similar agencies. This object code is used with only function 4500 Building Acquisition and Construction Services. Expenditures for the contracted construction of buildings, for major permanent structural alterations, and for the initial or additional installation of heating and ventilating systems, fire

protection systems, and other service systems in existing buildings are recorded under object code 450 Construction Services. Buildings built and alterations performed by the LEAs own staff are charged to object code 100 Salaries, 200 Employee Benefits, 610 Materials and Supplies, and 730 Equipment, as appropriate.

3. 730 Equipment - Expenditures for initial, additional, and replacement items of equipment, such as machinery, furniture and fixtures, computers and vehicles. For clarification as to whether an item is to be classified as equipment or supplies, refer to Appendix A.

a. 731 Machinery – Expenditures for equipment usually composed of a complex combination of parts (excluding vehicles). An example would be a lathe, drill press, or printing press.

b. 732 Vehicles – Expenditures for equipment used to transport persons or objects. Examples are automobiles, trucks, buses, station wagons, and vans.

c. 733 Furniture and Fixtures – Expenditures for equipment used for sitting; as a support for writing and work activities; and as storage space for material items. This object code is used with all functions, except 5000 Other Use of Funds.

d. 739 Other Equipment – Expenditures for all other equipment not classified elsewhere in the 730 Equipment.

4. 740 Depreciation - The portion of the cost of a fixed asset that is charged as an expense during a particular period. In accounting for depreciation, the cost of a fixed asset, less any salvage value, is apportioned over the estimated service life of such an asset, and each period is charged with a portion of such cost. Through this process, the cost of the asset is ultimately charged off as an expense. In accordance with GAAP, using depreciation is required in proprietary funds only.

I. 800 Other Objects - Amounts paid for goods and services not otherwise classified above.

1. 810 Dues and Fees - Expenditures or assessments for membership in professional or other organizations or payments to a paying agent for services rendered. This object code is used with functions 1000 Instruction and 2000 Support Services.

2. 820 Judgments Against the LEA - Expenditures from current funds for all judgments (except as indicated below) against the LEA that are not covered by liability insurance, but are of a type that might have been covered by insurance. Only amounts paid as the result of court decisions are recorded here. Judgments against the LEA resulting from failure to pay bills or debt service are recorded under the appropriate expenditure accounts, as though the bills or debt service had been paid when due. This object code is used with function 2300 General Administration.

3. 830 Interest - Expenditures for interest on bonds or notes. This object code is used with function 2500 Business Services and 5100 Debt Service.

4. 840 Contingency - This account is provided for budgeting appropriations. Expenditures to be paid from the contingency should be charged to the appropriate function and object classification. This object code is used with function 2300 General Administration or may be used with all functions except 5000 Other Use of Funds.

5. 890 Miscellaneous Expenditures - Amounts paid for goods or services not properly classified in one of the

objects included above. Refunds of prior year's expenditures are charged to this account.

J. 900 Other Uses of Funds - This series of object codes is used to classify transactions that are not properly recorded as expenditures to the LEA but require budgetary or accounting control. These transactions include redemption of principal and interest on long-term debt, housing authority obligations, and fund transfers.

1. 910 Redemption of Principal - Outlays from current funds to retire serial bonds and long-term loans. This object code is used with only function 5100 Other Uses of Funds.

2. 915 Payments to Escrow Agent - Funds transferred to an escrow agent to be held in trust for the repayment of refinanced bonds.

3. 920 Housing Authority Obligations - Outlays from current funds to satisfy housing authority obligations of the LEA. A public school housing authority is a public or quasi-public corporation having power to issue authority bonds for public school purposes, construct public school buildings, lease public school buildings to local public school administrative units, or transfer title to such units. All expenditures of this nature are classified in this category. This object code is used with function 5100 Other Uses of Funds.

4. 930 Interfund Transactions - Transactions between funds that should not be classified as an expenditure. This object code is used with all functions.

a. 931 Residual Equity Transfers - Nonrecurring or non-routine transfers of equity between funds: for example, the transfer of residual balances of discontinued funds to the General Fund or Debt Service Fund.

b. 932 Operating Transfers Out - Transactions that withdraw money from one fund to another without recourse: for example, legally authorized transfers from a fund receiving revenue to the fund through which the resources are to be expended.

c. 933 Indirect Costs - The transfer of funds from Federally assisted programs to the General Fund for those indirect costs which are not readily identifiable but are, nevertheless, incurred for the joint benefit of those activities and other activities and programs of the organization.

AUTHORITY NOTE: Promulgated in accordance with R.S. 17(2)(e).

HISTORICAL NOTE: Promulgated by the Board of Elementary and Secondary Education, LR 26:

§903 Function Codes

A. The function describes the activity for which a service or material object is acquired. The functions of an LEA are classified into five broad areas: instruction, support services, operation of non-instructional services, facilities acquisition and construction, and other outlays. Functions are further broken down into subfunctions and areas of responsibility.

B. 1000 Instruction - Activities dealing directly with the interaction between teachers and students. Teaching may be provided for students in a school classroom, in another location such as a home or hospital, and in other learning situations such as those involving co-curricular activities. It may also be provided through some other approved medium such as television, radio, telephone and correspondence. Included here are the activities of aides or classroom assistants of any type (clerks, graders, teaching machines, etc.) that assist in the instructional process.

1. 1100 Regular Programs - Elementary and Secondary - Activities that provide students in grades K-12 with learning experiences to prepare them for activities as citizens, family members, and non-vocational workers. These programs contrast with those designed to improve or overcome physical, mental, social and/or emotional handicaps.

a. 1105 Kindergarten - The activities associated with children for the year immediately preceding the first grade.

b. 1110 Elementary - The activities associated with children from first grade through and including the eighth grade.

c. 1130 Secondary - The activities associated with children from the ninth grade through and including the twelfth grade.

2. 1200 Special Education Programs - Activities primarily for students having special needs. These programs include services for the gifted and talented, mentally retarded, or physically handicapped.

a. 1210 Special Education - Activities for students identified as being mentally or physically disabled.

b. 1220 Gifted and Talented - Activities for students identified as being mentally gifted or talented.

3. 1300 Vocational Programs - Activities that provide students with the opportunity to develop the knowledge, skills and attitudes needed for employment in an occupational area.

a. 1310 Agriculture - Activities that enable students to acquire the background, knowledge, and skills necessary to enter a wide range of agriculturally related activities.

b. 1340 Home Economics - Activities that enable students to acquire knowledge and develop understanding, attitudes, and skills relevant to personal, home, and family life, and to home economics occupations.

c. 1350 Industrial Arts - Activities that develop a students' understanding about all aspects of industry and technology. These aspects include experimenting, designing, constructing, and evaluating; using tools, machines, materials; and using processes that may help individuals make informed and meaningful occupational choices, or that may prepare them to enter advanced trade and industrial or technical educational programs.

d. 1360 Business - Activities that prepare, upgrade, or retrain students for selected office occupations.

e. 1390 Other Vocational Programs - Other activities that provide students with the opportunity to develop the knowledge, skills, and attitudes needed for employment in an occupational area.

4. 1400 Other Instructional Programs - Elementary and secondary: activities that provide students in grades K - 12 with learning experiences not included in 1100 Regular Programs.

a. 1410 Co-Curricular Activities - School sponsored activities, under the guidance and supervision of the LEA staff, designed to provide students such experiences as motivation, enjoyment, and improvement of skills. Co-curricular activities normally supplement the regular instructional program and include such activities as band, chorus, choir, speech and debate. Also included are student-financed and managed activities, such as chess club, senior prom, Future Farmers of America, senior class, etc.

b. 1420 Athletics – School sponsored activities, under the guidance and supervision of LEA staff, that provide opportunities for students to pursue various aspects of physical education. Athletics normally involve competition between schools and frequently involve offsetting gate receipts or fees.

c. 1440 Driver Education Programs – Activities that provide students with instruction in learning to drive an automobile.

d. 1490 Other – Activities that provide students with learning experiences not included above.

5. 1500 Special Programs - Activities primarily for students having special needs. These programs include pre-kindergarten, culturally different students with learning disabilities, bilingual students, and special programs for other types of students.

a. 1510 Improving America's Schools Act (IASA) – Activities for students whose background is so different from that of most other students that they need additional opportunities beyond those provided in the regular educational program.

b. 1520 Bilingual Education Programs (Title VII) – Activities for students from homes in which the English language is not the primary language spoken.

c. 1530 Pre-Kindergarten Programs – Activities associated with children of any age span below kindergarten.

6. 1600 Adult/Continuing Education Programs - Activities that develop knowledge and skills to meet immediate and long range educational objectives of adults who have completed or interrupted their formal schooling to accept adult roles and responsibilities. Programs include activities for developing the fundamental tools of learning; for preparing students for a post secondary career; for preparing students for post secondary education programs; for upgrading occupational competence; for preparing students for a new or different career; for developing skills and appreciation for special interests; or for enriching the aesthetic qualities of life.

7. 1700 Community/Junior College Education Programs – Deleted

C. 2000 Support Services - Support services provide administrative, technical (such as guidance and health), and logistical support to facilitate and enhance instruction. These services exist as adjuncts for fulfilling the objectives of instruction, community services and enterprise programs, rather than as entities within themselves.

1. 2100 Pupil Support Services - Activities designed to assess and improve the well-being of students and to supplement the teaching process.

a. 2110 Child Welfare and Attendance Services – Activities that are designed to improve student attendance at school and that attempt to prevent or solve student problems involving the home, the school, and the community. Registration activities for Adult Education Programs are included here.

i. 2111 Supervision of Attendance and Social Work Services – Activities associated with directing, managing and supervising attendance and social work.

ii. 2112 Attendance Services – Activities such as promptly identifying nonattendance patterns, promoting improved attitudes toward attendance, analyzing causes of

nonattendance, acting early on nonattendance problems, and enforcing compulsory attendance laws.

iii. 2113 Social Work Services – Activities such as investigating and diagnosing student problems arising out of the home, school, or community; providing casework and group work services for the child, parent, or both; interpreting the problems of students for other staff members; and promoting modification of the circumstances surrounding the individual student and are related to his or her problem.

iv. 2114 Student Accounting Services – Activities of acquiring and maintaining records of school attendance, location of home, family characteristics, and census data. Portions of these records become a part of each student's cumulative record, which is sorted and stored for teacher and guidance information. Pertinent statistical reports are prepared under this function as well.

v. 2119 Other Attendance and Social Work Services - Attendance and social work services other than those described above.

b. 2120 Guidance Services – Activities involving counseling with students and parents; consulting with other staff members on learning problems; evaluating the abilities of students; assisting students as they make their own educational and career plans and choices; assisting students in personal and social development; providing referral assistance; and working with other staff members in planning and conducting guidance programs for students.

i. 2121 Supervision of Guidance Services – Activities associated with directing, managing and supervising guidance services.

ii. 2122 Counseling Services – Activities concerned with the relationship among one or more counselors and one or more students as counselees, among students and students, and among counselors and other staff members. These activities are designed to help the student understand his or her educational, personal, and occupational strengths and limitations; relate his or her abilities, emotions, and aptitudes to educational and career opportunities; utilize his or her abilities in formulating realistic plans; and achieve satisfying personal and social development.

iii. 2123 Appraisal Services – Activities that assess student characteristics – which are used in administration, instruction, and guidance – and that assist the student in assessing his or her purposes and progress in career and personality development.

iv. 2124 Information Services – Activities for disseminating educational, occupational, and personal social information to help acquaint students with the curriculum and with educational and vocational opportunities and requirements. Such information might be provided directly to students through activities such as group or individual guidance, or it might be provided indirectly to students, through staff members or parents.

v. 2125 Record Maintenance Services – Activities for compiling, maintaining, and interpreting cumulative records of individual students, including systematic consideration of such factors as home and family background, physical and medical status, standardized test results, personal and social development, and school performance.

vi. 2126 Placement Services – Activities that help place students in appropriate situations while they are in school. These placements could be educational situations, part-time employment while they are in school, and appropriate educational and occupational situations after they leave school. These activities also help ease the student's transition from one educational experience to another. The transition may require, for example, admissions counseling, referral services, assistance with records, and follow-up communications with employers.

vii. 2129 Other Guidance services – Guidance services that cannot be classified above.

c. 2130 Health Services - Physical and mental health services that are not direct instruction. Included are activities that provide students with appropriate medical, dental, and nursing services.

i. 2131 Supervision of Health Services – Activities associated with directing and managing health services.

ii. 2132 Medical Services – Activities concerned with the physical and mental health of students, such as health appraisal, including screening for vision, communicable diseases, and hearing deficiencies; screening for psychiatric services, periodic health examinations; emergency injury and illness care; and communications with parents and medical officials.

iii. 2133 Dental Services – Activities associated with dental screening, dental care, and orthodontic activities.

iv. 2134 Nursing Services – Activities associated with nursing, such as health inspection, treatment of minor injuries, and referrals for other health services.

v. 2139 Other Health Services – Health services not classified above.

d. 2140 Psychological Services - Activities concerned with administering psychological tests and interpreting the results; gathering and interpreting information about student behavior; working with other staff members in planning school programs to meet the special needs of students as indicated by psychological tests and behavioral evaluation; and planning and managing a program of psychological services, including psychological counseling for students, staff and parents.

i. 2141 Supervision of Psychological Services – Directing, managing and supervising the activities associated with psychological services.

ii. 2142 Psychological Testing Services – Activities concerned with administering psychological tests, standardized tests, and inventory assessments. These tests measure ability, aptitude, achievement, interests and personality. Activities also include the interpretation of these tests for students, school personnel, and parents.

iii. 2143 Psychological Counseling Services – Activities that take place between a school psychologist or other qualified person as counselor and one or more students as counselees in which the students are helped to perceive, clarify, and solve problems of adjustment and interpersonal relationships.

iv. 2144 Psychotherapy Services – Activities that provide a therapeutic relationship between a qualified mental health professional and one or more students, in which the students are helped to perceive, clarify, and solve emotional problems.

v. 2149 Other Psychological Services – Other activities associated with psychological services not classified above.

e. 2150 Speech Pathology and Audiology Services - Activities that identify, assess, and treat children with speech, hearing, and language impairments.

i. 2151 Supervision of Speech Pathology and Audiology Services – Activities associated with directing, managing and supervising Speech Pathology and Audiology services.

ii. 2152 Speech Pathology Services – Activities that identify children with speech and language disorders; diagnose and appraise specific speech and language disorders; refer problems for medical or other professional attention necessary to treat speech and language disorders; provide required speech treatment services; and counsel and guide children, parents, and teachers, as appropriate.

iii. 2153 Audiology services – activities that identify children with hearing loss; determine the range, nature, and degree of hearing function; refer problems for medical or other professional attention appropriate to treat impaired hearing; treat language impairment; involve auditory training, speech reading (lip-reading), and speech conversation; create and administer programs of hearing conservation; and counsel children, parents, and teachers as appropriate.

iv. 2159 Other Speech Pathology and Audiology Services – Other activities associated with Speech Pathology and Audiology services not classified above.

f. 2190 Other Pupil Support Services - Other support services to students not classified elsewhere in 2100 Pupil Support.

2. 2200 Instructional Staff Services - Activities associated with assisting the instructional staff with the content and process of providing learning experiences for students.

a. 2210 Supervision of Improvement of Instructional Services – Activities associated with directing, managing and supervising the improvement of instructional services.

i. 2211 Regular Education – Elementary/Secondary Programs – Activities associated with directing, managing and supervising the improvement of instruction in grades K-12.

ii. 2212 Special Education Programs – Activities associated with directing, managing and supervising the improvement of instruction for students identified as being mentally or physically disabled.

iii. 2213 Gifted and Talented – Activities associated with directing, managing and supervising the improvement of instruction for students identified as being mentally gifted or talented.

iv. 2214 Other Special Programs – Activities associated with directing, managing and supervising the improvement of instruction for students in special programs: IASA Programs, Bilingual Programs, and Headstart/Early Childhood Programs.

v. 2215 Vocational – Activities associated with directing, managing and supervising the improvement of instruction for students in the vocational programs.

vi. 2216 Adult/Continuing Education – Activities associated with directing, managing and supervising the

improvement of instruction for students in the adult or continuing education programs.

vii. 2219 Other Education Programs – Activities associated with directing, managing and supervising the improvement of instruction for students in other programs not identified above.

b. 2220 Instruction and Curriculum Development Services – Activities that aid teachers in developing the curriculum, preparing and utilizing special curriculum materials, and understanding and appreciating the various techniques that stimulate and motivate students.

c. 2230 Instructional Staff Training Services – Activities that contribute to the professional or occupational growth and competence of members of the instructional staff during the time of their service to the school system or school. Among these activities are workshops, demonstrations, school visits, courses or college credit, sabbatical leaves, and travel leaves.

d. 2240 Other Improvement of Instruction Services – Activities for improving instruction other than those classified above.

e. 2250 Educational Media Services – Activities concerned with the use of all teaching and learning resources, including hardware and content materials. Educational media are defined as any devices, content materials, methods, or experiences used for teaching and learning purposes. These materials include printed and non-printed sensory materials.

i. 2251 Supervision of Educational Media Services – Activities concerned with directing, managing and supervising educational media services.

ii. 2252 School Library Services – Activities such as selecting, acquiring, preparing, cataloging, and circulating books and other printed materials; planning the use of the library by students, teachers and other members of the instructional staff; and guiding individuals in their use of library books and materials, whether maintained separately or as a part of an instructional materials center. Textbooks will not be charged to this function but rather to 1000 Instruction.

iii. 2253 Audiovisual Services – Activities such as selecting, preparing, caring for, and making available to members of the instructional staff the equipment, films, filmstrips, transparencies, tapes, TV programs, and similar materials, whether maintained separately or as part of an instructional materials center. Included are activities in the audiovisual center, TV studio, and related work–study areas, and the services provided by audiovisual personnel.

iv. 2254 Educational Television Services – Activities concerned with planning, programming, writing, and presenting educational programs or segments of programs by closed circuit or broadcast television.

v. 2255 Computer–Assisted Instruction Services – Activities concerned with planning, programming, writing, and presenting educational projects that have been especially programmed for a computer to be used as the principal medium of instruction.

vi. 2259 Other Educational Media Services – Educational media services other than those classified above.

f. 2290 Other Instructional Staff Services – Services supporting the instructional staff not properly classified elsewhere in 2200 Instructional Staff Services.

3. 2300 General Administration – Activities concerned with establishing and administering policy for operating the LEA. These activities do not include the chief business official here, but include in 2500 Business Services.

a. 2310 Board of Education Services – Activities of the elected body that has been created according to State law and vested with responsibilities for educational activities in a given administrative unit.

i. 2311 Supervision of Board of Education Services – Activities concerned with directing and managing the general operation of the Board of Education. These include the activities of the members of the Board of Education, but does not include any special activities defined in the other areas of responsibility described below. They also include any activities of the district performed in support of the school district meeting. Legal activities in interpretation of the laws and statutes and general liability situations are charged here, as are the activities of external auditors.

ii. 2312 Board Secretary/Clerk Services – Activities required to perform the duties of the secretary or clerk of the Board of Education.

iii. 2313 Board Treasurer Services – Activities required to perform the duties of treasurer of the Board of Education.

iv. 2314 Election Services – Services rendered in connection with any school system election, including elections of officers and bond elections.

v. 2315 Tax Assessment and Collection Services – Services rendered in connection with tax assessment and collection.

vi. 2316 Staff Relations and Negotiations Services – Activities concerned with staff relations systemwide and the responsibilities for contractual negotiations with both instructional and non-instructional personnel.

vii. 2319 Other Board of Education Services – Board of Education services that cannot be classified under the preceding areas of responsibility.

b. 2320 Executive Administrative Services – Activities associated with the overall general administration of or executive responsibility for the entire LEA.

i. 2321 Office of Superintendent Services – Activities performed by the superintendent in generally directing and managing all affairs of the LEA. These activities include all personnel and materials in the office of the chief executive officer.

ii. 2322 Community Relations Services – Activities and programs developed and operated systemwide for improving school/community relations.

iii. 2323 State and Federal Relations Services – Activities associated with developing and maintaining good relationships with State and Federal officials. The activities associated with grant procurement are included.

iv. 2324 Office of Assistant Superintendent Services – Activities performed by deputy, associate, and assistant superintendents in assisting the superintendent in generally directing and managing all affairs of the LEA.

Activities of the offices of the deputy superintendent should be charged here, unless the activities can be placed properly into a service area. In this case, they would be charged to service area direction in that service area.

v. 2329 Other Executive Administration Services – Other general administrative services that cannot be recorded under the preceding functions.

4. 2400 School Administration – Activities concerned with the overall administrative responsibility for a school.

a. 2410 Office of the Principal Services – Activities concerned with directing and managing the operation of a particular school. They include the activities performed by the principal while he/she supervises all operations of the school, evaluates the staff members of the school, assigns duties to staff members, supervises and maintains the records of the school, and coordinates school instructional activities with those of the LEA. These activities also include the work of the clerical staff in support of the teaching and administrative duties.

b. 2420 Office of the Assistant Principal Services – Activities performed by assistant principals and other assistants concerned with directing and managing the operation of a particular school under the supervision of the principal.

c. 2490 Other School Administration Services – Other school administrative services that cannot be recorded under the previous functions including graduation expenses and full-time department chairpersons.

5. 2500 Business Services – Activities concerned with paying, transporting, exchanging, and maintaining goods and services for the LEA. Included are the fiscal and internal services necessary for operating the LEA.

a. 2510 Fiscal Services – Activities concerned with the fiscal operations of the LEA. This function includes budgeting, receiving and disbursing, financial and property accounting, payroll, inventory control, internal auditing and managing funds.

i. 2511 Supervising Fiscal Services – Activities concerned with directing, managing and supervising the fiscal services area. They include the activities of the assistant superintendent, director, or school business official who directs and manages fiscal activities.

ii. 2512 Budgeting Services – Activities concerned with supervising budget planning, formulation, control and analysis.

iii. 2513 Receiving and Disbursing Funds Services – Activities concerned with taking in money and paying it out. They include the current audit of receipts; interest on short term loans; the pre-audit of requisitions or purchase orders to determine whether the amounts are within the budgetary allowances and to determine that such disbursements are lawful expenditures of the school or an LEA; and the management of school funds.

iv. 2514 Payroll Services – Activities concerned with periodically paying individuals entitled to remuneration for services rendered. Payments are also made for such payroll-associated costs as federal income tax withholding, retirement, and social security.

v. 2515 Financial Accounting Services – Activities concerned with maintaining records of the financial operations and transactions of the school system.

They include such activities as accounting and interpreting financial transactions and account records.

vi. 2516 Internal Auditing Services – Activities concerned with verifying the account records, which includes evaluating the adequacy of the internal control system, verifying and safeguarding assets, reviewing the reliability of the accounting and reporting systems, and ascertaining compliance with established policies and procedures.

vii. 2517 Property Accounting Services – Activities concerned with preparing and maintaining current inventory records of land, building, and equipment. These records are used in equipment control and facilities planning.

viii. 2519 Other Fiscal Services – Fiscal services that cannot be classified under the preceding functions.

b. 2520 Purchasing Services – Activities concerned with purchasing supplies, furniture, equipment, and materials used in schools or school system operations.

c. 2530 Warehousing and Distributing Services – Activities concerned with receiving, storing, and distributing supplies, furniture, equipment, materials, and mail. They include collecting and transporting cash from school facilities to the central administration office or bank for control, deposit, or both.

i. 2535 Warehouse Inventory Adjustment – Activities involving adjustments to inventories reported on a consumption basis, in object code 610 Materials and Supplies, 630 Food, or 730 Equipment, or for lost or stolen equipment.

d. 2540 Printing, Publishing, and Duplicating Services – Activities concerned with printing and publishing administrative publications such as annual reports, school directories, and manuals. Activities here also include centralized services for duplicating school materials and instruments such as school bulletins, newsletters, and notices.

e. 2590 Other Business Services – Other business support services not classified elsewhere in 2500 Business Services.

6. 2600 Operations and Maintenance of Plant Services – Activities concerned with keeping the physical plant open, comfortable, and safe for use, and keeping the grounds, buildings, and equipment in effective working condition and state of repair. These activities include the activities of maintaining safety in buildings, on the grounds, and in the vicinity of schools.

a. 2610 Supervision of Operation and Maintenance of Plant Services – Activities involved in directing, managing and supervising the operation and maintenance of school plant facilities.

b. 2620 Operating Buildings Services – Activities concerned with keeping the physical plant clean and ready for daily use. They include operating the heating, lighting, and ventilating systems, and repairing and replacing facilities and equipment. Also included are the costs of building rental and property insurance.

c. 2630 Care and Upkeep of Grounds Services – Activities involved in maintaining and improving the land, (but not the buildings). These include snow removal, landscaping, grounds maintenance and the like.

d. 2640 Care and Upkeep of Equipment Services – Activities involved in maintaining equipment owned or used

by the LEA. They include such activities as servicing and repairing furniture, machines, and movable equipment.

e. 2650 Vehicle Operation and Maintenance Services (other than student transportation vehicles) – Activities involved in maintaining general purpose vehicles such as trucks, tractors, graders, and staff vehicles. These activities are considered regular or preventive maintenance: i.e., repairing vehicles; replacing vehicle parts; and cleaning, painting, greasing, fueling, and inspecting vehicles for safety.

f. 2660 Security Services – Activities concerned with maintaining order and safety in school buildings, on the grounds, and in the vicinity of schools at all times. Included are police activities for school functions, traffic control on grounds and in the vicinity of schools, building alarm systems, and hall monitoring services.

g. 2690 Other Operation and Maintenance of Plant Services – Operations and maintenance of plant services that cannot be classified elsewhere in 2600 Operation and Maintenance of Plant Services.

7. 2700 Student Transportation Services – Activities concerned with conveying students to and from school, as provided by State and Federal law. This function includes trips between home and school, and trips to school activities.

a. 2710 Supervision of Student Transportation Services – Activities pertaining to directing and managing student transportation services.

b. 2720 Regular Transportation – Activities involving the transportation of regular education students.

i. 2721 Vehicle Operation Services – Activities involved in operating vehicles for student transportation, from the time the vehicles leave the point of storage until they return to the point of storage. These activities include driving buses or other student transportation vehicles.

ii. 2722 Monitoring Services – Activities concerned with supervising students in the process of being transported between home and school, and between school and school activities. Such supervision can occur while students are in transit, while they are being loaded and unloaded, and while the supervisor is directing traffic at the loading stations.

iii. 2723 Vehicle Servicing and Maintenance Services – Activities involved in maintaining student transportation vehicles. It includes repairing vehicle parts; replacing vehicle parts; and cleaning, painting, fueling, and inspecting vehicles for safety.

c. 2730 Special Education Transportation – Activities involving the transportation of mentally and physically disabled students.

i. 2731 Vehicle Operation Services – Activities involved in operating vehicles for student transportation, from the time the vehicles leave the point of storage until they return to the point of storage. These activities include driving buses or other student transportation vehicles.

ii. 2732 Monitoring Services – Activities concerned with supervising students in the process of being transported between home and school, and between school and school activities. Such supervision can occur while students are in transit, which they are being loaded and unloaded, and while the supervisor is directing traffic at the loading stations.

iii. 2733 Vehicle Servicing and Maintenance Services – Activities involved in maintaining student transportation vehicles. These include repairing vehicle parts; replacing vehicle parts; and cleaning, painting, fueling, and inspecting vehicles for safety.

d. 2790 Other Student Transportation Services – Student transportation services that cannot be classified elsewhere in 2700 Student Transportation Services.

8. 2800 Central Services – Activities, other than general administration, that support each of the other instructional and supporting services programs. These activities include planning, research, development, evaluation, information, staff, and data processing services.

a. 2810 Planning, Research, Development, and Evaluation Services – Activities associated with conducting and managing programs of planning, research development, and evaluation for a school system on a system-wide basis.

i. Planning Services – activities concerned with selecting or identifying the overall, long-range goals and priorities of the organization or program. They also involve formulating various courses of action needed to achieve these goals. This process is done by identifying needs and relative costs and benefits of each course of action.

ii. Research Services – activities concerned with the systematic study and investigation of the various aspects of education, undertaken to establish facts and principles.

iii. Development Services – activities in the deliberate evolving process of improving educational programs - such as using the products of research.

iv. Evaluation Services – activities concerned with ascertaining or judging the value or amount of an action or an outcome. This evaluation is conducted through the careful appraisal of previously specified data in light of the particular situation and the goals previously established.

b. 2820 Information Services – Activities concerned with writing, editing, and other preparing necessary to disseminate educational and administrative information to students, staff, managers, and the general public through direct mailing, the various news media, or personal contact.

i. 2821 Supervision of Information Services – Activities concerned with directing, managing and supervising information services.

ii. 2822 Internal Information Services – Activities concerned with writing, editing, and providing administrative information to students and staff.

iii. 2823 Public Information Services – Activities concerned with writing, editing, and other preparing necessary to disseminate educational and administrative information to the public through various news media or personal contact.

iv. 2824 Management Information Services – Activities concerned with writing, editing, and other preparing necessary to disseminate to management (1) the information needed about the operation of the LEA and (2) information about the community, state, and nation to make logical decisions.

v. 2829 Other Information Services – Activities concerned with 2820 Information Services not classified above.

c. 2830 Personnel Services – Activities concerned with maintaining an efficient staff for the school system.

These activities include such activities as recruiting and placement, staff transfers, inservice training, health service, and staff accounting.

i. 2831 Supervision of Personnel Services – Activities concerned with directing, managing and supervising staff services.

ii. 2832 Recruitment and Placement Services – Activities concerned with employing and assigning personnel for the LEA.

iii. 2833 Staff Accounting Services – Services rendered in connection with the systematic recording and summarizing of information relating to staff members employed by the LEA.

iv. 2834 Inservice Training Services (for non-instructional staff) – Activities developed by the LEA for training of non-instructional personnel in all classifications.

v. 2835 Health Services – Activities concerned with medical, dental, and nursing services provided for school district employees. Included are physical examinations, referrals, and emergency care.

vi. 2839 Other Staff Services – Staff services that cannot be classified under the preceding functions.

d. 2840 Data Processing Services – Activities concerned with preparing data for storage, storing data, and retrieving data for reproduction as information for management and reporting purposes.

i. 2841 Supervising Data Processing Services – Activities concerned with directing, managing and supervising data processing services.

ii. 2842 Systems Analysis Services – Activities concerned with searching for and evaluating alternatives for achieving defined objectives, based on judgment and, wherever possible, on quantitative methods. Where applicable, these activities pertain to the development of data processing procedures or application to electronic data processing equipment.

iii. 2843 Programming Services – Activities concerned with the preparation of a logical sequence of operations to be performed, either manually or electronically, in solving problems or processing data. These activities also involve preparing coded instructions and data for such sequences.

iv. 2844 Operations Services – Activities concerned with scheduling, maintaining, and producing data. These activities include operating business machines, data preparation devices, and data processing machines.

v. 2849 Other Data Processing – Activities concerned with 2840 Data Processing not described above.

9. 2900 Other Support Services – All other support services not classified elsewhere in 2000 Support Services.

D. 3000 Operation of Non-instructional Services – Activities concerned with providing non-instructional services to students, staff or the community.

1. 3100 Food Services Operations – Activities concerned with providing food to students and staff in a school or LEA to meet the nutritional needs of children as defined in U. S. D. A. Child nutrition regulations for participating schools or LEA. Activities may include the operation of breakfast, lunch, snacks, catering, and nutrition education.

2. 3200 Enterprise Operations – Activities that are financed and operated in a manner similar to private

business enterprises in which the stated intent is that the costs are financed or recovered primarily through user charges. Food services should not be charged here, but rather to function 3100 Food Services Operations. One example could be the LEA bookstore.

3. 3300 Community Services Operations – Activities concerned with providing community services to students, staff or other community participants. Examples of this function would be the operation of a community swimming pool, a recreation program for the elderly, a child care center for working mothers, etc.

E. 4000 Facilities Acquisition and Construction Services – Activities concerned with acquiring land and buildings; remodeling buildings; constructing buildings and additions to buildings; initially installing or extending service systems and other built-in equipment; and improving sites.

1. 4100 Site Acquisition Services – Activities concerned with initially acquiring and improving new sites.

2. 4200 Site Improvement Services – Activities concerned with improving sites and with maintaining existing site improvements.

3. 4300 Architecture and Engineering Services – The activities of architects and engineers related to acquiring and improving sites and improving buildings. Charges are made to this function for only those preliminary activities that may or may not result in additions to the LEA's property. Otherwise, charge these services to 4100 Site Acquisition Services, 4200 Site Improvement Services, 4500 Building Acquisition and Construction Services, or 4600 Building Improvement Services, as appropriate.

4. 4400 Educational Specifications Development Services – Activities concerned with preparing and interpreting descriptions of specific space requirements for the various learning experiences of students to be accommodated in a building. These specifications are interpreted to the architects and engineers in the early stages of blueprint development.

5. 4500 Building Acquisition and Construction Services – Activities concerned with buying or constructing buildings.

6. 4600 Building Improvements Services – Activities concerned with building additions and with installing or extending service systems and other built-in equipment.

7. 4700 Sixteenth Section Land Improvements – Activities concerned with making improvements to sixteenth section lands. These activities may include re-seeding the land with trees, adding soil, cutting drainage canals, etc.

8. 4900 Other Facilities Acquisition and Construction Services – Facilities acquisition and construction activities that cannot be classified above.

F. 5000 Other Use of Funds – A number of outlays of governmental funds are not properly classified as expenditures, but still require budgetary or accounting control. These include debt service payments (principal and interest) and certain transfers of monies from one fund to another. These accounts are not used with the proprietary funds.

1. 5100 Debt Service – Servicing the debt of the LEA, including payments of both principal and interest. Normally, only long-term debt service (obligations exceeding one year) is recorded here. Interest on current loans (repayable within one year of receiving the obligation) is charged to

function 2513 Receiving and Disbursing Funds Services. The receipt and payment of principal on those loans is handled as an adjustment to the balance sheet account 451 Loans Payable.

2. 5200 Fund Transfers – Transactions that withdraw money from one fund and place it in another without recourse. Fund transfers budgeted to another functional activity, such as food service or transportation, are coded to the appropriate function and the object code 930 Interfund Transactions. Unless State law prohibits, revenues should be allocated to the appropriate funds when received, rather than accepted in the general fund and later transferred.

a. Interfund Loans are not recorded here, but are handled through the balance sheet accounts 131 Interfund Loans Receivable and 401 Interfund Loans Payable in the funds affected.

b. When expenditures are made for replacement of damaged or stolen equipment, the expenditure should appear as 700 Property under the appropriate function.

AUTHORITY NOTE: Promulgated in accordance with R.S. 17(2)(e).

HISTORICAL NOTE: Promulgated by the Board of Elementary and Secondary Education, LR 26:

§1101. Assets and Other Debit Codes

A. Assets and other debits include what is owned and what is not owned (as of the date of the balance sheet) but is expected to become owned fully at some future date. Also included are other budgeting and offsetting accounts which normally have debit balances.

B. Current assets: cash or anything that can be readily converted into cash.

1. 101 Cash in Bank – All funds on deposit with a bank or savings and loan institution in interest bearing and non-interest-bearing checking accounts.

2. 102 Cash on Hand – Currency, coins, checks, postal and express money orders, and bankers' drafts on hand.

3. 103 Petty Cash – A sum of money set aside for the purpose of paying small obligations for which the issuance of a formal voucher and check would be too expensive and time-consuming.

4. 104 Change Cash – A sum of money set aside to provide change.

5. 105 Cash with Fiscal Agents – Deposits with fiscal agents, such as commercial banks, for paying matured bonds and interest.

6. 111 Investments – Securities and real estate held for producing income in the form of interest, dividends, rentals or lease payments. The account does not include fixed assets used in LEA operations. Separate accounts for each category of investments may be maintained.

7. 112 Unamortized Premiums on Investments – The excess of the amount paid for securities over the face value which has not yet been amortized. Use of this account is restricted to long-term investments.

8. 113 Unamortized Discounts on Investments (credit) – The excess of the face value of securities over the amount paid for them which has not yet been written off. Use of this account is normally restricted to long-term investments.

9. 114 Interest Receivable on Investments – The amount of interest receivable on investments, excluding interest purchased. Interest purchased should be shown in a separate account.

10. 115 Accrued Interest on Investments Purchased – Interest accrued on investments between the last interest payment date and date of purchase. The account is carried as an asset until the first interest payment date after the date of purchase. Upon receipt and deposit of the cash, an entry is made debiting the account "Cash in Bank", and crediting the "Accrued Interest on Investments Purchased" account for the amount of interest purchased and an interest earning revenue account (1510) for the balance.

11. 121 Taxes Receivable – The uncollected portion of taxes that a LEA or governmental unit has levied and that has become due, including any interest or penalties that may have accrued. Separate accounts may be maintained on the basis of tax roll, current and delinquent taxes, or both.

12. 122 Estimated Uncollectable Taxes (credit) – That portion of taxes receivable it is estimated will not be collected. The account is shown on the balance sheet as a deduction from the taxes receivable account in order to arrive at the net taxes receivable. Separate accounts may be maintained on the basis of tax roll year, delinquent taxes, or both.

13. 131 Interfund Loans Receivable – An asset account used to record a loan by one fund to another fund in the same governmental unit. It is recommended that separate accounts be maintained for each Interfund receivable loan.

14. 132 Interfund Accounts Receivable – An asset account used to indicate amounts owed to a particular fund by another fund in the same LEA for goods sold or services rendered. It is recommended that separate accounts be maintained for each Interfund receivable.

15. 141 Intergovernmental Accounts Receivable – Amounts due to the reporting governmental unit from another governmental unit. These amounts may represent grants-in-aid, shared taxes, taxes collected for the reporting by the reporting unit, loans, and charges for services rendered by the reporting unit for another government. It is recommended that separate accounts be maintained for each interagency receivable.

16. 151 Loans Receivable – Amounts that have been loaned to persons or organizations, including notes taken as security for such loans, where permitted by statutory authority.

17. 152 Estimated Uncollectible Loans (credit) – The portion of loans receivable that it is estimated will not be collected. The account is shown on the balance sheet as a deduction from the other loans receivable account.

18. 153 Other Accounts Receivable – Amounts owed on open account from private persons, firms, or corporations for goods and services furnished by an LEA (but not including amounts due from other funds or from other governmental units).

19. 154 Estimated Uncollectible Accounts Receivable (credit) – A provision for that portion of accounts receivable that it is estimated will not be collected. The account is shown on the balance sheet as a deduction from the other accounts receivable account.

20. 161 Bond Proceeds Receivable – An account used to designate the amount receivable upon the sale of bonds.

21. 171 Inventories for Consumption – The cost of supplies and equipment on hand not yet distributed to requisitioning units.

22. 172 Inventories for Resale – The value of goods held by an LEA for resale rather than for use in its own operations.

23. 181 Prepaid Expenses – Expenses paid for benefits not yet received. Prepaid expenses differ from deferred charges in that they are spread over a shorter period of time than deferred charges and are regularly recurring costs of operation. Examples of prepaid expenses are prepaid rent, prepaid interest, and unexpired insurance premiums. An example of a deferred charge is unamortized discounts on bonds sold.

24. 191 Deposits – Funds deposited by the LEA as prerequisite to receiving services, goods, or both.

25. 199 Other Current Assets – Current assets not provided for elsewhere.

27. 211 Sites – A fixed asset account that reflects the acquisition value of land owned by an LEA. If land is purchased, this account includes the purchase price and costs – such as legal fees, filling and excavation costs, and other associated improvement costs incurred to put the land in condition for its intended use. If land is acquired by gift, the account reflects its appraised value at the time of acquisition.

27. 221 Site Improvements – A fixed asset account that reflects the acquisition value of permanent improvements, other than buildings, which add value to land. Examples of such improvements are fences, retaining walls, sidewalks, pavements, gutters, tunnels and bridges. If the improvements are purchased or constructed, this account contains the purchase or contract price. If improvements are obtained by gift, it reflects the appraised value at the time of acquisition.

28. 222 Accumulated Depreciation on Site Improvements – Accumulated amounts for depreciation of land improvements. The recording of depreciation is optional in the general fixed assets account group.

29. 231 Building and Building Improvements – A fixed asset account that reflects the acquisition value of permanent structures used to house persons and property owned by the LEA. If buildings are purchased or constructed, this account includes not only the purchase or contract price of all permanent buildings, but also the fixtures attached to and forming a permanent part of such buildings. This account includes all building improvements. If buildings are acquired by gift, the account reflects their appraised value at the time of acquisition.

30. 232 Accumulated Depreciation on Buildings and Building Improvements – Accumulated amounts for depreciation of buildings and building improvements. The recording of depreciation is optional in the general fixed assets account group.

31. 241 Machinery and Equipment – Tangible property of a more or less permanent nature, other than land, buildings, or improvements thereto, which is useful in carrying on operations. Examples are machinery, tools, trucks, cars, buses, furniture and furnishings. Appendix A provides criteria to distinguish whether a purchase is a supply or a piece of machinery or equipment.

32. 242 Accumulated Depreciation on Machinery and Equipment – Accumulated amounts for depreciation of machinery and equipment. The recording of depreciation is optional in the general fixed assets account group and required in the proprietary funds.

33. 251 Construction in Progress – The cost of construction work undertaken, but not yet completed.

34. 303 Amount Available in Debt Service Funds – An account in the general long-term debt account group. It designates the amount of fund balance available in the debt service fund for the retirement of long-term debt.

35. 304 Amount to be Provided for Retirement of General Long-Term Debt – An account in the general long-term debt account group. It designates the amount to be provided from taxes or other revenue to retire long-term debt.

AUTHORITY NOTE: Promulgated in accordance with R.S. 17(2)(e).

HISTORICAL NOTE: Promulgated by the Board of Elementary and Secondary Education, LR 26:

§1103 Liabilities and Other Credit Codes

A. Liabilities are LEA debts plus items that are not debts, but which may become debts at some future time.

B. Current liabilities - Those debts the LEA expects to pay within a short period of time, usually within a year or less.

1. 401 Interfund Loans Payable – A liability account used to record a debt owed by one fund to another fund in the same governmental unit. It is recommended that separate accounts be maintained for each Interfund loan.

2. 402 Interfund Accounts Payable – A liability account used to indicate amounts owed by a particular fund to another fund in the same LEA for goods and services rendered. It is recommended that separate accounts be maintained for each Interfund payable.

3. 411 Intergovernmental Accounts Payable – Amounts owed by the reporting LEA to another governmental unit. It is recommended that separate accounts be maintained for each interagency payable.

4. 421 Accounts Payable – Liabilities on open account owing to private persons, firms, or corporations for goods and services received by an LEA (but not including amounts due to other funds of the same LEA or to other governmental units).

5. 422 Judgments Payable – Amounts due to be paid by an LEA as the result of court decisions, including condemnation awards paid for private property taken for public use.

6. 423 Warrants Payable – Amounts due to designated payees in the form of a written order drawn by the LEA directing the LEA treasurer to pay a specific amount.

7. 431 Contracts Payable – Amounts due on contracts for assets, goods and services received by an LEA.

8. 432 Construction Contracts Payable – Retained Percentage – Liabilities on account of construction contracts for that portion of the work that has been completed but on which part of the liability has not been paid—pending final inspection, or the lapse of a specified time period, or both. The unpaid amount is usually a stated percentage of the contract price.

9. 433 Construction Contracts Payable – Amounts due by an LEA on contracts for constructing buildings and other structures, and other improvements.

10. 441 Matured Bonds Payable – Bonds that have reached or passed their maturity date, but which remain unpaid.

11. 442 Bonds Payable – Bonds that have not reached or passed their maturity date, but which are due within one year or less.

12. 443 Unamortized Premiums on Bonds Sold – An account that represents that portion of the excess of bond proceeds over par value and that remains to be amortized over the remaining life of such bonds.

13. 451 Loans Payable – Short-term obligations representing amounts borrowed for short periods of time, usually evidenced by notes payable or warrants payable.

14. 455 Interest Payable – Interest due within one year.

15. 461 Accrued Salaries and Benefits – Salary and fringe benefit costs incurred during the current accounting period; these costs are not payable until a subsequent accounting period.

16. 471 Payroll Deductions and Withholdings – Amounts deducted from employee salaries for withholding taxes and other purposes. District-paid benefit amounts payable also are included. A separate liability account may be used for each type of benefit.

17. 481 Deferred Revenues – A liability account that represents revenues collected before they become due.

18. 491 Deposits Payable – Liability for deposits received as a prerequisite to providing or receiving services, goods, or both.

19. 492 Due to Fiscal Agent – Amounts due to fiscal agents, such as commercial banks, for serving an LEA's matured indebtedness.

20. 499 Other Current Liabilities – Other current liabilities not provided for elsewhere.

C. Long-Term Liabilities – Debt with a maturity of more than one year after the date of issuance.

1. 511 Bonds Payable – Bonds that have not reached or passed their maturity date and that are not due within one year.

2. 521 Loans Payable – An unconditional written promise signed by the maker to pay a certain sum of money one year or more after the issuance date.

3. 531 Lease Obligations – Amounts remaining to be paid on lease purchase agreements.

4. 541 Unfunded Pension Liabilities – The amount of the actuarial deficiency on a locally-operated pension plan to be contributed by the LEA on behalf of present employees.

5. 590 Other Long-Term Liabilities – Other long-term liabilities not provided for elsewhere.

AUTHORITY NOTE: Promulgated in accordance with R.S. 17(2)(e).

HISTORICAL NOTE: Promulgated by the Board of Elementary and Secondary Education, LR 26:

§1105. Fund Equity Codes

A. These accounts identify the excess of a fund over its liabilities. Portions of that balance may be reserved for future use.

1. 711 Investment in General Fixed Assets – An account in the General Fixed Assets Account Group. It represents the LEA's equity in general fixed assets. The balance of this account is normally subdivided according to the source of funds that financed the asset acquisition, such as General Fund revenues, bond issues, and contributions.

2. 730 Reserved-Retained Earnings – The accumulated earnings of the proprietary funds that have been retained in the fund and that are reserved for a specific

purpose. One example would be funds reserved for the future purchase of equipment.

3. 740 Unreserved-Retained Earnings – The accumulated earnings of the proprietary funds that have been retained in the fund and that are not reserved for any specific purpose.

4. 751 Reserve for Inventories – A reserve representing that portion of a fund balance segregated to indicate that assets equal to the amount of the reserve are tied up in inventories and are, therefore, not available for appropriation. The use of this account is optional.

5. 752 Reserve for Prepaid Expenses – A reserve representing that portion of a fund balance segregated to indicate that assets equal to the amount of the reserve are tied up on prepaid expenses and are, therefore, not available for appropriation. The use of this account is optional.

6. 753 Reserve for Encumbrances – A reserve representing that portion of a fund balance segregated to provide for unliquidated encumbrances. Separate accounts may be maintained for current and prior-year encumbrances.

7. 760 Reserved-Fund Balance – A reserve representing that portion of a fund balance segregated to indicate that assets equal to the amount of the reserve are tied up and are, therefore, not available for appropriation. It is recommended that a separate reserve be established for each special purpose. One example of a special purpose would be restricted Federal programs.

8. 770 Unreserved – Undesignated Fund Balance – The excess of the assets of a fund over its liabilities and reserves.

9. 780 Unreserved – Designated Fund Balance – That portion of the fund balance that indicates tentative plans for financial resource utilization in a future period, such as for general contingencies or for equipment replacement. Such designations reflect tentative managerial plans and should clearly be distinguished from reserves.

B. An LEA can take two basic approaches to distinguish between supplies and equipment in the decision making situations: (1) adopt a predetermined list of items, classifying each entry as either a supply or an item of equipment, or (2) adopt a set of criteria to be used in making its own Classification of supply and equipment items.

1. List of items – At one time, the Federal Accounting Handbook contained lists of both supplies and equipment. Such lists can never be comprehensive or exhaustive, and quickly become outdated.

2. Set of Criteria – An item must be considered a supply if it does not meet all the stated equipment criteria listed below.

a. It can last more than one year.

b. It is nonexpendable; that is, if damaged or worn out, it can be repaired without being replaced.

c. It does not lose its identity through fabrication or incorporation into a different or more complex unit.

d. It exceeds \$300.00 per unit cost in value.

3. Effective with FY 2000-2001, the value of the per unit cost will increase from \$300 to \$1,000. In subsequent years, the per unit cost will increase \$1,000 each year until it is the equivalent of that allowed in EDGAR. Future revisions of this handbook will reflect this change.

4. Note: food and computer software must always be considered supplies.

Interested persons may submit written comments until 4:30 p.m. January 10, 1999 to Ms. Nina Ford, Board Recorder, State Board of Elementary and Secondary Education, P. O. Box 94064, Capitol Station, Baton Rouge, LA 70804-9064, or fax to 225-342-5843.

Weegie Peabody
Executive Director

**FISCAL AND ECONOMIC IMPACT STATEMENT
FOR ADMINISTRATIVE RULES
RULE TITLE: Bulletin 1929—Louisiana Accounting
and Uniform Governmental Handbook**

- I. ESTIMATED IMPLEMENTATION COSTS (SAVINGS) TO STATE OR LOCAL GOVERNMENT UNITS (Summary)
There will be no cost of implementation of this change to either the local school districts or the Department.
- II. ESTIMATED EFFECT ON REVENUE COLLECTIONS OF STATE OR LOCAL GOVERNMENTAL UNITS (Summary)
There is no net effect on revenue collections of any state or local governmental units.
- III. ESTIMATED COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS OR NONGOVERNMENTAL GROUPS (Summary)
There will be no costs and/or economic benefits to directly affect persons or non-governmental groups.
- IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)
There will be no effect on competition and employment.

Marlyn J. Langley
Deputy Superintendent
9911#079

H. Gordon Monk
Staff Director
Legislative Fiscal Office

**NOTICE OF INTENT
Department of Civil Service
Civil Service Commission**

Over-Time Hours and Layoff

The State Civil Service Commission will hold a public hearing on December 8, 1999, to consider the amendment of certain Civil Service Rules concerning overtime - 6.20; 6.21; 6.22; 6.23(a); 6.25(d); 6.26; and 6.27(a). Also to be considered are proposed layoff-related changes ,amendments to Rules 5.6(c); 6.15(f); adoption of Rule 17.14.2; amendments to Rules 17.16; 17.17; 17.17.1; 17.22; 17.23.1; and 17.25.2. Additionally, Rule 20.1 is proposed for adoption. The hearing will begin at 9:00 a.m. and will be held in the Commission Hearing Room, DOTD Annex Building, 1201 Capitol Access Road, Baton Rouge, Louisiana. Consideration will be given to the following.

Amend Rule 6.20

6.20 Options for Full-Time Exempt And Nonexempt Employees for Overtime Hours Actually Worked in Excess of Forty Hours per Week

An appointing authority shall select and use one of the applicable options listed below for those overtime hours actually worked in excess of 40 hours per week. ONLY OPTIONS 1 OR 2 under Rule 6.20 (a) shall be used for overtime work by employees in NONEXEMPT STATUS

REGARDLESS of GS level. Refer to Rule 6.24 for fire, law enforcement, and hospital employees.

PAY RANGE	OPTIONS
(a) GS-12 and below in General Schedule and MS-56 and below in Medical Schedule.	(1) Cash payment at time and one-half rate. (2) Compensatory leave earned at time and one-half rate. (3) Cash payment at regular rate. (4) Compensatory leave earned hour for hour.
(b) Regardless Of GS-Level, This Portion Of The Rule Does Not Apply If Employee Is FLSA Nonexempt	

GS-13 and above in General Schedule and MS-57 and above in Medical Schedule hour for hour.	(1) Cash payment at regular rate (2) Compensatory leave earned. (3) No overtime compensation.
--	---

Explanation

This amendment would change the GS-level from 11 to 12, in the General Schedule, for payment of overtime hours actually worked in excess of 40 hours per week in 6.20(a) to make the GS-level ranges consistent with other rule amendments (6.25(c) and (d), and 11.29(e)2). In amendment 6.20(b), the GS-level is changed from 12 to 13, in the General Schedule, for payment of overtime hours actually worked in excess of 40 hours per week to make the GS-level ranges consistent with other rule amendments. Certain words have been typed in capital letters in this rule to stress that regardless of pay level, if an employee is nonexempt under the federal Fair Labor Standards Act (FLSA), he/she must be compensated for overtime work in accordance with that Act.

Amend Rule 6.21

6.21 Overtime Options for Full-Time Employees for Overtime Hours Not Actually Worked in Excess of Forty Hours per Week Due to Holidays Observed or Leave Taken

An appointing authority shall select and use one of the applicable options listed below for those overtime hours not actually worked in excess of forty hours per week due to holidays observed or leave taken.

PAY RANGE	OPTIONS
(a) GS-12 and below in General Schedule and MS-56 and below in Medical Schedule hour for hour.	(1) Cash payment at regular rate. (2) Compensatory leave earned hour for hour.
(b) GS-13 and above in General Schedule and MS-57 and above in Medical Schedule.	(1) Cash payment at regular rate. (2) Compensatory leave earned hour for hour. (3) No overtime compensation.

Explanation

This amendment is for the same purpose as stated in the explanation for Rule 6.20.

Amend Rule 6.22

6.22 Overtime Options for Part-Time Employees

The appointing authority shall select and use one of the applicable options for:

- (a) ...
- (b) A regular part-time employee who works in excess of forty hours per week and is nonexempt, or GS-12 and below in the General Schedule or MS-56 and below in the Medical Schedule:

Options:

Compensation in accordance with Rule 6.20.

(c) A regular part-time employee who works in excess of forty hours per week and is exempt and is GS-13 and above in the General Schedule or MS-57 and above in the Medical Schedule:

Options:

- 1. Cash payment at regular rate.
- 2. Compensatory leave earned hour for hour.

(d) An intermittent employee:

Options:

1. Overtime for work in excess of forty hours per week by nonexempt employees, or those GS-12 and below in the General Schedule or MS-56 and below in the Medical Schedule, shall be compensated in accordance with Rule 6.20.

2. Overtime for work in excess of forty hours by exempt employees or those GS-13 and above in the General Schedule or MS-57 and above in the Medical Schedule, shall be compensated by cash payment at regular rate.

3. ...

Explanation

This amendment is for the same purpose as stated in the explanation for Rule 6.20.

Amend Rule 6.23(a)

6.23 Overtime Options for Work on Holidays

(a) An appointing authority shall select and use, for BOTH EXEMPT AND NONEXEMPT EMPLOYEES, one of the applicable options for overtime work not in excess of forty hours per week performed on holidays.

PAY RANGE

1. GS-12 and below in General Schedule and MS-56 and below in Medical Schedule

2. GS-13 and above in General Schedule and MS-57 and above in Medical Schedule

OPTIONS

(a) Cash payment at time and one-half rate.
(b) Cash payment at regular rate.
(c) Compensatory time earned hour for hour.

(a) Cash payment at regular rate
(b) Compensatory time earned hour for hour.
(c) No overtime compensation.

(b) and (c) ...

Explanation

This amendment is for the same purpose as stated in the explanation for rule 6.20.

Amend Rule 6.25(d)

6.25 Accumulation Of Compensatory Leave

(a) - (c) ...

(d) Payment shall be paid within 60 days after January 1 of each year for compensatory leave that exceeds 360 hours and was earned hour for hour at GS-12 and below in the General Schedule and MS-56 and below in the Medical Schedule. Such payment shall be at the employee's regular rate, excluding premium pay, shift differential and non-cash compensation. If an exception has been approved in accordance with subsection (c) of this rule, any compensatory leave over that approved maximum number of hours shall be paid within 60 days after January 1 of each year.

(e) ...

Explanation

This amendment makes payment of compensatory leave that exceeds 360 hours consistent with other payment dates for paying compensatory leave.

Amend Rule 6.26

6.26 Civil Service Review of Nonexempt Positions GS-13 or above in the General Schedule and MS-57 or above in the Medical Schedule

(a) It is the responsibility of the appointing authority to determine whether or not an employee occupying a position GS-13 or above in the general schedule or MS-57 and above in the medical schedule should be considered nonexempt under the fair labor standards act on an ongoing basis. Such employees must be paid in accordance with that federal law, and this should be done without requesting prior approval from the Director of Civil Service. However, within a reasonable period of time following such determination by the appointing authority, he shall provide the Director with a listing of the job titles and applicable number of positions GS-13 and above in the General Schedule or MS-57 and above in the Medical Schedule that are considered to be nonexempt.

(b) ...

Explanation

This amendment is for the same purpose as stated in the explanation for Rule 6.20.

Amend Rule 6.27(a)

6.27 Exceptions to the Overtime Rules

Exceptions to the Rules on overtime compensation are as follows:

(a) for positions in classes GS-13 or above in the General Schedule or MS-57 and above in the Medical Schedule, which are exempt under the Fair Labor Standards Act, the Commission may grant authority to use any of the options for overtime compensation when:

1. an appointing authority petitions the Commission for this authority. The Commission may, with such restrictions as it deems appropriate, permit the use of time and one-half compensation to employees who occupy positions in jobs GS-13 and above in the General Schedule and MS-57 and above in the Medical Schedule;

2. the Civil Service Director petitions the Commission for authority to utilize time and one-half compensation to specific jobs GS-13 and above in the General Schedule or MS-57 and above in the Medical Schedule. Such authorizations, when approved, shall be published as part of the Personnel Manual.

(b) - (e) ...

Explanation

This amendment is for the same purpose as stated in the explanation for Rule 6.20.

We are organizing the following proposals related to layoff into two groups, for ease of understanding. The first group is comprised of the newly proposed Rule 17.14.2 and related rule amendments to it in Rules 5.6(c) and 6.15(f). The second group contains only proposed changes to Chapter 17.

First set of layoff-related rule proposals.

Amend Rule 5.6

5.6 Status of Incumbent when Position is Reallocated

(a) - (b) ...

(c) If the duties which caused the reallocation are returned or removed, the incumbent shall be entitled to remain in the position. Subject to the provisions of Rule 17.14.2, if the position is declared a new position, the former position shall be deemed abolished and the incumbent shall be removed therefrom by layoff.

Explanation

If a reallocation is requested and Civil Service determines that a new lower position should be established and the old higher position be abolished, the layoff that would result must follow the newly proposed simplified layoff procedure provided in Rule 17.14.2.

Amend Rule 6.15

6.15 Red Circle Rates

(a) - (e) ...

When an employee is subject to a demotion in a layoff, including a layoff as provided for in Rule 17.14.2, and the layoff was not absolutely required because of budgetary cuts, except that the pay upon demotion in such a layoff for an employee whose current pay rate within the base supplement exceeds the range or the range plus authorized base supplement for the position to which he is to demote shall be set no higher than his current salary and at the higher of the following:

1 and 2 ...

(g) and (h) ...

Explanation

This portion of the red circle rule references proposed Rule 17.14.2, which will provide for a simplified layoff process to occur when Civil Service has determined that a new lower position exists and the old incumbered position must be abolished.

Adopt Rule 17.14.2

17.14.2 Notification and Authority for a Layoff when a New Lower Position has been Established by Civil Service for an Incumbered Position

When the Department of Civil Service has determined that a new lower position exists and the old incumbered position must be abolished, the appointing authority shall notify the Director of the incumbent's demotion in lieu of layoff to the new lower position by submission of the applicable Standard Form 1. The incumbent's pay upon demotion in lieu of layoff shall not be reduced, in accordance with the provisions of Rule 17.19(a). The appointing authority shall advise a permanent employee(s) that he can apply for placement on the Department Preferred Reemployment List in accordance with Rule 17.24.

Explanation

This rule will provide for a simplified layoff process to occur when Civil Service has determined that a new lower position exists and the old incumbered position must be abolished. This situation frequently occurs when a request for reallocation or update of a position, made either by the agency or the employee, results in Civil Service's declaring the establishment of a new lower position rather than a reallocation downward. This rule will allow for the red circle

rate rule to apply to the salary of the employee affected by the demotion in lieu of layoff and for application by the employee for placement on the Department Preferred Reemployment List.

Second set of layoff rule proposals:

Amend Rule 17.16

17.16 Order of Displacement

The job offer shall be determined by Rule 17.17, and once determined, displacement within that job offer shall be to a position in the affected class(es), career field(s), organizational unit(s) and commuting area(s) in this order:

Group A a non-permanent classified employee

Group B a permanent part-time employee

Group C a permanent full-time employee

(a) Within Groups B and C layoff actions shall be according to length of state service; subject to Rule 17.16.1, those with the least service shall be displaced/laid off first.

(b) ...

Explanation

The rule has been reworded, including the use of Groups A through C, to clarify the order of displacement once a job offer has been determined according to Rule 17.17 and to aid in the discussion of displacement offers which occurs during the layoff process.

Amend Rule 17.17

17.17 Displacement Rights of Permanent Employees

(a) A permanent employee affected by a layoff shall have the right to displace, subject to subsection (c) of this rule, permanent employees with less state service. Regardless of length of state service, a permanent employee, who meets the job qualifications, shall always have the right to displace a non-permanent classified employee or a permanent part-time employee in that order.

(b) - (c)5 ...

6. Employees on non-permanent classified appointments (restricted appointments, job appointments, provisional appointments, and probational appointments) have no displacement rights; therefore, no offers must be made to them if they are displaced from their positions, or if their positions are abolished.

7. The first offer shall allow the employee to make a choice of one of the following, if available:

(a) a position in the same job title and parish; or

(b) a position in an equivalent job in the same career field and same parish.

8. The second offer shall allow the employee to make a choice of one of the following, if available:

(a) - (c) ...

(d) A position in the highest job outside the career field (as long as it is higher than the offer in the career field) occupied by a probationary or provisional employee and in the same parish and organizational unit.

9. Qualifications for and Responding to Job Offers:

(a) If meeting the job qualifications requires a grade from Civil Service, the person must have had the grade established at Civil Service at least two weeks prior to the receipt of the layoff plan by the Director or he is not eligible for that position. The grade need not be active; it may be expired. However, it must have the same series number as the test currently in use and must be verifiable - either in the automated applicant record at Civil Service or by the applicant producing the original grade notice.

(b) Subject to Rule 17.17.1(e), an employee's declining an offer after officially accepting a job offer in a layoff will not require the agency to rework any job offer(s) already made. The agency may rework the layoff job offer(s) or may offer the next position available at that point in the layoff.

Explanation

Revision of this rule aims to meet several needs:

1. reduce the number of job offers by combining the former first and second offers into the first offer, by eliminating former Rule 17.17(c)9(b) and then combining former third and fourth offers into the second offer. Thus, now two job offers exist instead of four, a fact which should reduce the debate over what is a "best offer;"

2. Reduce the number of job offers outside the career field, except in the same parish in the commuting area. This was done by eliminating former Rule 17.17.(c)9(b).

3. If an employee must have a grade in order to accept a job offer in a layoff, the rule specifies the time frame during which that grade must have already been established prior to the layoff. Also, it eliminates suspension of layoff offers while waiting for an employee affected by the layoff to take a Civil Service test or establish a grade.

4. The rule specifies that an agency is not required to rework the layoff offers if an employee declines an official job offer after initially accepting it. However, if it so desires, an agency in such a situation may rework the layoff.

Adopt Rule 17.17.1

Rule 17.17.1 Responsibilities of Employees Affected In a Layoff

The following actions shall be the responsibility of an employee in the organizational unit affected by a layoff.

(a) The employee shall read or otherwise make himself aware of agency-distributed information concerning the layoff.

(b) The employee shall supply all information required by the agency to determine his adjusted state service date in the format required by the agency and by deadlines set by the agency, in compliance with Civil Service Rules.

(c) If an employee is absent from work, he shall leave with the personnel specified by his agency, correct and current written information as required by the agency on how he may be reached during all times when his agency will be making job offers during the layoff.

(d) The employee shall comply with the deadline for responding to a job offer in a layoff in a manner which has been determined by his agency in accordance with Civil Service Rules. Failure to do so in the proper manner and by the deadline shall be considered a declination of the job offer by the employee.

(e) Once an employee gives his acceptance or declination of a job offer in a layoff, his decision is final.

Explanation

To aid employers and to clarify that employees do have responsibilities to perform during a layoff, this new rule is being proposed. In particular, the duties of an employee who is absent from work during job offers in a layoff are specified as well the deadline for responding to job offers.

Amend Rule 17.22

17.22 Ties

Rule 17.16(b) shall be used, if applicable, in breaking ties among employees who have the same length of state service. In case of a tie, if Rule 17.16(b) is not applicable, an employee whose most recent Performance Planning and Review rating or re-rating was "Poor" shall be laid off/displaced. Below are listed other methods by which ties may be broken if neither of the first two methods are applicable. The method or methods of breaking ties must be applied uniformly. Subject to Rule 17.21, the remaining methods of breaking ties may be:

- (a) by length of service in the position; or
- (b) by length of service in the department; or
- (c) based on the most recent overall official ratings or re-ratings above "Poor" earned by the tied employees.
- (d) Repealed.

Explanation

This rule seeks to further incorporate the use of efficiency ratings of employees in the process of tie breaking. The increased use of the ratings will be phased in over a two-year period. These proposed revisions and new rules constitute Phase I which will become effective if the Commission approves these rules in the winter of 1999; Phase II will become effective one year later in the winter of 2000 and Phase III will become effective in the winter of 2001, two years from the 1999 approval date for Phase I.

Amend Rule 17.23.1(b)

Rule 17.23.1 Layoff-Related Appointments

- (a) ...
- (b) No appointment shall be made in the affected organizational unit or department to the job(s) affected by the layoff or to equivalent or lower levels of positions in the applicable career fields and in the applicable commuting area(s) beginning on the date the Director approves the formal layoff plan for the proposed layoff and ending 30 days after the layoff report as stipulated by Rule 17.23 is received at the Department of State Civil Service or upon establishment of the department preferred reemployment list, whichever comes first. Exceptions to this provision include reinstatement, internal demotion, or restoration of a former employee entitled to the position who has returned from military service in accordance with Rule 8.19. Exceptions also include restricted appointment, detail to special duty, job appointment and use of temporary staffing service employees, none of which shall exceed three (3) months beyond the effective date of layoff.

Explanation

This rule changes the statewide freeze on certain types of employment during the layoff process to be a freeze on such appointments only in the applicable commuting areas in the affected organizational unit or department.

Amend Rule 17.24

17.24 Department Preferred Reemployment Lists

- (a) - (g) ...
- (h) The maximum period during which a former or otherwise affected employee's name may remain on a department preferred reemployment list(s) shall be two years

from the effective date of the applicable layoff(s). The Director shall remove the employee's name from all such lists at the expiration of that period if it has not been previously removed.

Explanation

This rule reduces the duration of time that an affected employee's name can remain on such list from three years to two years.

Amend Rule 17.25.1

17.25.1 Open Preferred Reemployment Lists

The Director shall establish open preferred reemployment lists, consisting of former permanent employees separated from state service as the result of a layoff action, and shall determine the eligibility criteria for such lists. Except as provided in Rule 17.16.1(f), eligibility for the open preferred reemployment list does not extend to an employee whose most recent official overall Performance Planning and Review rating or re-rating was "Poor" when he was laid off. The maximum period during which a former or otherwise affected employee's name may remain on an open preferred re-employment list(s) shall be one year from the effective date of the applicable layoff(s). The Director shall remove the employee's name from such lists at the expiration of the period if it has not been previously removed.

Explanation

This rule change does not permit an employee whose most recent official overall Performance Planning and Review rating or re-rating was "Poor" when he was laid off to apply for or be placed on the Open Preferred Reemployment List. It also codifies that the Director shall remove an employee's name from such lists at the expiration of the one-year period if it has not been previously removed.

Amend Rule 17.25.2

17.25.2 Noncompetitive Reemployment from an Open Preferred Reemployment List

When an appointing authority determines that it is necessary to fill a position through probational appointment, noncompetitive reemployment of a former employee other than one laid off from and having department preferred reemployment rights in that department, or job appointment in excess of three months, before hiring a person from outside state classified service, he first must hire available eligibles on the open preferred reemployment list. An agency is not required to select a person from an open preferred reemployment list if the agency can show that the person has exhausted his eligibility for unemployment compensation. Exceptions to this Rule can be made with the approval of the Director.

Explanation

This rule allows further flexibility to agencies when filling positions when an Open Preferred Reemployment List exists by not requiring consideration of employees on the list for whom eligibility for unemployment compensation has been exhausted. The agency is required to be able to show proof of this fact when not considering a name for this reason.

Adopt Rule 20.1

Chapter 20. Pilot of Transaction Approval Changes

The Director may authorize an appointing authority to effect certain personnel actions without obtaining approval of the Director. Every personnel action must comply with

Civil Service Rules and the uniform classification and pay plan adopted by the Commission. No employee shall gain any entitlement or property right to any position or pay found to have been awarded to him or her in violation of these Rules.

Explanation

The Department of Civil Service is pursuing plans to alter the methods used to review personnel actions for compliance with the Civil Service Rules. An essential part of these alterations will be to allow agencies to enter personnel actions with immediate effect. Civil Service review of actions will occur after their effective date. The Rule proposed will allow the Director to authorize appointing authorities to enact certain personnel actions without the Director's prior review of each action. The requirement for personnel actions to be taken in accordance with the Civil Service Rules remains unchanged.

Persons interested in making comments relative to these proposals may do so at the public hearing or by writing to the Director of State Civil Service at Post Office Box 94111, Baton Rouge, Louisiana 70804-9111.

If any accommodations are needed, please notify us prior to this meeting.

Allen H. Reynolds
Director

9911#059

NOTICE OF INTENT

Department of Economic Development Board of Architectural Examiners

Architects Selection Board (LAC 46:I.Chapter 19)

Under the authority of La. R.S. 37:144(C) and in accordance with the provisions of La. R.S. 49:951 et seq., the Board of Architectural Examiners gives notice that rule making procedures have been initiated for the amendment of LAC 46:I Chapter 19 pertaining to the election of members of the Louisiana Architects Selection Board. The Board proposes to repeal the rules contained in existing LAC 46:I Chapter 19 and adopt the rules contained herein. The rules contained herein, if adopted, will also replace the emergency rules adopted at a special meeting of the Board of Architectural Examiners held on July 27, 1999, which rules were published in the August 20, 1999 issue of the *Louisiana Register*. The proposed rules have no known impact on family formation, stability, or autonomy, as described in R.S. 49:972.

Title 46

PROFESSIONAL AND OCCUPATIONAL STANDARDS

Part I. Architects

Chapter 19. Architects Selection Board

§1901. Districts

A. Only one architect may be elected from each of the districts set forth in La. R.S. 38:2311(A)(1)(a).

B. If the parishes comprising any district or if the number of districts are changed by the legislature, these rules shall be revised to be consistent with the latest

expression of the legislature without the need of formal action by the board.

AUTHORITY NOTE: Promulgated in accordance with R.S. 37:144.

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Board of Architectural Examiners, LR 26:

§1903. Nominations

For terms commencing September 15 of each year, the board will accept nominations for election to the Architects Selection Board on the following basis: any resident architect holding a current Louisiana license desiring nomination must deliver a written nomination on a current form and/or reproduction obtained from board office to the board office in Baton Rouge, signed by not less than ten (10) resident architects other than the nominee holding a current Louisiana license, between May 1 and May 31 at 5:00 p.m. preceding the election. The nomination shall state the parish in which the nominee resides and the district for which election is sought. Nominations received on or before such deadline shall be considered timely delivered. Confirmation of receipt is the sole responsibility of the nominee.

AUTHORITY NOTE: Promulgated in accordance with R.S. 37:144.

HISTORICAL NOTE: Promulgated by the Department of Commerce, Board of Architectural Examiners, LR 4:336 (September 1978), amended LR 10:741 (October 1984), LR 26:

§1905. Waiver of Election

If only one resident architect is nominated from any district, no election shall be held in that district, and that nominee shall be deemed elected without any further activity of the board.

AUTHORITY NOTE: Promulgated in accordance with R.S. 37:144.

HISTORICAL NOTE: Promulgated by the Department of Commerce, Board of Architectural Examiners, LR 4:336 (September 1978), amended LR 10:741 (October 1984), LR 26:

§1907. Ballots

If an election is necessary, an official ballot and an official return envelope will be mailed to each resident architect in Louisiana in good standing approximately three weeks after the closing date for nominations. On the ballot shall be printed the names of the candidates for each district in alphabetical order, the date for the return of the ballots, and any other information the board believes helpful in the election process. Attachments to the ballot may include biographical information of the candidates and instructions.

AUTHORITY NOTE: Promulgated in accordance with R.S. 37:144.

HISTORICAL NOTE: Promulgated by the Department of Commerce, Board of Architectural Examiners, LR 4:336 (September 1978), amended LR 10:741 (October 1984), LR 26:

§1909. Voting

A. Only resident architects in good standing in Louisiana shall have the right to vote. A resident architect may vote in one or more but less than all district elections, and no ballot shall be voided for that reason.

B. Ballots shall be returned in the official return envelopes provided by the board to the board office in Baton Rouge. No marks identifying the voting architect shall be placed on the ballot itself. The voting architect shall sign and provide his or her license number in the upper left-hand corner of the return envelope.

C. The ballot shall not be valid unless:

1. the signature and license number appear on the return envelope; and

2. the return envelope is received by the board office on or before the deadline. No write-in candidates will be allowed, and any ballot containing a vote for a write-in candidate will be voided. Any ballot containing more than one vote for candidates in one district will be entirely voided. Ballots returned in an envelope other than the official return envelope provided by the board shall not be voided for that reason, provided;

3. the signature and license number of the voting architect appear on the return envelope; and

4. the return envelope is received by the board office on or before the deadline.

D. The deadline for returning the ballots will be fixed by the president and will be at least fourteen (14) calendar days after the ballots are mailed to all resident architects. Ballots received after the deadline shall not be counted.

E. Upon receipt, each return envelope shall be stamped by the board office showing the date received.

AUTHORITY NOTE: Promulgated in accordance with R.S. 37:144.

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Board of Architectural Examiners, LR 26:

§1911. Plurality

The candidate elected in each district will be based on plurality.

AUTHORITY NOTE: Promulgated in accordance with R.S. 37:144.

HISTORICAL NOTE: Promulgated by the Department of Commerce, Board of Architectural Examiners, LR 4:336 (September 1978), amended LR 10:741 (October 1984), LR 26:

§1913. Tabulation

A. On a date fixed by the president, within fourteen (14) calendar days of the deadline for receipt of ballots, tellers appointed by the president, including at least one board member, shall meet at the board office for the purpose of tabulating the ballots. Following a determination that each return envelope contains the required signature and license number, and was timely received, the tellers shall open and count all ballots properly prepared. The executive director will notify the candidates of the results.

B. Alternatively, when in the discretion of the president the manual tabulating of the ballots by tellers in accordance with the preceding paragraph would be burdensome, or for some other reason should be performed by an outside person, the president may refer the entire tabulating of the ballots, or any part thereof, to an accounting firm, data processing company, or other such qualified person in addition to one board member. The outside person may use such clerical or other assistance, including whatever assistance from the board staff, as he or she deems necessary. The outside person shall (1) determine that each return envelope contains the required signature and license number, and was timely received; (2) count all ballots properly prepared; and (3) certify the number of votes received by each candidate to the board president and the executive director, who shall notify the candidates of the results.

AUTHORITY NOTE: Promulgated in accordance with R.S. 37:144.

HISTORICAL NOTE: Promulgated by the Department of Commerce, Board of Architectural Examiners, LR 4:336 (September 1978), amended LR 10:741 (October 1984), LR 26:

§1915. Tie

A. In the event no candidate receives a plurality, a run-off election between those candidates who received the highest number of votes will be held.

B. If a run-off election is necessary, an official ballot and an official return envelope will be mailed to each resident architect in Louisiana in good standing approximately two weeks after it has been determined that such an election is necessary.

C. The official ballot shall contain the information set forth in §1907, except only the names and information for those candidates in the run-off election shall be included.

D. The rules for voting, for determining the person elected, and for tabulating votes set forth in §1909, §1911, and §1913 shall be applicable.

E. In the event no candidate in the run-off election receives a plurality, the procedure set forth herein shall be repeated until one candidate receives a plurality.

AUTHORITY NOTE: Promulgated in accordance with R.S. 37:144.

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Board of Architectural Examiners, LR 26:

§1917. Vacancies

Any vacancy occurring with respect to any person elected shall be filled in the following manner: The executive director shall give notice of the vacancy to any person who has previously requested such notice in writing, and the executive director shall also publish in the official journal of the state an advertisement which will appear for a period of not less than ten (10) calendar days. The advertisement in the official journal of the state need not appear more than three times during the ten (10) day period. The executive director may publish other such advertisements in his or her discretion. The advertisements shall identify the district in which a vacancy has occurred and state that any resident architect in that district holding a current Louisiana license desiring nomination must furnish a nomination signed by not less than ten (10) resident architects holding a current Louisiana license by certified mail to the board office, that a sample of the nomination may be obtained upon request from the board office, the deadline for filing the nomination, and any other information the board may consider necessary. The deadline for filing a nomination to fill a vacancy shall be at least ten (10) calendar days subsequent to the expiration of the last advertisement appearing in the official journal of the state. The board shall appoint one of the nominees to fill the vacancy, which appointee shall serve the unexpired term.

AUTHORITY NOTE: Promulgated in accordance with R.S. 37:144.

HISTORICAL NOTE: Promulgated by the Department of Commerce, Board of Architectural Examiners, LR 4:336 (September 1978), amended LR 10:741 (October 1984), LR 26:

§1919. Election Contest

A. The executive director will notify the candidates of the results of the election by U. S. Mail. The ten (10) calendar days for contesting an election shall commence three work days (excluding Saturdays, Sundays, and legal holidays) after the results of the election are deposited in the mail by the executive director.

B. Any candidate desiring to contest an election shall, within the time period mentioned in the preceding paragraph, file a written petition addressed to the board stating the basis of the complaint. Upon receipt of such petition, the president shall call a special meeting of the board to hear the complaint, which meeting shall be held within ten (10) calendar days from the date the petition is received and at a time and place to be designated by the president. At the hearing the board shall consider any evidence offered in support of the complaint. The decision of the board shall be announced within seventy-two (72) hours after the close of the hearing.

C. All ballots shall be preserved until the expiration of the time allowed for the filing and hearing of a contest. After such period has elapsed, if the election be not contested, the executive director shall destroy the ballots. If the election is contested, the executive director shall maintain the ballots until the contest is concluded, after which the executive director shall destroy the ballots.

AUTHORITY NOTE: Promulgated in accordance with R.S. 37:144-45.

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Board of Architectural Examiners, LR 26:

Interested persons may submit written comments on this proposed rule to Ms. Mary "Teeny" Simmons, Executive Director, Board of Architectural Examiners, 8017 Jefferson Highway, Suite B2, Baton Rouge, Louisiana 70809.

Mary "Teeny" Simmons
Executive Director

FISCAL AND ECONOMIC IMPACT STATEMENT FOR ADMINISTRATIVE RULES RULE TITLE: Architects Selection Board

I. ESTIMATED IMPLEMENTATION COSTS (SAVINGS) TO STATE OR LOCAL GOVERNMENT UNITS (Summary)

It has been estimated that the proposed rule will result in an implementation savings to the state of approximately \$1,628 per year. This is a result of conducting one election per year rather than two. The only costs associated with these rules are those costs directly associated with the publication of these rules. There is no anticipated impact on local governmental units.

II. ESTIMATED EFFECT ON REVENUE COLLECTIONS OF STATE OR LOCAL GOVERNMENTAL UNITS (Summary)

There is no estimated effect on revenue collections of state or local governmental units associated with this proposed rule.

III. ESTIMATED COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS OR NONGOVERNMENTAL GROUPS (Summary)

There will be no cost or economic benefits to directly affected persons or non-governmental groups. The proposed rules merely change the procedures for the election of architects to the LASB.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

There is no estimated effect on competition or employment associated with this proposed rule. The proposed rules merely change the procedures for the election of architects to the LASB.

Mary "Teeny" Simmons
Executive Director
9911#020

Robert E. Hosse
General Government Section Director
Legislative Fiscal Office

NOTICE OF INTENT

**Department of Economic Development
Economic Development Corporation**

Small Business Equity Corporation
(LAC 13:III.Chapter 13)

In accordance with La. R.S. 49:950 et seq., the Administrative Procedure Act, notice is hereby given that the Louisiana Economic Development Corporation intends to repeal, in its entirety, *Louisiana Administrative Code* Title 13, Economic Development; Part III, Financial Assistance Programs; Chapter 13, Louisiana Small Business Equity Corporation. The Department of Economic Development, Louisiana Economic Development Corporation hereby issues its Family Impact Statement: The repeal of these rules will have no known impact on family formation, stability, and autonomy as set forth in R.S. 49:972.

Title 13

ECONOMIC DEVELOPMENT

Part III. Financial Assistance Programs

Chapter 13. Louisiana Small Business Equity Corporation

Repealed.

Acts 1988, No. 888 §6 repealed La. R.S. 33:9081-9093 relative to the Louisiana Small Business Equity Corporation. The repeal of this legislation renders the Louisiana Department of Economic Development and the Louisiana Economic Development Corporation without the authority to administer the rules pertaining to the Louisiana Small Business Equity Corporation.

The proposed repeal of these rules are scheduled to become effective upon Final promulgation, or as soon thereafter as is practical, upon publication in the *Louisiana Register*. Interested persons may submit written comments until 30 days from the date of this publication, to Dennis Manshack, Executive Director, Louisiana Economic Development Corporation, P.O. Box 44153, Baton Rouge, Louisiana 70804.

Dennis Manshack
Executive Director

**FISCAL AND ECONOMIC IMPACT STATEMENT
FOR ADMINISTRATIVE RULES**

RULE TITLE: Small Business Equity Corporation

- I. ESTIMATED IMPLEMENTATION COSTS (SAVINGS) TO STATE OR LOCAL GOVERNMENT UNITS (Summary)
There are no significant implementation costs or savings to state or local governmental units anticipated due to the repeal of these rules because the Louisiana Small Business Equity Corporation was repealed in its entirety by Acts 1988, No. 888, §6.
- II. ESTIMATED EFFECT ON REVENUE COLLECTIONS OF STATE OR LOCAL GOVERNMENTAL UNITS (Summary)
No effect on revenue collections is anticipated.
- III. ESTIMATED COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS OR NONGOVERNMENTAL GROUPS (Summary)

There are no anticipated costs and/or economic benefits to directly affected persons or non-governmental groups as a result of repealing these rules.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

No effect on competition and employment is anticipated.

Ron J. Henson
Undersecretary
9911#017

Robert E. Hosse
General Government Section Director
Legislative Fiscal Office

NOTICE OF INTENT

**Department of Environmental Quality
Office of Environmental Assessment
Environmental Planning Division**

(Editor's Note: The following notice, which appeared on pages 2044 through 2045 of the October 20, 1999 *Louisiana Register*, is being republished to include new hearing dates.)

Chemical Accident Prevention
(LAC 33:III.5901) (AQ196)

Under the authority of the Environmental Quality Act, R.S. 30:2001 et seq., and in accordance with the provisions of the Administrative Procedure Act, R.S. 49:950 et seq., the secretary gives notice that rulemaking procedures have been initiated to amend the Air Quality regulations, LAC 33:III.5901 (Log #AQ196).

Act 839 of the 1999 Regular Session enacted R.S. 30:2063(K), which exempts storers of liquefied petroleum gas from regulation by the department for purposes of the chemical accident prevention program. This rule will exempt from the chemical accident prevention program, storers of liquefied petroleum gas whose facilities are permitted through or inspected by the Louisiana Liquefied Petroleum Gas Commission of the Department of Public Safety and Corrections, and storers of liquefied petroleum gas who use such gas as a fuel in an agricultural process. The basis and rationale for this rule are to reflect this exemption made by Act 839 of the 1999 Regular Session of the Louisiana Legislature.

This proposed rule meets an exception listed in R.S. 30:2019 (D)(3) and R.S. 49:953 (G)(3); therefore, no report regarding environmental/health benefits and social/economic costs is required. This proposed rule has no known impact on family formation, stability, and autonomy as described in R.S. 49:972.

Title 33

ENVIRONMENTAL QUALITY

Part III. Air

**Chapter 59. Chemical Accident Prevention and
Minimization of Consequences**

Subchapter A. General Provisions

**§5901. Incorporation by Reference of Federal
Regulations**

* * *

[See Prior Text in A-C.5]

6. In 40 CFR 68.130 the list of substances is modified to read, "Storers of liquefied petroleum gas whose facilities are permitted through or inspected by the Louisiana Liquefied Petroleum Gas Commission of the Department of

Public Safety and Corrections or storers of liquefied petroleum gas who use such gas as a fuel in an agricultural process are not subject to the provisions of this Chapter."

AUTHORITY NOTE: Promulgated in accordance with R.S. 30:2054 and 30:2063.

HISTORICAL NOTE: Promulgated by the Department of Environmental Quality, Office of Air Quality and Radiation Protection, Air Quality Division, LR 20:421 (April 1994), amended LR 22:1124 (November 1996), repromulgated LR 22:1212 (December 1996), amended LR 24:652 (April 1998), LR 25:425 (March 1999), amended by the Office of Environmental Assessment, Environmental Planning Division, LR 25:

A public hearing will be held on November 29, 1999, at 1:30 p.m. in the Trotter Building, Second Floor, 7290 Bluebonnet Boulevard, Baton Rouge, LA 70810. Interested persons are invited to attend and submit oral comments on the proposed amendments. Should individuals with a disability need an accommodation in order to participate, contact Patsy Deaville at the address given below or at (225) 765-0399.

All interested persons are invited to submit written comments on the proposed regulations. Commentors should reference this proposed regulation by AQ196. Such comments must be received no later than December 6, 1999, at 4:30 p.m., and should be sent to Patsy Deaville, Regulation Development Section, Box 82178, Baton Rouge, LA 70884-2178 or to fax (225) 765-0486. Copies of this proposed regulation can be purchased at the above referenced address. Contact the Regulation Development Section at (225) 765-0399 for pricing information. Check or money order is required in advance for each copy of AQ196.

This proposed regulation is available for inspection at the following DEQ office locations from 8 a.m. until 4:30 p.m.: 7290 Bluebonnet Boulevard, Fourth Floor, Baton Rouge, LA 70810; 804 Thirty-first Street, Monroe, LA 71203; State Office Building, 1525 Fairfield Avenue, Shreveport, LA 71101; 3519 Patrick Street, Lake Charles, LA 70605; 3501 Chateau Boulevard, West Wing, Kenner, LA 70065; 100 Asma Boulevard, Suite 151, Lafayette, LA 70508; 104 Lococo Drive, Raceland, LA 70394 or on the Internet at <http://www.deq.state.la.us/planning/regs/index.htm>.

James H. Brent, Ph.D.
Assistant Secretary

**FISCAL AND ECONOMIC IMPACT STATEMENT
FOR ADMINISTRATIVE RULES
RULE TITLE: Chemical Accident Prevention**

I. ESTIMATED IMPLEMENTATION COSTS (SAVINGS) TO STATE OR LOCAL GOVERNMENT UNITS (Summary)

This rule provides for deregulation of Liquefied Petroleum Gas (LPG) facilities pursuant to Act 829 of the 1999 Regular Session and will reduce the current workload and costs of the Chemical Accident Prevention Program (CAPP) as they specifically relate to this industry. However, on June 21, 1999, the overall program entered a new work phase when risk management plans for regulated facilities were submitted. Review of plans and follow-up facility audits will dramatically increase the program's workload. Original department estimates indicated that additional staff would be needed if all possible sources including the LPG industry submitted risk management plans. Without the LPG facilities, the staffing and resources

dedicated to this program will more closely match the anticipated workload. Environmental Trust Fund revenue from other sources will be used to supplant the revenue formerly collected from the LPG facilities so as to maintain the overall level of funding for this program.

II. ESTIMATED EFFECT ON REVENUE COLLECTIONS OF STATE OR LOCAL GOVERNMENTAL UNITS (Summary)

As a result of Act 839 of the 1999 Regular Legislative Session, the Louisiana Chemical Accident Prevention Program will lose \$175,500 per year of its revenue.

III. ESTIMATED COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS OR NONGOVERNMENTAL GROUPS (Summary)

Liquefied Petroleum Gas permitted facilities that fall under this rule will no longer pay an estimated \$175,500 in annual maintenance fees.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

There is no expected effect on competition and employment.

James H. Brent, Ph.D.
Assistant Secretary
9911#028

Robert E. Hosse
General Government Section Director
Legislative Fiscal Office

NOTICE OF INTENT

**Office of the Governor
Division of Administration
Board of Trustees of the State Employees
Group Benefits Program**

Exclusive Provider Organization (EPO)—Plan of Benefits
(LAC 32:V.317 and 701)

In accordance with the applicable provisions of R.S. 49:950, et seq., the Administrative Procedure Act, and pursuant to the authority granted by R.S. 42:871(C) and 874(B)(2), vesting the Board of Trustees with the responsibility for administration of the State Employees Group Benefits Program and granting the power to adopt and promulgate rules with respect thereto, the Board finds that it is necessary to amend the EPO Plan Document to provide a schedule of maximum allowable charges for facility fees and to exclude payment of facility fees for services rendered in a physician's office or in a facility not approved by Medicare. The reason for this action is to avoid adverse financial impact on the State Employees Group Benefits Program which would affect the availability of services necessary to maintain the health and welfare of the covered employees and their dependents, which is crucial to the delivery of vital services to the citizens of the state.

Accordingly, the Board hereby gives Notice of Intent to adopt the following Rule, amending the EPO Plan Document.

**Title 32
EMPLOYEE BENEFITS**

**Part V. Exclusive Provider (EPO)—Plan of Benefits
Chapter 3. Medical Benefits
§ 317. Exceptions and Exclusions for all Medical Benefits**

A. - A.38. ...

39. Facility fees for services rendered in a physician's office or in any facility not approved by the federal Health

Care Financing Administration for payment of such fees under Medicare.

AUTHORITY NOTE: Promulgated in accordance with R.S. 42:871(C) and 874(B)(2).

HISTORICAL NOTE: Promulgated by the Office of the Governor, Board of Trustees of the State Employees Group Benefits Program, LR 25:1813 (October 1999), amended LR 26:

Chapter 7. Schedule of Benefits—EPO

§ 701. Comprehensive Medical Benefits

A. - G. ...

H. Facility Fees, Maximum Allowable Charges. Unless otherwise provided by contract between the Program and the Provider, the Maximum Allowable Charges for facility fees for facilities located within the State of Louisiana shall be.

Facility Type/Charges	Maximum Allowable Charges
Medical	\$1,500/day
Surgical	\$2,000/day
ICU, NICU, CCU	\$3,000/day
Cardiovascular Surgery	\$5,000/day
Rehabilitation	\$750/day
Ambulatory (Outpatient) Surgery	\$3,000 max/occurrence

AUTHORITY NOTE: Promulgated in accordance with R.S. 42:871(C) and 874(B)(2).

HISTORICAL NOTE: Promulgated by the Office of the Governor, Board of Trustees of the State Employees Group Benefits Program, LR 25:1823 (October 1999), amended LR 26:

Interested persons may present their views, in writing, to A. Kip Wall, Interim Chief Executive Officer, State Employees Group Benefits Program, Box 44036, Baton Rouge, LA 70804, until 4:30 p.m. on Thursday, December 30, 1999.

A. Kip Wall
Interim Chief Executive Officer

FISCAL AND ECONOMIC IMPACT STATEMENT FOR ADMINISTRATIVE RULES

RULE TITLE: Exclusive Provider Organization (EPO)—Plan of Benefits

I. ESTIMATED IMPLEMENTATION COSTS (SAVINGS) TO STATE OR LOCAL GOVERNMENT UNITS (Summary)

There are no implementation costs associated with this rule and projected savings are projected to be minimal. Distribution of this rule change will be through SEGBP's normal correspondence to providers and members. Funds are currently appropriated for this purpose.

II. ESTIMATED EFFECT ON REVENUE COLLECTIONS OF STATE OR LOCAL GOVERNMENTAL UNITS (Summary)

Revenue collections of state or local governmental units will not be affected.

III. ESTIMATED COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS OR NONGOVERNMENTAL GROUPS (Summary)

This rule provides for maximum allowable charges that will be considered for payment by the SEGBP for facility fees for facilities located within the State of Louisiana that are not in the EPO network. Currently, there is only one facility that is non-contracted with SEGBP and the affect of this rule will be minimal.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

Competition and employment will not be affected.

A. Kip Wall
Interim Chief Executive Officer
9911#042

H. Gordon Monk
Staff Director
Legislative Fiscal Office

NOTICE OF INTENT

**Office of the Governor
Division of Administration
Board of Trustees of the State Employees
Group Benefits Program**

Fee Schedule

In accordance with the applicable provisions of R.S. 49:950 et seq., the Administrative Procedure Act, and pursuant to the authority granted by R.S. 42:871(C) and 874(B)(2), vesting the Board of Trustees with the responsibility for administration of the State Employees Group Benefits Program and granting the power to adopt and promulgate rules with respect thereto, and in order to comply with R.S. 42:851.5 which requires the Board to adopt and promulgate a schedule of maximum fees for medical and surgical services and for professional services provided in hospitals, the Board hereby gives Notice of Intent to adopt the following rule.

The maximum fees for medical and surgical services and for professional services provided in hospitals, when such medical, surgical, or professional services are rendered by providers who have not entered into contracts with the State Employees Group Benefits Program establishing the allowed charges for the services, shall be the 60th percentile of MDR's MediCode allowed charge. In the event that an allowed fee for the CPT code is not found in MDR's Medicode schedule, the maximum fee will be 75 percent of the provider's billed charge.

Interested persons may present their views, in writing, to A. Kip Wall, Interim Chief Executive Officer, State Employees Group Benefits Program, Box 44036, Baton Rouge, LA 70804, until 4:30 p.m. on Thursday, December 30, 1999.

A. Kip Wall
Interim Chief Executive Officer

FISCAL AND ECONOMIC IMPACT STATEMENT FOR ADMINISTRATIVE RULES

RULE TITLE: Fee Schedule

I. ESTIMATED IMPLEMENTATION COSTS (SAVINGS) TO STATE OR LOCAL GOVERNMENT UNITS (Summary)

The fee schedule was purchased from Medicode at a cost of \$18,000 by the State Employees Group Benefits Program and an additional \$600 was spent in formatting charges. The fee schedule will allow SEGBP to cap payments to providers in all regions.

II. ESTIMATED EFFECT ON REVENUE COLLECTIONS OF STATE OR LOCAL GOVERNMENTAL UNITS (Summary)

Revenue collections of state or local governmental units should not be affected by this rule change.

III. ESTIMATED COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS OR NONGOVERNMENTAL GROUPS (Summary)

The implementation of this fee schedule will reduce the overall rate that the SEGBP reimburses providers. Maximum

reimbursement is set at the 60th percentile of MDR's Medicare allowed charge, and at 75 percent of the provider's billed charges for those CPT codes not found in the schedule. Cost avoidance (approx. \$1.5 mil in FY 99/00, \$1.62 mil in FY 00/01, and \$1.75 mil in FY 01/02) will reduce future payments to providers. No anticipated reduction in benefits and services is expected for the plan members.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

Competition and employment should not be affected.

A. Kip Wall
Interim CEO
9911#043

H. Gordon Monk
Staff Director
Legislative Fiscal Office

NOTICE OF INTENT

**Office of the Governor
Division of Administration
Board of Trustees of the State Employees
Group Benefits Program**

Preferred Provider Organization (PPO)—Plan of Benefits
(LAC 32:III.317 and 701)

In accordance with the applicable provisions of R.S. 49:950, et seq., the Administrative Procedure Act, and pursuant to the authority granted by R.S. 42:871(C) and 874(B)(2), vesting the Board of Trustees with the responsibility for administration of the State Employees Group Benefits Program and granting the power to adopt and promulgate rules with respect thereto, the Board finds that it is necessary to amend the PPO Plan Document to provide a schedule of maximum allowable charges for facility fees and to exclude payment of facility fees for services rendered in a physician's office or in a facility not approved by Medicare. The reason for this action is to avoid adverse financial impact on the State Employees Group Benefits Program which would affect the availability of services necessary to maintain the health and welfare of the covered employees and their dependents, which is crucial to the delivery of vital services to the citizens of the state.

Accordingly, the Board hereby gives Notice of Intent to adopt the following Rule, amending the PPO Plan Document.

**Title 32
EMPLOYEE BENEFITS**

Part III. Preferred Provider Organization (PPO)—Plan of Benefits

Chapter 3. Medical Benefits

§ 317. Exceptions and Exclusions for all Medical Benefits

A. - A.38. ...

39. Facility fees for services rendered in a physician's office or in any facility not approved by the federal Health Care Financing Administration for payment of such fees under Medicare.

AUTHORITY NOTE: Promulgated in accordance with R.S. 42:871(C) and 874(B)(2).

HISTORICAL NOTE: Promulgated by the Office of the Governor, Board of Trustees of the State Employees Group Benefits Program, LR 25:1834 (October 1999), amended LR 26:

**Chapter 7. Schedule of Benefits—PPO
§ 701. Comprehensive Medical Benefits**

A. - D. ...

E. Facility Fees, Maximum Allowable Charges. Unless otherwise provided by contract between the Program and the Provider, the Maximum Allowable Charges for facility fees for facilities located within the State of Louisiana shall be.

Facility Type/Charges	Maximum Allowable Charges
Medical	\$1,500/day
Surgical	\$2,000/day
ICU, NICU, CCU	\$3,000/day
Cardiovascular Surgery	\$5,000/day
Rehabilitation	\$750/day
Ambulatory (Outpatient) Surger	\$3,000 max/occurrence

AUTHORITY NOTE: Promulgated in accordance with R.S. 42:871(C) and 874(B)(2).

HISTORICAL NOTE: Promulgated by the Office of the Governor, Board of Trustees of the State Employees Group Benefits Program, LR 25:1843 (October 1999), amended LR 26:

Interested persons may present their views, in writing, to A. Kip Wall, Interim Chief Executive Officer, State Employees Group Benefits Program, Box 44036, Baton Rouge, LA 70804, until 4:30 p.m. on Thursday, December 30, 1999.

A. Kip Wall
Interim Chief Executive Officer

**FISCAL AND ECONOMIC IMPACT STATEMENT
FOR ADMINISTRATIVE RULES
RULE TITLE: Preferred Provider Organization
(PPO)—Plan of Benefits**

I. ESTIMATED IMPLEMENTATION COSTS (SAVINGS) TO STATE OR LOCAL GOVERNMENT UNITS (Summary)

There are no implementation costs associated with this rule and projected savings are projected to be minimal. Distribution of this rule change will be through SEGBP's normal correspondence to providers and members. Funds are currently appropriated for this purpose.

II. ESTIMATED EFFECT ON REVENUE COLLECTIONS OF STATE OR LOCAL GOVERNMENTAL UNITS (Summary)

Revenue collections of state or local governmental units will not be affected.

III. ESTIMATED COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS OR NONGOVERNMENTAL GROUPS (Summary)

This rule provides for maximum allowable charges that will be considered for payment by the SEGBP for facility fees for facilities located within the State of Louisiana that are not in the PPO network. Currently, there is only one facility that is non-contracted with SEGBP and the affect of this rule will be minimal.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

Competition and employment will not be affected.

A. Kip Wall
Interim Chief Executive Officer
9911#041

H. Gordon Monk
Staff Director
Legislative Fiscal Office

NOTICE OF INTENT

**Office of the Governor
Division of Administration
Office of Facility Planning and Control**

Rental and Lease Procedure and Regulations
(LAC 34:III.Chapter 5)

The Division of Administration, Office of Facility Planning and Control, in accordance with R.S. 49:950 et seq. gives notice that in order to be in conformity with law intends to amend and reenact the following rules governing the Office of Facility Planning and Control's Real Estate Leasing Section.

LAC 34:III.501 is being amended to reflect changes to La. R.S. 39:1641. More specifically, Acts 1988, No. 919, Section 3 repealed subsec. E of Section 1641, thus removing all but one of the exceptions found in LAC 34:III.501. Acts 1997, No. 600, Section 1 repealed subsec. F of Section 1641, thus removing the remaining exception in LAC 34:III.501.

LAC 34:III.503 is being amended to reflect changes by Acts 1995, No. 635 to La. R.S. 39:1643 (A), increasing from 2,500 square feet to 5,000 square feet as the amount of square feet requiring advertising and competitive bidding.

LAC 34:III.505 is being amended to require a bidder "control" the offered properties and parking areas on the date of the bid opening and throughout the term of the lease and option period.

LAC 34:III.506 is being promulgated to merely reflect the law contained in La. R.S. 39:1599.

LAC 34:III.507 has been incorporated into the proposed LAC 34:III.503.

LAC 34:III.508 is being promulgated to merely reflect the law contained in La. R.S. 39:1594.

The proposed LAC 34:III.509 contains only a few minor changes.

LAC 34:III.510 is being promulgated merely to reflect provisions contained in state leases.

LAC 34:III.511 is being re-promulgated.

LAC 34:III.512 is being promulgated to reflect the law as contained in La. R.S. 39:1661.

LAC 34:III.513 is being amended to clarify that the emergency procurement provisions apply only to leases of 5,000 square feet or more because emergency procurements relieve the State of the need to advertise for bids. For smaller leases, the State is not required to advertise for bids.

LAC 34:III.514 is being promulgated to reflect the law as contained in La. R.S. 39:1598.

LAC 34:III.515 is being amended to reflect the changes to La. R.S. 39:1643(A) by Acts 1995, No. 635.

LAC 34:III.516 is being promulgated to reflect current procedures followed by the Real Estate Leasing Section and what is contained in La. R.S. 39:1644(A).

LAC 34:III.517 is being amended to add what is implicit in the law, i.e. that the rules for the Office of State Purchasing apply if they are not in conflict with the rules for Rental and Lease Procedure.

Title 34

**GOVERNMENT CONTRACTS,
PROCUREMENT AND PROPERTY CONTROL
Part III. Facility Planning And Control
Chapter 5. Rental and Lease Procedure and
Regulations**

§501. Authority, Policy, Purpose, and Application

A. Authority. Louisiana Revised Statutes provide that all agreements for the lease or rental of space shall be made by the agency whose offices and/or activities are to be housed, but shall be made and entered into only with the approval of the commissioner of administration. (Louisiana Procurement Code, Louisiana Revised Statutes, Chapter 17 of Title 39 R.S. 39:1551 et seq. with particular reference to 39:1641-1644). The commissioner has designated the Office of Facility Planning and Control, Real Estate Leasing Section, to administer this function (1641).

B. Policy. It is the policy of the Division of Administration to acquire the best available rental space for state agencies with the greatest amount of competition among lessors of privately owned facilities (1594(G), 1594(E) as amended, 1643(A) as amended).

C. Purpose. The purpose of these procedures and regulations is to simplify and clarify the procurement practices for renting and leasing of space for state agencies, to provide increased economy and efficiency in procurement activities, to foster more effective competition for bid space, ensure fair and equitable treatment of all persons involved, to enable greater public confidence in the lease procurement process, and to maintain a procurement system of quality and integrity.

D. Application. The definition of "Agency" stated in R.S. 39:2(2) shall be the sole definition of the term "state agency" employed herein in connection with the acquisition of housing space and the fact that an agency is supported by fees or taxes collected by, or dedicated to, the agency or which otherwise receives its operating funds through means other than direct appropriations, shall not be a test as to whether these rules shall be applicable to an agency of the state. [39:1641(C)].

AUTHORITY NOTE: Promulgated in accordance with R.S. 39:1551-1736.

HISTORICAL NOTE: Promulgated by the Office of the Governor, Division of Administration, Facility Planning and Control Department in LR 10:902 (November 1984), amended LR 26:

§503. Space Acquisition Method

A. In General

1. The Office of Facility Planning and Control, Real Estate Leasing Section, will retain an original of each lease and will notify a user agency when its lease is about to expire.

2. All standard forms mentioned herein are available on request from the Office of Facility Planning and Control, Real Estate Leasing Section.

3. Every lease for the use of 5,000 square feet or more, with the exception of emergency and sole source procurements as set forth in Rules 513 and 514 and cooperative use agreements between public procurement units, as set forth in R.S. 39:1701 and 1704, must be procured in accordance with R.S. 39:1594.

4. All leases and lease amendments, including amendments both for space of less than 5,000 square feet (which can be negotiated) and for 5,000 square feet or more, which must be bid, must be preceded by a request for approval form RL-2A (negotiable and amended leases) and RL-2B (leases competitively bid) on which the request for space, location and terms of lease are detailed.

5. The Office of Facility Planning and Control, Real Estate Leasing Section, will examine the request in relation to authorized programs, funds, and personnel, and will approve, take under advisement, or disapprove the user agency request, taking into consideration, including but not limited to, the price per square foot of rental space, space allocation, availability of housing in State-owned space, location of the requested space, number of locations considered, timeliness of the availability of the requested space.

B. Procedure for Space Less than 5,000 Square Feet

1. An agency seeking to acquire a lease for less than 5,000 square feet or to amend an existing lease which will result in total leased space of less than 5,000 square feet, shall attempt to obtain at least three (3) written proposals. Upon receipt of these proposals, the user agency shall enter into a negotiation process to obtain the best price and terms possible under the circumstances subject to approval by the Division of Administration.

2. Once the agency has completed this negotiation process and has selected a prospective lessor, it submits an RL-2A form to the Office of Facility Planning and Control, Real Estate Leasing Section, for approval of the proposed lease.

3. If an RL-2A request is not approved, the agency is notified in writing of the reasons for disapproval. Facility Planning and Control, Real Estate Leasing Section, may request additional information for further consideration.

4. Upon approval of the RL-2A request, the Real Estate Leasing Section will prepare the lease and extract of lease/amendment. The lease, extract of lease/amendment, and accompanying affidavit are executed, first by the lessor, then by the lessee, who is the user agency or department, and then given final approval by the Division of Administration. The extract of lease and the affidavit become a part of the lease. All leases and amendments shall be executed as four originals and distributed as follows: two (2) leases shall be distributed to the user agency, one (1) distributed to the lessor, and one (1) retained by the Office of Facility Planning and Control, Real Estate Leasing Section. The lessor shall record the extract of lease/amendment, lease or amendment in the public records of the parish in which the leased premises are located, and provide the Real Estate Leasing Section with a certified copy showing such recordation.

C. Space 5,000 Square Feet or Greater

1. The Bid Specifications and Solicitation

a. The Office of Facility Planning and Control, Real Estate Leasing Section, receives the RL-2B from the user agency. If an RL-2B is not approved, the agency is notified in writing of the reasons for disapproval. Additional information may be requested for further consideration. If the RL-2B is approved, the Office of Facility Planning and Control, Real Estate Leasing Section, prepares the bid specifications. The bid specifications shall include the bid

proposal form, affidavit attesting to control of the offered property and parking area, evidence of agency, corporate, or partnership authority (if applicable), space specifications and requirements, criteria for evaluation of the bids and a sample lease. Criteria for evaluation of bids shall include location of the proposed space, conditions of the proposed space, suitability of the proposed space for the user agency's needs, and timeliness of availability of the proposed space. (Act 635 of 1995 amending 39:1594(E) and Act 121 of 1997 adding 39:1594(C)(4).

b. The Real Estate Leasing Section forwards the bid specifications to the user agency for final review and comment prior to advertisement.

2. Advertisement and Notice. As required by R.S. 39:1643, leases for the use of 5,000 square feet or more of space are to be awarded pursuant to R.S. 39:1594 (unless exempt under R.S. 39:1593) which requires adequate public notice of the invitation for bids to be given at least 20 days prior to bid opening date. This notice is given by advertising in the official journal of the state and in the official parish journal of the parish where the property is to be leased. The advertisement shall be published twice in the state and parish journals, with one publication on a Saturday, if available. The bid specifications are then made available and distributed to bidders who request a copy. Bidders receiving a copy of the bid specifications, become a "Bidder of Record" for that solicitation.

3. Pre-Bid Conference. A pre-bid conference may be held upon the request of the user agency to answer questions from prospective bidders. The date and time of the pre-bid conference shall be included in the advertisement, which shall state if attendance at the pre-bid conference is a prerequisite to submission of a bid.

4. Addenda to Bid Specifications

a. A potential bidder or the user agency can request changes/alterations to the advertised bid specifications, but only in writing to the Office of Facility Planning and Control, Real Estate Lease Section. The written request is reviewed by the Real Estate Leasing Section and by the user agency. If approved, an addendum to the bid specifications is issued and provided to all "Bidders of Record."

b. Addenda modifying the bid specifications must be issued no later than three (3) working days prior to the advertised time for the opening of bids, excluding Saturdays, Sundays and any other legal holidays. If the necessity arises to issue an addendum modifying the bid specifications within the three-day period prior to the advertised time for the opening of bids, the opening of bids shall be extended exactly 14 days, without the requirement of re-advertising. Addenda shall be sent to all "Bidders of Record."

c. If any changes/alterations to the advertised bid specifications are a substantial deviation from the advertised bid specifications, the solicitation must be re-advertised with a new bid opening date established. The bid opening is rescheduled for at least 20 days after the re-advertisement. Any alterations or changes to advertised geographic boundaries may be grounds for re-advertisement of the solicitation.

5. Bid Opening

a. Bids are opened by the Real Estate Leasing Section at the specified date, time and place. The Real Estate Leasing Section evaluates the bids and arranges them on a

bid tabulation sheet. If deemed necessary by the Real Estate Leasing Section, additional information and documentation evidencing control of the offered property and parking areas can be requested of the apparent low bidder.

b. The Real Estate Leasing Section sends the bid tabulation to the user agency with a request that the user agency verify availability of funds for rental payments to the apparent low bidder and compliance of the property offered by the apparent low bidder with the specified geographic boundaries.

6. Determination of Lowest Bidder

a. Upon receipt from the user agency of verification of availability of rental payments to the apparent low bidder and verification of compliance of the property offered by the apparent low bidder within the specified geographic boundaries, the Real Estate Leasing Section sends written notice to the apparent low bidder requesting schematic floor plans, site plans, and outline specifications of the proposed lease space. The apparent low bidder is allowed 20 days in which to provide the required documents. The user agency shall then review the documents as to adjacencies and layout of the space. If they meet the agency's requirements, the agency shall then submit the schematic plans, site plans, and outline specifications to the Real Estate Leasing Section for review. Once the Real Estate Leasing Section determines they are in compliance with the advertised bid specifications, it will proceed with the issuance of the lease documents.

b. If the schematic plans, site plans, and outline specifications are not approved by the Real Estate Leasing Section, the apparent low bidder is allowed ten (10) days in which to correct any deficiencies or discrepancies between the submitted plans and the advertised bid specifications. Upon receipt of the revised plans, the Real Estate Leasing Section reviews for compliance with the advertised bid specifications. If the documents are then approved by the Real Estate Leasing Section, the lease documents are then issued. Should the schematic plans, site plans, and outline specifications still not comply with the advertised bid specifications, the bid may be rejected for non-compliance with the advertised bid specifications. The next apparent low bidder can then be considered by following the same procedures.

c. Should all bidders be considered non-responsive or not in compliance with the advertised bid specifications, the bid solicitation is canceled. The bid specifications can be reviewed for possible revisions in order that a new solicitation can be issued.

7. Execution of the Lease. The Real Estate Leasing Section will prepare the lease and extract of lease. The lease and extract of lease and accompanying affidavit are executed, first by the lessor, who must return the signed lease and the affidavit within 10 days after receipt. The lease is then executed by the lessee, who is the user agency or department, and then given final approval by the Division of Administration. The affidavit and extract of lease become a part of the lease. All leases shall be executed as four originals and are distributed as follows: two (2) leases to the user agency, one (2) to the lessor, and one (1) retained by the Office of Facility Planning and Control, Real Estate Leasing Section. The lessor shall record an extract of lease or lease in the public records of the parish in which the leased premises

are located and provide the Real Estate Leasing Section with a certified copy showing such recordation.

8. Notice to Other Bidders. When the lease documents are mailed to the lowest, responsible bidder for execution, all other bidders are notified via certified mail of the contract award.

AUTHORITY NOTE: Promulgated in accordance with R.S. 39:1551-1736.

HISTORICAL NOTE: Promulgated by the Office of the Governor, Division of Administration, Facility Planning and Control Department in LR 10:902 (November 1984), amended LR 26:

§505. Space Offered

A. A bidder may offer space consisting of any of the following: owned or leased space ready for occupancy, owned or leased space to be renovated for occupancy, owned or leased new construction.

B. Space may not be offered for lease in response to a solicitation if the same space has been offered/bid for another solicitation within the last sixty (60) days and has not been withdrawn for that solicitation.

C. A bidder must control the offered property and parking areas as of the date of the bid opening and throughout the term of the lease and option period. He shall submit an affidavit with his bid indicating how the property and parking areas are controlled. The Real Estate Leasing section shall ask the apparent low bidder to provide schematic plans, outline specifications, and site plans and will evaluate those plans and specifications to determine compliance of the offered space with the advertised bid specifications.

AUTHORITY NOTE: Promulgated in accordance with R.S. 39:1551-1736.

HISTORICAL NOTE: Promulgated by the Office of the Governor, Division of Administration, Facility Planning and Control Department in LR 10:902 (November 1984), amended LR 26:

§506. Rejection of Bids and Cancellation of Invitations for Bids or Requests for Proposals

A. The Chief Procurement Officer or designee has the right to reject any or all bids, and to cancel an invitation for bids, a Request for Approval Form RL-2, or other solicitation when it has been deemed to be in the best interest of the State of Louisiana. Such determination must be made in writing.

B. If the solicitation is cancelled prior to bid opening, all bidders of record (those bidders who obtain from the Real Estate Leasing Section a copy of the bid specifications) are notified. If the solicitation is cancelled after the bid opening, all bidders are notified.

AUTHORITY NOTE: Promulgated in accordance with R.S. 39:1551-1736.

HISTORICAL NOTE: Promulgated by the Office of the Governor, Division of Administration, Facility Planning and Control, LR 26:

§507. Additional Requirements of Lessor Repealed.

§508. Correction and Withdrawal of Bids

A. Prior to Bid Opening. Prior to the bid opening, a written request for the withdrawal of a bid will be granted if the request is received prior to the specified time of the bid opening. If a bidder withdraws a bid, all bid documents shall remain the property of the State.

B. After Bid Opening. Patent errors in bids or errors in bids supported by clear and convincing evidence may be corrected, or bids may be withdrawn, if such correction or withdrawal does not prejudice other bidders. Such bid may be corrected or withdrawn after bid opening only with the approval of the Office of Facility Planning and Control, Real Estate Leasing Section. A bidder who wishes to correct or withdraw a bid, must request approval for such action in writing. The request must specify the justification for the proposed correction or withdrawal. If a bidder is allowed to withdraw a bid, he may be required to withdraw all other bids he has submitted for that solicitation.

AUTHORITY NOTE: Promulgated in accordance with R.S. 39:1551-1736.

HISTORICAL NOTE: Promulgated by the Office of the Governor, Division of Administration, Facility Planning and Control, LR 26:

§509. Determination of Responsibility

A. The Real Estate Leasing Section may request that an apparent low bidder submit suitable evidence that he is a responsible bidder. A responsible bidder shall:

1. have adequate financial resources for performance, or have the ability to obtain such resources as required during performance;
2. have the necessary experience, organization, technical qualifications, skills, and facilities, or have the ability to obtain them (this may include subcontractor arrangements);
3. be able to comply with the proposed or required occupancy date; and
4. not have an unsatisfactory record of contract performance.

B. The Real Estate Leasing Section may request the following information:

1. a letter of credit from a financial institution;
2. financial statement;
3. a letter of commitment from the bank or other institution financing the project and addressed to the Division of Administration, stating the amount and terms of commitment to the Lessor;
4. information from the prospective Lessor, including representations and other data contained in proposals, or other written statements or commitments, such as financial assistance and subcontracting arrangements;
5. other information supportive of financial responsibility, including financial data, and records concerning lessor performance;
6. publications, including credit ratings and trade and financial journals; and
7. information from other sources, including banks, other financial companies, state departments and agencies, and courts.

AUTHORITY NOTE: Promulgated in accordance with R.S. 39:1551-1736.

HISTORICAL NOTE: Promulgated by the Office of the Governor, Division of Administration, Facility Planning and Control Department in LR 10:902 (November 1984), amended LR 26:

§510. Assignment of Proceeds of Lease and Assignment of Lease

Assignments of Lease and Assignments of Proceeds of Lease by a lessor must be approved in advance and in writing by the Office of Facility Planning and Control—Real

Estate Leasing Section. Approval of a requested assignment shall not be unreasonably or arbitrarily withheld by either party. However, the approval of any assignment of proceeds of lease may be conditioned upon receipt of reasonable assurances from assignee of his ability and willingness to assume responsibility for performance of the terms of the lease in the event of failure of performance by the assignor. Assignment of Lease forms and Assignment of Proceeds of Lease forms shall be provided by the Office of Facility Planning and Control, Real Estate Leasing Section.

AUTHORITY NOTE: Promulgated in accordance with R.S. 39:1551-1736.

HISTORICAL NOTE: Promulgated by the Office of the Governor, Division of Administration, Facility Planning and Control, LR 26:

§511. Resolution of Controversies

A. Right to Protest. Any prospective lessor who is aggrieved in connection with the solicitation or award of a contract may protest to Facility Planning and Control. Protests with respect to a solicitation shall be submitted in writing no later than 10 days prior to the opening of bids. If a person protests a solicitation, an award cannot be made until said protest is resolved. Protests with respect to the award of a contract shall be submitted in writing within 14 days after contract award. Said protest shall state fully and in particular, the reason for protest if a protest is made with respect to the award of a contract. Work on the contract cannot be commenced until it is resolved administratively.

B. Decision. The assistant director, Facility Planning and Control, must notify the protesting party in writing and the legal counsel of the Division of Administration within 14 days after receipt of said protest whether or not the protest is denied or granted. If the protest with reference to the solicitation is granted, the solicitation will be canceled and reissued. If the protest with reference to the award is granted, then the lease will be voided and the remaining solicitations may be re-evaluated for another selection. If another selection cannot be made or if it appears to be in the best interest of the state, a new solicitation will be issued.

C. Appeal. If an aggrieved party is not satisfied with the rendered decision, then that party may appeal said decision in writing to the commissioner of administration within seven days of the decision. The protesting party should fully explain the basis of his appeal. The commissioner then must render a decision in writing within 14 days of receipt of the appeal. The commissioner's decision is final and an aggrieved party may bring judicial action within two weeks from receipt of said decision.

AUTHORITY NOTE: Promulgated in accordance with R.S. 39:1551-1736.

HISTORICAL NOTE: Promulgated by the Office of the Governor, Division of Administration, Facility Planning and Control in LR 11:945 (October 1985), amended in LR 22:345 (May 1996), repromulgated LR 26:

§512. Lease Clauses

A. A lease may include clauses providing for equitable adjustments in prices, time for performance, or other contract provisions, as appropriate, covering such subjects as:

1. the unilateral right of the state to order in writing changes in the work within the general scope of the contract in the drawings, designs, or specifications for space to be furnished;

2. the unilateral right of the state to order in writing temporary stopping of the work or delaying of performance; and

3. variations between estimated and actual quantities.

B. A lease may include clauses providing for appropriate remedies covering such subjects as:

1. liquidated damages as appropriate;
2. specified excuses for delay or non-performance;
3. termination of the contract for default; and

4. termination of the contract in whole or in part if sufficient funds have not been appropriated by the Legislature.

C. A lease may also provide that in the event that the lessor fails to fulfill or comply with the terms of any contract, he may be subject to disqualification on future state projects and the chief procurement officer may award the contract to the next lowest responsible bidder, subject to acceptance by that bidder, and charge the difference in cost to the defaulting lessor.

AUTHORITY NOTE: Promulgated in accordance with R.S. 39:1551-1736.

HISTORICAL NOTE: Promulgated by the Office of the Governor, Division of Administration, Facility Planning and Control, LR 26:

§513. Emergency Procurement

A. The Office of Facility Planning and Control, Real Estate Leasing Section, may make emergency procurements for acquisition of housing space of 5,000 square feet or more when there exists an imminent threat to the public health, welfare, safety or public property.

B. The declaration of an emergency must be made in writing by the Chief Procurement Officer or his designee, fully documenting the nature of the emergency, the circumstances leading up to the emergency and a description of the threat to public health, welfare, safety or public property.

AUTHORITY NOTE: Promulgated in accordance with R.S. 39:1598.

HISTORICAL NOTE: Promulgated by the Office of the Governor, Division of Administration, Facility Planning and Control Department in LR 10:902 (November 1984), amended LR 26:

§514. Sole Source Procurements

The Office of Facility Planning and Control, Real Estate Leasing Section may make sole source procurements for acquisition of housing space of 5,000 square feet or more or may amend an existing lease to total in excess of 5,000 square feet or more when the Chief Procurement Officer, or his designee, determines in writing that there is only one source for the required space.

AUTHORITY NOTE: Promulgated in accordance with R.S. 39:1597.

HISTORICAL NOTE: Promulgated by the Office of the Governor, Division of Administration, Facility Planning and Control Department, LR 26:

§515. Amendments to Leases

A. Additional Space. Any additional space added is to be only that for which the requirement could not reasonably have been foreseen at the time of execution of the lease or the latest option renewal; the additional space provision is not to be used to circumvent the bid law.

1. Leases for Space of Less than 5,000 Square Feet. Any lease for less than 5,000 square feet may be amended

by negotiation between the user agency and the lessor. The square footage of such a lease may be increased up to a total of 4,999 square feet with the approval of the Division of Administration. If the amendment causes the space to measure 5,000 square feet or more, the additional space must be procured in accordance with RS 39:1594 unless it is deemed a sole source or emergency procurement.

2. Leases for Space of 5,000 Square Feet or More. Any lease for space of 5,000 square feet or more, may be amended by negotiations between the user agency and the lessor to include up to 4,999 square feet of additional space. Such amendment must also be approved by the Division of Administration. If the amendment adds 5,000 square feet or more, the additional space must be procured in accordance with RS 39:1594 unless it is considered a sole source or emergency procurement.

B. Modifications and Alterations. In the event alterations to or modifications of space currently under lease are required to meet changed operating requirements, a lease may be amended. Such lease amendment may, with the approval of the Division of Administration, provide an adjustment in monthly lease payments not to exceed twenty five (25%) percent of the original annual lease price per square foot, sufficient to reimburse the lessor for paying for the leasehold improvements. Any adjustment in lease payments shall also require the approval of the Joint Legislative Committee on the Budget. The continuance of a rental adjustment in excess of twenty five (25%) percent of the original rental rate shall be further contingent on the appropriation of funds in the following fiscal years.

AUTHORITY NOTE: Promulgated in accordance with R.S. 39:1551-1736.

HISTORICAL NOTE: Promulgated by the Office of the Governor, Division of Administration, Facility Planning and Control Department in LR 10:902 (November 1984), amended LR 26:

§516. Renegotiation and Renewal of Current Leases

A. Leases of Less than 5,000 Square Feet. If an agency wishes to renew an existing lease of less than 5,000 square feet, it may renegotiate with the present lessor or attempt to obtain proposals from other prospective lessors.

B. Space of 5,000 Square Feet or More. An existing lease for office or warehouse space of 5,000 square feet or more, may be renegotiated with the present lessor, but only after the Division of Administration has entered into a competitive negotiation process involving discussions with at least three (3) offerors who submit written proposals. If less than three (3) written proposals are submitted, the Division of Administration may, nevertheless, hold discussions with those offerors, as well as with the current lessor, but without revealing information gleaned from competing proposals to other offerors. Such proposals shall be solicited by advertising as provided in R.S. 39:1594(C).

C. Evaluation of Proposals. If the Commissioner of Administration, or his designee, determines after evaluation of the proposals and discussions with the current lessor that to renew the present lease would be in the best interest of the State, an existing lease may be renewed. The Commissioner, or his designee, may enter into a lease with one of the other offerors if determined to be in the best interest of the State. In making such a determination, the Commissioner, or his designee, shall take into consideration, over the duration of the lease, rental rates, the amount of funds necessary to

relocate, any geographical considerations particular to that state program, the amount of disruption to state business that may be incurred in moving to a new location, and any other relevant factors presented.

AUTHORITY NOTE: Promulgated in accordance with R.S. 39:1551-1736.

HISTORICAL NOTE: Promulgated by the Office of the Governor, Division of Administration, Facility Planning and Control, LR 26:

§517. Revised Statutes and Louisiana Administrative Code

These regulations shall be read and interpreted jointly with Chapter 17 of Title 39 of the Revised Statutes and, when not in conflict, with the purchasing rules of the *Louisiana Administrative Code*.

AUTHORITY NOTE: Promulgated in accordance with R.S. 39:1551-1736.

HISTORICAL NOTE: Promulgated by the Office of the Governor, Division of Administration, Facility Planning and Control Department in LR 10:902 (November 1984), amended LR 26:

Interested persons may submit written comments within 20 days of publication to: Roger Magendie, Director, Office of Facility Planning and Control, P.O. Box 94095, Baton Rouge, LA 70804-9095.

Roger Magendie
Director

FISCAL AND ECONOMIC IMPACT STATEMENT FOR ADMINISTRATIVE RULES

RULE TITLE: Rental and Lease Procedure and Regulations

I. ESTIMATED IMPLEMENTATION COSTS (SAVINGS) TO STATE OR LOCAL GOVERNMENT UNITS (Summary)

It is not anticipated that the proposed rule changes will have any implementation costs or savings to the State or to local governmental units because the changes were required by changes in the law itself.

For example, Acts 1988, No. 919, Section 3 repealed subsec. E of La. R.S. 39:1641 and amended subsec. F of the same statute. As a result, certain agencies were no longer exempt from the Procurement Code's provisions regarding the acquisition of housing space. In addition, Acts 1997, No. 600, Section 1 repealed subsec. F of La. R.S. 39:1641. As a result, leases for the storage of voting machines are now administered by the Office of Real Estate Leasing of the Office of Facility Planning and Control. These changes are reflected in the proposed changes to the *Louisiana Administrative Code*, Title 34, Part III, Chapter 5, Section 501, Authority, Policy, Purpose, and Application.

Another statutory change was the increase in the amount of square feet necessitating advertisement and competitive bidding. Acts 1995, No. 635 amended La. R.S. 39:1643(A), increasing from 2,500 to 5,000 square feet the amount of square feet in a lease that must be publicly advertised and bid. This change is reflected in Sections 503 and 515 of the proposed rules.

Section 505 of the current rules is now incorporated in Section 515 of the proposed rules.

Section 507 of the current rules is now incorporated in Section 503 of the proposed rules.

Other than the above-cited substantive changes necessitated by changes in the law itself, the proposed rules are basically the

same, but re-written and organized in a format easier to comprehend.

II. ESTIMATED EFFECT ON REVENUE COLLECTIONS OF STATE OR LOCAL GOVERNMENTAL UNITS (Summary)

It is not anticipated that the proposed rules will have any effect on revenue collections of state or local governmental units.

III. ESTIMATED COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS OR NONGOVERNMENTAL GROUPS (Summary)

It is not anticipated that any changes in the rules will increase costs or benefits to directly affected persons or non-governmental groups.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

It is not anticipated that the proposed rules will have any effect on competition and employment.

Roger Magendie
Director
9911#074

Robert E. Hosse
General Government Section Director
Legislative Fiscal Office

NOTICE OF INTENT

Department of Health and Hospitals Board of Veterinary Medicine

(Editor's Note: The following notice, which appeared on pages 2092 through 2096 of the October 20, 1999 *Louisiana Register*, is being republished to include the hearing date which was inadvertently omitted.)

Registered Equine Dentists
(LAC 46:LXXXV.Chapter 15)

The Louisiana Board of Veterinary Medicine proposes to adopt LAC 46:LXXXV.1500 through 1519 in accordance with the provisions of the Administrative Procedure Act, R.S. 49:950 et seq., and the Louisiana Veterinary Practice Act, La. R.S. 37:1518 et seq. These proposed new rules pertain to the registration and regulation of individuals to practice equine dentistry and other related matters. The proposed rules have no known impact on family formation, stability, and autonomy as described in R.S. 49:972. These proposed new rules are set forth below.

Title 46

PROFESSIONAL AND OCCUPATIONAL STANDARDS

Part LXXXV. Veterinarians

Chapter 15. Registered Equine Dentists

§1500. Definitions

A. All definitions used in this chapter shall have the meaning assigned to them in La. R.S. 37:1560. In addition, the following definitions shall be applied.

Approval—as used in R.S. 37:1562(C)(2) means the veterinarian shall make an informed decision based upon his professional judgment after giving consideration to the notification provided by an equine dentist which shall include a visual inspection conducted by the veterinarian prior to the commencement of the procedure.

Continuing Education—board-approved educational experiences in equine dentistry, which may be in the form of institutes, seminars, lectures, conferences, workshops, and other modes of delivery so as to maintain and improve

technical competency for the health, welfare, and safety of the citizens of Louisiana.

Continuing Education Unit (CEU)—one hour of activity or participation in a continuing educational program approved by the board.

Equine Owner's Veterinarian—veterinarian licensed by the board who has established a veterinary-client-patient relationship as a primary care provider or as a consultant to the primary care provider.

Notify or Notification—

a. with regards to the rasping (floating) of molar, premolar and canine teeth, and the removal of deciduous incisor and premolar teeth (caps), shall mean full written or verbal person to person communication with the veterinarian prior to the commencement of the procedure; or

b. with regards to extracting equine first premolar teeth (wolf teeth), shall mean full written or verbal person to person communication with the veterinarian prior to commencement of the procedure and after approval is given by the veterinarian; however, written confirmation of the notification prepared by the registered equine dentist shall be sent to and received by the veterinarian within seven days after the procedure, which written confirmation shall include:

- i. owner's name, address, and phone number;
- ii. identifying information concerning the horse, which shall include name, permanent identification marks, age, sex, and color;
- iii. method of restraint used during the procedure;
- iv. type of dental procedure performed, including methods used;
- v. description of the outcome of the procedure;
- vi. recommendations, if any, to the owner following extraction of any first premolar teeth.

Possession—actual possession whereby the registered equine dentist has his certificate readily available.

Practice of Equine Dentistry—means the rasping (floating) of molar, premolar and canine teeth, and the removal of deciduous incisor and premolar teeth (caps); additionally, an equine dentist may extract equine first premolar teeth (wolf teeth) after complying with the requirements set forth in R.S. 37:1562(C)(2) and the board's rules.

Referral—a verbal request to perform equine dentistry made to a registered equine dentist by a veterinarian licensed by the board who has established a veterinarian-client-patient relationship as defined in LAC 46:LXXXV.700 and who is readily accessible by beeper or cell phone as well as present within a 30 mile radius of and 30 minutes or less travel time from the treatment site.

Referral Veterinarian—a veterinarian licensed by the board authorized by the existence of a veterinarian-client-patient relationship as defined in LAC 46:LXXXV.700 to make a referral to perform equine dentistry to a registered equine dentist and who is readily accessible by beeper or cell phone as well as present within a 30 mile radius of and 30 minutes or less travel time from the treatment site.

Substantially Involved in the Care and Maintenance of Horses in the Horse Racing Industry in Louisiana—previous practical experience within the horse racing industry that included equine dental procedures.

Unprofessional Conduct—in addition to the definition set forth in R.S. 37:1564(A)(10), shall include the following:

a. making or participating in any communication, advertisement or solicitation which is false, fraudulent, deceptive, misleading or unfair, or which contains a false, fraudulent, deceptive, misleading or unfair statement or claim;

b. initiation or continuation of services that are contraindicated or cannot reasonably result in beneficial outcome;

c. abuse or exploitation of the provider-patient relationship for the purpose of securing personal compensation, gratification, or benefit unrelated to the provision of service;

d. failure to comply with the practice requirements set forth in R.S. 37:1562;

e. failure to comply with the duties established in R.S. 37:1560 et seq. and/or the board's rules.

AUTHORITY NOTE: Promulgated in accordance with R.S. 37:1568.

HISTORICAL NOTE: Promulgated by the Department of Health and Hospitals, Board of Veterinary Medicine, LR 26:

§1501. Applications for Certificates of Approval

A. Pursuant to La. R.S. 37:1561 and 1562(D), applicants shall submit the following items to the board:

1. a completed application form approved by the board, which shall be sworn to and subscribed before a notary public;

2. evidence that the applicant is a current resident of this state on July 1, 1999, which evidence must be one of the following:

a. a utility bill statement in the name of the applicant and for a Louisiana address which includes service for July 1, 1999; or

b. any other document providing evidence of residency on July 1, 1999, which is approved by a majority of a quorum of the board;

3. evidence that the applicant is substantially involved in the care and maintenance of horses in the horse racing industry in Louisiana, which evidence shall be the following:

a. an affidavit from the applicant sworn to and subscribed before a notary public; and

b. two letters of reference on board-approved forms from veterinarians licensed by the board which shall attest to the applicant's character and ethical standards as they apply to his knowledge in the field of equine dentistry and his substantial involvement in the care and maintenance of horses in the horse racing industry in Louisiana; and

4. evidence that the applicant was licensed in good standing as an equine dentist by the Louisiana Racing Commission on or before July 1, 1995, which evidence must be a certified statement directly forwarded to the board office from an authorized official of the Louisiana Racing Commission attesting to the applicant's licensure in good standing on or before July 1, 1995;

5. payment of all applicable fees for registered equine dentist fees established by the board;

6. a current passport type photograph of the applicant;

7. certification by the applicant that he has not violated or been subject to any of the grounds for denial of a certificate of approval as listed in La. R.S. 37:1564;

8. a list of all professional certificates or licenses that the applicant currently holds and/or has held.

B. The Board may reject any applications which do not contain full and complete answers and/or information as requested and may reject any application if any information furnished in the application is fabricated, false, misleading, or incorrect.

AUTHORITY NOTE: Promulgated in accordance with R.S. 37:1568.

HISTORICAL NOTE: Promulgated by the Department of Health and Hospitals, Board of Veterinary Medicine, LR 26:

§1503. Fees

A. The Board hereby adopts and establishes the following fees for registered equine dentists.

Original Registration Fee	\$ 200
Annual Renewal of Registration Fee	\$ 125
Late renewal fee	\$ 100
Application fee	\$ 100

B. Renewals received after the expiration date as provided in La. R.S. 37:1566, shall be charged a late renewal fee.

AUTHORITY NOTE: Promulgated in accordance with R.S. 37:1568.

HISTORICAL NOTE: Promulgated by the Department of Health and Hospitals, Board of Veterinary Medicine, LR 26:

§1505. Renewal of Certificates

A. All certificates of approval shall expire annually at midnight September 30. Certificates shall be renewed by completing a re-registration form which shall be provided by the board, submitting any other documents required by this chapter, and by payment of the annual renewal fee established by the board.

B. Each year, ninety days prior to the expiration date of the license, the board shall mail a notice to each registered equine dentist stating the date his certificate will expire and providing a form for re-registration.

C. The certificate of approval will be renewed for any person who complies with the requirements of this chapter.

D. Re-registration forms for renewal of certificates of approval, complete with payment of fees and any other documents required by this chapter, shall be postmarked no later than the expiration date of the certificate each year. Re-registration forms postmarked after midnight of the expiration date will be subject to a late renewal fee as established by the board. This fee is in addition to the regular fee for annual renewal.

E. Continuing education requirements prescribed by this chapter must be satisfied before a certificate of approval is renewed.

AUTHORITY NOTE: Promulgated in accordance with R.S. 37:1568.

HISTORICAL NOTE: Promulgated by the Department of Health and Hospitals, Board of Veterinary Medicine, LR 26:

§1507. Expired Certificate

A. A registered equine dentist whose certificate has expired may be reinstated within one year of its expiration by making written application for renewal, paying the current renewal fee plus all delinquent renewal fees, and meeting the continuing education requirements prescribed by the board.

B. The identifying number of an expired certificate of approval shall not be issued to any person other than the original holder of that number.

C. A registered equine dentist who fails to renew a certificate of approval within one year of its expiration must reapply for a new certificate. A certificate of approval shall not be issued without the approval of a majority of the quorum of the board.

AUTHORITY NOTE: Promulgated in accordance with R.S. 37:1568.

HISTORICAL NOTE: Promulgated by the Department of Health and Hospitals, Board of Veterinary Medicine, LR 26:

§1509. Revoked Certificate

A. A registered equine dentist whose certificate has been revoked pursuant to La. R.S. 37:1564 must reapply for a new certificate.

B. A person whose certificate of approval has been revoked pursuant to La. R.S. 37:1564 shall not be issued a new certificate unless approved by a majority of a quorum of the board.

AUTHORITY NOTE: Promulgated in accordance with R.S. 37:1568.

HISTORICAL NOTE: Promulgated by the Department of Health and Hospitals, Board of Veterinary Medicine, LR 26:

§1511. Review or Appeal of Denial of Application

A. Any registered equine dentist aggrieved by a decision of the board, other than a holder of a certificate of approval against whom disciplinary proceedings have been brought pursuant to R.S. 37:1560 et seq. may, within 30 days of notification of the board's action or decision, petition the board for a review or appeal of the board's actions.

B. Such petition shall be in the form of a letter, signed by the person aggrieved, and mailed to the board at its principal office.

C. Upon receipt of such petition, the board may proceed to take such action as it deems expedient or hold such hearings as may be necessary, and may review such testimony and/or documents and/or records as it deems necessary to dispose of the matter, but the board shall not, in any event, be required to conduct any hearings or investigations, or consider any offerings, testimony, or evidence unless so required by statute or other rules or regulations of the board.

AUTHORITY NOTE: Promulgated in accordance with R.S. 37:1568.

HISTORICAL NOTE: Promulgated by the Department of Health and Hospitals, Board of Veterinary Medicine, LR 26:

§1513. Disciplinary Proceedings

A. The Board, after due notice and hearing as set forth in the Louisiana Administrative Procedure Act, LSA R.S. 49:950 et seq. and LAC 46:LXXXV.1401, may deny, reprimand, restrict, fine, probate, suspend, revoke or pursuant to LSA R.S. 37:1560 et seq. otherwise sanction a registered equine dentist or applicant for certification on a finding that the person has violated LSA R.S. 37:1560 et seq. or any of the rules promulgated by the board, or prior final decisions and/or consent orders involving the registered equine dentist or applicant for certification.

B. Any registered equine dentist against whom disciplinary proceedings have been instituted and against whom disciplinary action has been taken by the Board pursuant to R.S. 37:1560 et seq. and/or the board's rules, shall have rights of review and/or rehearing and/or appeal in accordance with the terms and provisions of the Administrative Procedure Act and LAC 46:LXXXV.1401.

AUTHORITY NOTE: Promulgated in accordance with R.S. 37:1568.

HISTORICAL NOTE: Promulgated by the Department of Health and Hospitals, Board of Veterinary Medicine, LR 26:

§1515. Practice and Duties

A. Except as provided in R.S. 37:1562, no person shall practice equine dentistry in Louisiana unless issued a certificate of approval by the board.

B. Pursuant to La. R.S. 37:1562(C)(1), a registered equine dentist who practices equine dentistry at a location other than at a racetrack shall notify the horse owner's veterinarian prior to the commencement of the practice of equine dentistry.

C. Pursuant to La. R.S. 37:1562(C)(1), in the event that the horse owner does not have a veterinarian, the equine dentist shall obtain a referral from a veterinarian licensed by the board who has established a veterinarian-client-patient relationship as defined in LAC 46:LXXXV.700. Such referral must be documented by the veterinarian to include:

1. the establishment of the veterinarian-patient-client relationship as defined in LAC 46:LXXXV.700 prior to referral; and

2. that the referral veterinarian is readily accessible by beeper or cell phone as well as present within a 30 mile radius of and 30 minutes or less travel time from the treatment site;

3. the referral veterinarian must submit a copy of the written referral which must be received by the registered equine dentist within seven days from the referral;

4. such documentation shall be made part of the records maintained by the veterinarian and the registered equine dentist.

D. Pursuant to La. R.S. 37:1562(C)(2), prior to the initiation of an extraction of first premolar teeth (wolf teeth), the registered equine dentist shall notify and obtain the approval of the equine owner's veterinarian or referral veterinarian.

E. Duties

1. Prohibition on Drugs. A registered equine dentist shall not prescribe, recommend, or administer any legend drug or controlled substance.

2. Record Keeping. A registered equine dentist shall establish and maintain legible records which can provide a veterinarian with a full understanding of the findings concerning and treatment provided to each horse. Each registered equine dentist shall maintain an individual record on each horse to include, but not limited to, the following:

a. owner's name, address, and phone number; identifying information concerning the horse, which shall include name, permanent identification marks, age, sex, and color; nature of dental complaint; method of restraint used during a procedure; type of dental procedure performed; description of the outcome of the procedure; and recommendations, if any, to the owner following the procedure;

b. original of written notifications submitted to veterinarians regarding treatment;

c. records shall be maintained for at least five years;

d. records are the responsibility and property of the registered equine dentist. The registered equine dentist shall maintain such records and shall not release the records to any person other than the client or a person authorized to receive the records for the client, except that the registered

equine dentist shall provide any and all records as requested by the board to the board; and

e. copies of records shall be provided to the client or the client's authorized representative upon written request of the client. A reasonable charge for copying and providing records may be required by the registered equine dentist.

AUTHORITY NOTE: Promulgated in accordance with R.S. 37:1568.

HISTORICAL NOTE: Promulgated by the Department of Health and Hospitals, Board of Veterinary Medicine, LR 26:

§1517. Continuing Education

A. Basic Requirements

1. A minimum of six (6) continuing education units is required each fiscal year (July 1 through June 30) as a prerequisite for renewal of certification. A registered equine dentist who fails to obtain a minimum of six (6) continuing education units within the prescribed twelve-month period will not meet the requirements for renewal of his certificate. Notwithstanding the requirements of this section, for the period August 20, 1999 - June 30, 2000, a minimum of six (6) continuing education units is required as a prerequisite for renewal of certification during the July 1, 2000 - September 30, 2000 renewal period.

2. All continuing education programs must be approved by the board prior to attendance.

3. Proof of attendance, which shall include the name of the course, date(s) of attendance, hours attended, and specific subjects attended, shall be attached to the annual certificate renewal form. Proof of attendance must include verification from the entity providing or sponsoring the educational program.

4. All hours shall be obtained in the twelve months preceding the renewal period of the certificate.

5. Each registered equine dentist must fulfill his annual education requirements at his own expense.

B. Failure to Meet Requirements

1. If a registered equine dentist fails to obtain a minimum of six (6) continuing education units within the prescribed twelve-month period, his certificate shall be expired and his certificate shall remain expired until such time as the continuing education requirements have been met and documented to the satisfaction of the board.

2. The board may grant extensions of time for extenuating circumstances. The registered equine dentist must petition the board at least 30 days prior to the expiration of the certificate. The board may require whatever documentation it deems necessary to verify the circumstances necessitating the extension.

3. Failure to comply with the requirements of this section shall be considered unprofessional conduct.

C. Approved Continuing Education Programs

1. It is the responsibility of the registered equine dentist to submit a request for approval of a continuing education program no less than 60 days prior to the program. Information to be submitted shall include:

a. the name of the proposed program and sponsor organization;

b. course content;

c. the number of continuing education units to be obtained by attendees.

2. Continuing education units which are submitted for renewal and were not pre-approved by the board may be reviewed by the board. If the units are not approved, the

registered equine dentist will be required to take additional continuing education in an approved program prior to the renewal of his certificate.

AUTHORITY NOTE: Promulgated in accordance with R.S. 37:1568.

HISTORICAL NOTE: Promulgated by the Department of Health and Hospitals, Board of Veterinary Medicine, LR 26:

§1519. Unprofessional Conduct on Part of the Veterinarian

After due notice and hearing as set forth in the Louisiana Administrative Procedure Act, LSA R.S. 49:950 et seq. and the board's rules, more particularly section 1401 et seq., a veterinarian who fails to comply with a rule promulgated by the board regarding the practice of equine dentistry shall be subject to disciplinary action and sanction by the board for unprofessional conduct pursuant to the Louisiana Veterinary Practice Act, LSA R.S. 37:1526(A)(14) and the board's rules.

AUTHORITY NOTE: Promulgated in accordance with R.S. 37:1526(A)(14), 37:1518(A)(9) and 37:1568.

HISTORICAL NOTE: Promulgated by the Department of Health and Hospitals, Board of Veterinary Medicine, LR 26:

Interested parties may submit written comments to Kimberly Barbier, administrative director, Louisiana Board of Veterinary Medicine, 263 Third Street, Suite 104, Baton Rouge, LA 70801. Comments will be accepted through the close of business on December 22, 1999. If it becomes necessary to convene a public hearing to receive comments in accordance with the Administrative Procedure Act, the hearing will be held on December 29, 1999 at 9:00 am at the office of the Louisiana Board of Veterinary Medicine, 263 Third Street, Suite 104, Baton Rouge, LA.

Kimberly B. Barbier
Administrative Director

FISCAL AND ECONOMIC IMPACT STATEMENT FOR ADMINISTRATIVE RULES

RULE TITLE: Registered Equine Dentists

I. ESTIMATED IMPLEMENTATION COSTS (SAVINGS) TO STATE OR LOCAL GOVERNMENT UNITS (Summary)

There will be no costs or savings to state or local governmental units, except for those associated with publishing the new rule (estimated \$800). Registered equine dentists will be informed of this rule via the board's regular newsletter or other direct mailings, which are already a budgeted cost of the board.

II. ESTIMATED EFFECT ON REVENUE COLLECTIONS OF STATE OR LOCAL GOVERNMENTAL UNITS (Summary)

The proposed fees for original registration and application will have an impact in fiscal year 1999/2000, with the *certificate renewals not taking place until July 1, 2000 (2000/2001). The anticipated increase in agency self-generated funds for FY 1999/2000 and 2000-01 is base on the following:

Category	Current Revenue	Proposed Revenue	Net Effect
Original Registration Fee	\$0	6 x \$200=\$1,200	\$1,200
Annual Renewal Fee	\$0	6 x \$125=\$750	\$750
Late Renewal Fee	\$0	1 x \$100=\$100	\$100
Application	\$0	6 x \$100=\$600	\$600

Fee			
Total	\$0	\$2,650	\$2,650

The additional renewal fee and late renewal fee in subsequent FYs is projected to be the same

III. ESTIMATED COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS OR NONGOVERNMENTAL GROUPS (Summary)

Registered equine dentists and applicants will be affected by the proposed action. The net cost effect on each category is illustrated in item II above. There will be no new paperwork required.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

No impact on competition and employment is anticipated as a result of the proposed new rule.

Kimberly B. Barbier
Administrative Director
9911#004

H. Gordon Monk
Staff Director
Legislative Fiscal Office

NOTICE OF INTENT

**Department of Health and Hospitals
Licensed Professional Counselors Board of Examiners**

Licensure, Continuing Education and Discipline
(LAC 46:LX.111, 503, 705,
801, 803, 1305, 1309, 1325, 2107)

The Licensed Professional Counselors Board of Examiners, under authority of the Louisiana Mental Health Counselor Licensing Act, R.S. 37:1101-1115, and in accordance with the Administrative Procedure Act, R.S.49:950 et seq., hereby intends to amend the following rules governing the practice of mental health counseling in Louisiana.

Title 46

PROFESSIONAL AND OCCUPATIONAL STANDARDS

Part LX. Licensed Professional Counselors Board of Examiners

Chapter 1. General Provisions

§111. Notification of Change

Every licensed professional counselor/counselor intern shall immediately notify in writing the Licensed Professional Counselors Board of Examiners of any and all changes in name, address, and phone number. Failure to comply with this rule within 30 days of change will result in a fine as set forth in Chapter 9.D.

AUTHORITY NOTE: Promulgated in accordance with R.S.37:1101-1115.

HISTORICAL NOTE: Promulgated by the Department of Health and Hospitals, Licensed Professional Counselors Board of Examiners, LR 26:

Chapter 5. License and Practice of Counseling

§503. Definitions

* * *

Mental Health Counseling Services—those acts and behaviors coming within the "practice of mental health counseling" as defined in this Chapter, including diagnosis and treatment of conditions or disorders requiring mental health counseling as defined in R.S.37:1103(4)(a). However, nothing in this Chapter shall be construed to authorize any

person licensed hereunder to administer or interpret tests in accordance with the provisions of R.S. 37:2352(5), except as provided by Title 46, Part LXIII, Chapter 17, Section 1702(E) of the Louisiana Administrative Code, or engage in the practice of psychology or to prescribe, either orally or in writing, distribute, dispense, or administer any medications.

* * *

AUTHORITY NOTE: Promulgated in accordance with R.S. 37:1101-1115.

HISTORICAL NOTE: Promulgated by the Department of Health and Human Resources, Board of Examiners of Professional Counselors, LR 14:83 (February 1988), amended by the Department of Health and Hospitals, Board of Examiners of Professional Counselors, LR 16:302 (April 1990), LR 18:51 (January, 1992), amended by Board of Examiners of Professional Counselors, LR 22:103 (February 1996), amended LR 24:437 (March 1998), LR 24:2124 (November 1998), amended by Licensed Professional Counselors Board of Examiners, LR 26:

Chapter 7. Requirements for Licensure

§705. Supervision Experience

A. - A.14. ...

B. Qualifications of a Supervisor

1. Those individuals who may provide supervision to counselor interns must meet the following requirements:

a. Licensure requirements: The supervisor must hold a Louisiana license as a Licensed Professional Counselor.

b. Counseling practice: The supervisor must have been practicing mental health counseling in their setting (i.e., school, agency, private practice) for at least five years. Two of the five years experience must be post licensing experience.

c. Training in supervision: Supervisors must have successfully completed either i or ii below:

i. Graduate-level academic training: At least one graduate-level academic course in counseling supervision. The course must have included at least 45 clock hours (equivalent to a three credit hour semester course) of supervision training.

ii. Professional training: A board approved professional training program in supervision. The training program must be a minimum of 25 direct clock hours with the trainers and meet presentation standards established by the board.

2. - D.3. ...

AUTHORITY NOTE: Promulgated in accordance with R.S. 37:1101-1115.

HISTORICAL NOTE: Promulgated by the Department of Health and Hospitals, Board of Examiners of Professional Counselors, LR 18:269 (March, 1992), amended LR 21:466 (May 1995) amended LR 22:102 (February 1996), amended LR 24:1294 (July 1998), amended LR 24:2124 (November 1998), amended by Licensed Professional Counselors Board of Examiners, LR 26:

Chapter 8. Renewal of License

§801. Renewal

A licensed professional counselor shall renew his/her license every two years in the month of June by meeting the requirement that 40 clock hours of continuing education be obtained prior to each renewal date every two years in an area of professional mental health counseling as approved by the board and by paying a renewal fee. The licensee should submit a declaration statement only if there has been a change in area of expertise, with the content being subject to

board review and approval. The board, at its discretion, may require the licensee to present satisfactory evidence supporting any changes in areas of expertise noted in the declaration statement. The chairman shall issue a document renewing the license for a term of two years. The license of any mental health counselor who fails to have this license renewed biannually during the month of June shall lapse; however, the failure to renew said license shall not deprive said counselor the right of renewal thereafter. A lapsed license may be renewed within a period of two years after the expired renewal date upon payment of all fees in arrears and presentation of evidence of completion of the continuing education requirement. Application for renewal after two years from the date of expiration will not be considered for renewal; the individual must apply under the current licensure guidelines.

AUTHORITY NOTE: Promulgated in accordance with R.S. 37:1101-1115.

HISTORICAL NOTE: Promulgated by the Department of Health and Hospitals, Board of Examiners of Professional Counselors, LR 18:271 (March, 1992), amended by Board of Examiners for Professional Counselors, LR 22:103 (February 1996), LR 24:1294 (July 1998), amended by Licensed Professional Counselors Board of Examiners, LR 26:

§803. Continuing Education Requirements

A. General Guidelines

1. A licensee must accrue 40 clock hours of continuing education by every renewal period every two years, with the exception that a licensee renewing a license which expires on June 30, 2000 must accrue 25 clock hours of continuing education.

2. One continuing education hour (CEH) is equivalent to one clock hour.

3. Accrual of continuing education begins only after the date the license was issued.

4. CEHs accrued beyond the required 40 hours may not be applied toward the next renewal period. Renewal periods run from July 1 to June 30, every two years.

5. The licensee is responsible for keeping a personal record of his/her CEHs until official notification of renewal is received. Do not forward documentation of CEHs to the Board office as they are accrued.

6. At the time of renewal ten percent of the licensees will be audited to ensure that the continuing education requirement is being met. If you are one of the ten percent chosen, you will be requested by letter to submit documentation of your CEHs.

B. Approved Continuing Education

1. Continuing education requirements are meant to encourage personal and professional development throughout the LPC's career. For this reason a wide range of options are offered to accommodate the diversity of counselors' training, experience and geographic locations.

2. An LPC may obtain the 40 CEHs through one or more of the options listed below.

a. Continuing Education Approved by Other Organizations: Continuing education that is approved by either the American Counseling Association (ACA), its divisions, regions and state branches - Louisiana Counseling Association (LCA) or the National Board of Certified Counselors (NBCC) will be accepted by the Board of Examiners. One may contact these associations to find out

which organizations, groups or individuals are approved providers. One may receive one clock hour of continuing education for each hour of direct participation in a structured educational format as a learner. Credit cannot be granted for: business/governance meetings; breaks; social activities including meal functions, except for actual time of a content speaker. Credit cannot be given for an approved session to persons who leave early from that session. Verification can consist of copies of certificates of attendance.

b. Continuing Education not Preapproved: For those organizations, groups or individuals that do not carry provider status by one of the above associations, the continuing education hours will be subject to approval by the Board of Examiners at the time of renewal. The Board will not preapprove any type of continuing education. The continuing education must be in one of the twelve approved content areas listed in §803.C, and be given by a qualified presenter. A qualified presenter is considered to be someone at the master's level or above and trained in the mental health field or related services. One may receive one clock hour of continuing education for each hour of direct participation in a structured educational format as a learner. Credit cannot be granted for: business/governance meetings; breaks; social activities including meal functions, except for actual time of a content speaker. Credit cannot be given for an approved session to persons who leave early from that session. Verification for workshops, seminars, or conventions can consist of copies of certificates of attendance. Typically one Continuing Education Unit (CEU) is equivalent to 10 clock hours.

c. Coursework: CEHs may also be gained by taking coursework (undergraduate or graduate) from a regionally accredited institution in one of the twelve approved content areas for continuing education listed in §803.C. One may take a course for credit or audit a course. In a college or university program, one semester hour is equivalent to 15 clock hours and one quarter hour is equivalent to 10 clock hours. Therefore, 45 CEHs will be given for a three hour university course completed at a regionally accredited university. Verification for coursework can consist of either copies of transcripts for coursework taken for credit or letter of attendance from instructor for courses audited.

d. Home Study: The LCA journal, video presentations and approved teleconferences are all approved home study options. Each option must carry a provider number from either NBCC, LCA or other board approved mental health organizations. Each activity will specify the number of CEHs that will be granted upon completion. Verification consists of a certificate issued by NBCC, LCA or certificates from other professional mental health organizations that will be reviewed by the Board.

e. Presentations: Presenters may get credit for original presentations at a rate of five clock hours per one hour presentation. Presenters must meet the qualifications stated in b above. The presentation must be to the professional community; not to the lay public or a classroom presentation. The presentation must also be in one of the twelve approved content areas listed in §803.C. Verification of your presentation consists of obtaining a letter from the workshop/convention coordinator stating the topic, date, and number of hours of presentation.

f. Publishing: Authors may receive five clock hours per article or chapter in a book. The article must be published in a professional refereed journal. Both articles and chapters must be in one of the twelve approved content areas listed in §803.C. Verification will consist of either a reprint of the article/chapter, or a xeroxed copy of the article/chapter, cover of the book/journal and page listing the editor or publisher.

g. Counseling: One may receive one clock hour of continuing education per counseling hour as a client. To qualify, one must be a client receiving services from a licensed mental health professional having qualifications equal to or exceeding those currently required of LPC's. Consultation and supervision hours do not qualify. Verification will consist of a letter from the counseling mental health professional verifying client therapy hours.

h. Research: One may receive one clock hour of continuing education per hour of planning or conduct of, or participation in, counseling or counseling-related research. To qualify, this activity must constitute an original and substantive educational experience for the learner. Verification will consist of a letter from the faculty member or researcher.

i. Organizational and Regulatory: One may receive one clock hour of continuing education per hour of service to the LPC Board of Examiners or to a Board-approved counseling service organization. To qualify, this activity must constitute an original and substantive educational experience for the learner. Verification will consist of a letter or certificate from the Board or from the Board-approved counseling service organization.

C. Approved Content Areas. Continuing Education Hours must be in one of the following 12 content areas:

1. Counseling Theory: includes a study of basic theories, principles and techniques of counseling and their application in professional settings.

2. Human Growth and Development: includes studies that provide a broad understanding of the nature and needs of individuals at all developmental levels, normal and abnormal human behavior, personality theory and learning theory within appropriate cultural contexts.

3. Social and Cultural Foundations: includes studies that provide a broad understanding of societal changes and trends, human roles, societal subgroups, social mores and interaction patterns, and differing lifestyles.

4. The Helping Relationship: includes studies that provide a broad understanding of philosophic bases of helping processes, counseling theories and their applications, basic and advanced helping skills, consultation theories and their applications, client and helper self-understanding and self-development, and facilitation of client or consultee change.

5. Group Dynamics, Processing and Counseling: includes studies that provide a broad understanding of group development, dynamics, and counseling theories, group leadership styles, basic and advanced group counseling methods and skills, and other group approaches.

6. Lifestyle and Career Development: includes studies that provide a broad understanding of career development theories; occupational and educational information sources

and systems; career and leisure counseling, guidance, and education; lifestyle and career decision-making; career development program planning and resources; and effectiveness evaluation.

7. Appraisal of Individuals: includes studies that provide a broad understanding of group and individual educational and psychometric theories and approaches to appraisal, data and information gathering methods, validity and reliability, psychometric statistics, factors influencing appraisals, and use of appraisal results in helping processes.

8. Research and Evaluation: includes studies that provide a broad understanding of types of research, basic statistics, research report development, research implementation, program evaluation, needs assessment, publication of research information, and ethical and legal considerations associated with the conduct of research.

9. Professional Orientation: includes studies that provide a broad understanding of professional roles and functions, professional goals and objectives, professional organizations and associations, professional history and trends, ethical and legal standards, professional preparation standards, professional credentialing and management of private practice and agency settings.

10. Marriage and Family: includes studies that provide a broad understanding of marriage and family theories and approaches to counseling with families and couples. This includes appraisal of family and couples systems and the application of these to counseling families and/or couples.

11. Chemical Dependency: includes studies that provide a broad understanding of chemical dependency issues, theories, and strategies to be applied in the helping relationship for chemical dependency counseling.

12. Supervision: includes studies in theory and techniques of supervision as well as ethical and legal issues, case management, and topics relative to the specific supervised setting.

D. Types Of Documentation Needed For Verification

1. Copy of certificate of attendance for workshops, seminars, or conventions.

2. Copy of transcript for coursework taken for credit/letter of attendance from instructor for courses audited.

3. Home Study verification form or certificate issued by LCA/NBCC.

4. Letter from workshop/convention coordinator verifying presentations.

5. Copy of article, cover and editorial board page for publications.

6. Letter from counseling mental health professional verifying number of hours in counseling as a client.

7. Letter from the faculty member or researcher verifying number of hours in research.

8. Letter or certificate from the LPC Board of Examiners, or from the Board-approved counseling service organization, verifying number of hours of service.

AUTHORITY NOTE: Promulgated in accordance with R.S. 37:1101-1115.

HISTORICAL NOTE: Promulgated by the Department of Health and Hospitals, Board of Examiners of Professional Counselors, LR 18:271 (March, 1992), amended by Licensed Professional Counselors Board of Examiners, LR 26:

Chapter 13. Disciplinary Proceedings

§1305. Initiation of Complaints

A. - B. ...

C. Pursuant to its authority to regulate this industry, the board through its Ad Hoc Committee on Disciplinary Affairs, may conduct investigations into alleged violations by a licensed professional counselor or applicant of this Chapter or rules and regulations promulgated pursuant thereto, may issue subpoenas to secure evidence of alleged violations of the Louisiana Mental Health Counselor Licensing Act, any of the rules and regulations promulgated by the board, the Code of Ethics of the American Counseling Association, or prior final decisions and/or consent orders involving the licensed professional counselor or applicant for licensure. The confidential or privileged records of a patient or client which are subpoenaed are to be sanitized by the custodian of such records so as to maintain the anonymity of the patient or client.

AUTHORITY NOTE: Promulgated in accordance with R.S. 37:1101-1115.

HISTORICAL NOTE: Promulgated by the Department of Health and Hospitals, Licensed Professional Counselors Board of Examiners, LR 25:260 (February 1999), amended LR 26:

§1309. Formal Hearing

A. - C.12.a.iii. ...

b. Deliberation

i. the board will deliberate in closed session;

ii. the board will vote on each charge as to whether the charge has been supported by the evidence; (the standard will be "preponderance of the evidence")

iii. after considering and voting on each charge, the board will vote on a resolution to dismiss the charges, withhold, deny, revoke or suspend any license issued or applied for or otherwise discipline a licensed professional counselor or applicant for licensure; and

iv. the board by affirmative vote of a majority of those members voting, shall be needed to withhold, deny, revoke, or suspend any license issued or applied for in accordance with the provisions of this Chapter or otherwise discipline a licensed professional counselor or applicant.

c. Sanctions against the person who is party to the proceeding are based upon findings of fact and conclusion of law determined as a result of the hearing. The party is notified by mail of the final decision of the board.

13. - 14.c.iv. ...

AUTHORITY NOTE: Promulgated in accordance with R.S. 37:1101-1115.

HISTORICAL NOTE: Promulgated by the Department of Health and Hospitals, Licensed Professional Counselors Board of Examiners, LR 25:260 (February 1999), amended LR 26:

§1325. Injunction

A. The board may, through the attorney general of the state of Louisiana, apply for an injunction in any court of competent jurisdiction to enjoin any person from committing any act in violation of the provisions of this Chapter, any rules or regulations adopted by the board, and any codes of ethics adopted by the board.

B. If it is established that the defendant has been or is committing an act in violation of this Chapter or of rules or regulations adopted pursuant to this Chapter, including any codes of ethics adopted by the board, the court, or any judge thereof, shall enter a decree enjoining said defendant from further committing such act.

C. In case of violation of any injunction issued under the provision of this Section, this court, or any judges thereof, may summarily try and punish the offender for contempt of court.

D. Such injunctive proceedings shall be in addition to, and not in lieu of, all penalties and other remedies provided in this Chapter.

AUTHORITY NOTE: Promulgation in accordance with R.S. 37:1101-1115.

HISTORICAL NOTE: Promulgation by the Department of Health and Hospitals, Licensed Professional Counselors Board of Examiners, LR 25:263 (February 1999), amended LR 26:

Chapter 21. Code of Conduct

§2107. Professional Responsibility

A. - D.4. ...

5. Doctoral Degrees From Other Fields

a. Counselors who hold a master's degree in counseling or a closely related mental health field, but hold a doctoral degree from other than counseling or a closely related field shall not use the title, "Dr." in their practices and shall not announce to the public in relation to their practice or status as a counselor that they hold a doctorate.

b. A doctoral degree in counseling or a closely related field is defined as a doctoral degree from a regionally accredited university that shall conform to one of the criteria below:

- i. a CACREP accredited doctoral counseling program;
- ii. a doctoral counseling program incorporating the word "counseling" or "counselor" in its title;
- iii. a doctoral program incorporating a counseling-related term in its title (e.g. "Marriage and Family Therapy"); or
- iv. a doctoral program in a behavioral science that would augment the counseling skills of a Licensed Professional Counselor.

E. - F.3. ...

AUTHORITY NOTE: Promulgated in accordance with R.S.37:1101-1115.

HISTORICAL NOTE: Promulgated by the Department of Health and Hospitals, Licensed Professional Counselors Board of Examiners, LR 15:622 (August 1989), amended LR 24:441 (March 1998), LR 26:

Interested persons may submit comments in writing to Gary S. Grand, Board Chair, 8631 Summa Avenue, Suite A, Baton Rouge, LA 70809. Comments will be accepted through December 20, 1999. A public hearing will be held on December 28, 1999, 5:00 p.m., at Central State Hospital, West Shamrock, Building 14, Room 127, Pineville, LA.

Gary S. Grand
Board Chair

FISCAL AND ECONOMIC IMPACT STATEMENT FOR ADMINISTRATIVE RULES

RULE TITLE: Licensure, Continuing Education and Discipline

I. ESTIMATED IMPLEMENTATION COSTS (SAVINGS) TO STATE OR LOCAL GOVERNMENTAL UNITS (Summary)

There will be a one-time implementation cost of \$550 to promulgate the rule. The cost will be absorbed within the budget of the LPC Board. There will be no impact to state or local governmental units.

II. ESTIMATED EFFECT ON REVENUE COLLECTIONS OF STATE OR LOCAL GOVERNMENTAL UNITS (Summary)

It is anticipated that there will be revenue collections of \$1,250 in FY/00, \$1,000 in FY/01, and \$700 in FY/02 due to fine imposed on those who do not report address changes within 30 days.

III. ESTIMATED COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS OR NONGOVERNMENTAL GROUPS (Summary)

The proposed rule will allow a \$50 fine to be imposed on those who do not report address changes within 30 days.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

Employment opportunities for LPCs will increase because the law now gives Mental Health Counselors (LPCs) statutory authority to diagnose and treat conditions and/or disorders requiring mental health counseling.

Gary S. Grand
Board Chair
9911#037

H. Gordon Monk
Staff Director
Legislative Fiscal Office

NOTICE OF INTENT

Department of Health and Hospitals Office of Public Health

Sanitary Code—Commercial Body Art

In accordance with the Administrative Procedure Act, the Department of Health and Hospitals, Office of Public Health, Division of Environmental Health Services, Sanitarian Services Section, Food and Drug Unit proposes to adopt the following rules pertaining to the regulation of commercial body art facilities. These rules are being promulgated as required by Act 393 of 1999 which enacted LSA - R.S. 40:2741 through 40:2744.

These proposed rules will be incorporated into the State Sanitary Code and, when adopted, will become Chapter XXVIII of that Code as provided for in LSA - R.S. 40:4.

This chapter of the Sanitary Code establishes uniform rules for the operation of commercial body art facilities within the state. A commercial body art facility means any location, place, area, or business, whether permanent or temporary, which provides consumers access to personal service workers who for remuneration perform tattooing of the skin, body piercing or the application of permanent cosmetics to the skin. These rules do not apply to ear piercing with a disposable single-use stud or solid needle that is applied using a mechanical device to force the needle or stud through the ear. These rules do not apply to physicians licensed by the Louisiana State Board of Medical Examiners.

The proposed rule may impact the formation, stability and autonomy of the family in that it allows for children 18 years of age or younger to be tattooed or pierced only after parent or guardian has signed an approval statement and is present in the facility while the tattoo or piercing procedure is being performed. The rule could also possibly impact family earnings and budgets due to increases in expenses and or earnings associated with the operation of those families who own, operate or manage a tattoo or piercing facilities.

The text of this notice of intent may be viewed, in its entirety, in the Emergency Rule section of this issue of the *Louisiana Register*.

Interested persons may submit written comments or views on this proposal to William D. Swiler, R.S., Sanitarian Program Administrator, Department of Health and Hospitals, Office of Public Health, Division of Environmental Health Services, Sanitarian Services Section, Food and Drug Unit, 6867 Bluebonnet Blvd., Baton Rouge, LA 70810. A public hearing on these proposed rules has been scheduled for Tuesday, December 28, 1999 at the Office of Public Health, Division of Environmental Health Services, 6867 Bluebonnet Blvd., Baton Rouge, LA 70810. The hearing will be conducted in the second floor conference room (Room 230) at 10 o'clock a.m. All interested persons will be afforded an opportunity to submit data, views or arguments, orally or in writing at the said hearing.

David W. Hood
Secretary

**FISCAL AND ECONOMIC IMPACT STATEMENT
FOR ADMINISTRATIVE RULES
RULE TITLE: Sanitary Code—Commercial Body Art**

I. ESTIMATED IMPLEMENTATION COSTS (SAVINGS) TO STATE OR LOCAL GOVERNMENT UNITS (Summary)

Implementation costs are estimated to be \$155,921 for FY 99-00. Subsequent annual operation costs will be \$149,831 for FY 00-01 and \$155,182 for FY 01-02. This figure reflects costs of salaries and related benefits for three staff positions, operating expenses including travel, equipment necessary to implement the project and an associated allocated administrative cost projected at 30 percent in FY 99-00 and subsequent years.

II. ESTIMATED EFFECT ON REVENUE COLLECTIONS OF STATE OR LOCAL GOVERNMENTAL UNITS (Summary)

State Revenue collections should increase as a result of the fee schedule as set by Act 393 of 1999. This measure includes payment of fees to DHH, estimated at \$80,000 for FY 99-00 with a 45 percent reduction (\$37,375) in the following years because of lower renewal charges.

III. ESTIMATED COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS OR NONGOVERNMENTAL GROUPS (Summary)

This rule, in compliance with Act 393 of 1999, will directly affect commercial body art facility owners who will be required to complete an application form, pay a registration fee of \$500 and an annual renewal fee of \$250 for each subsequent year of operation, submit to required inspections of facilities, train operators and upgrade existing property and equipment in compliance with applicable regulations. This rule will also require a registration fee of \$50 and an annual renewal fee of \$30 for each operator/artist in each commercial body art facility. Managers of such commercial body art facilities will also be required to pay an initial \$100 registration fee with their application form which will be followed by an annual renewal of \$75 each subsequent year of operation. Owners of commercial body artist training facilities will be required to complete an application form, pay a registration fee of \$1,500, pay an annual renewal fee of \$500, develop training courses and travel to sites around state to provide the required training. All fees as required were mandated by Act 393 of 1999.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

Competition for trained body art operators can be expected initially but will level off as more operators become trained. Employment at commercial body art facilities will be restricted and limited to persons who are properly trained in the safe and sanitary application of tattoos and piercing.

Jimmy Guidry, M.D.
Assistant Secretary
9911#063

H. Gordon Monk
Staff Director
Legislative Fiscal Office

NOTICE OF INTENT

**Department of Health and Hospitals
Office of the Secretary
Bureau of Health Services Financing**

**Durable Medical Equipment—Osteogenic
Bone Growth Stimulators**

The Department of Health and Hospitals, Office of the Secretary, Bureau of Health Services Financing proposes to adopt the following rule as authorized by LA. R.S. 46:153 and pursuant to Title XIX of the Social Security Act. This proposed rule is in accordance with the Administrative Procedure Act R.S. 49:950 et seq.

The Department of Health and Hospitals, Bureau of Health Service Financing currently provides coverage for durable medical equipment. All medical equipment, appliances and supplies must be prior authorized to determine medical necessity. Currently, the osteogenic bone growth stimulator, either electric or ultrasonic, is not covered under the Medicaid Program. Osteogenic bone growth stimulators are used to augment bone repair associated with either a healing fracture or bone fusion. However, prior authorization for osteogenic bone growth stimulators is considered for recipients under the age of 21 since Early Periodic Screening Diagnosis and Treatment (EPSDT) regulations require the provision of any medically necessary service for recipients under the age of 21. The Bureau proposes to extend Medicaid coverage under the Durable Medical Equipment Program to include osteogenic bone growth stimulators. Inclusion of this medical appliance in the list of covered services will ensure availability to recipients of all ages, subject to medical necessity review and prior authorization by the Prior Authorization unit.

In compliance with Act 1183 of the 1999 Regular Session, the impact of this proposed rule on the family has been considered. It is anticipated that coverage of osteogenic bone growth stimulators will improve the recuperation of individuals who have fractured or broken bones. Successful bone repair will restore mobility and have a positive impact on future productivity on the healing of fractured or fused bones.

Proposed Rule

The Department of Health and Hospitals, Office of the Secretary, Bureau of Health Services Financing expands coverage under the Durable Medical Equipment Program to include osteogenic bone growth stimulators which are used

to augment bone repair associated with either a healing fracture or bone fusion. However, coverage shall be limited to reimbursement for electrical, non-invasive types of bone growth stimulators only. Medicaid will not provide reimbursement for ultrasonic or invasive types of bone growth stimulators.

The following criteria shall be used to determine medical necessity for an osteogenic bone growth stimulator.

Non-Spinal Non-invasive Electrical

Non-spinal non-invasive electrical bone growth stimulators may be considered under the following circumstances:

1. The failure of long bone fractures to heal. A period of six months from the initial date of treatment must elapse before failure is considered to have occurred;
2. The failure of long bone fusions period of nine months from the initial date of treatment must elapse before failure is considered to have occurred; or
3. The treatment of congenital pseudoarthroses. There is no minimal time requirement after the diagnosis.

Spinal Non-invasive Electrical

Spinal non-invasive electrical bone growth stimulators may be considered:

1. when a minimum of nine months has elapsed since the patient had fusion surgery which resulted in a failed spinal fusion; or
2. when there is a history of a previously failed spinal fusion at the same site following spinal fusion surgery (meaning more than nine months has elapsed since fusion surgery was performed at the same level which is being fused again). As long as nine months has passed since the failed fusion surgery, this repeated fusion attempt requires no minimum passage of time for the application of the device; or
3. following a multi-level spinal fusion (i.e. involving three or more contiguous vertebrae, such as L3-L5 of L4-S1). There is no minimum requirement for application after surgery.

Interested persons may submit written comments to the following address: Thomas D. Collins, Bureau of Health Services Financing, P.O. Box 91030, Baton Rouge, LA 70821-9030. He is the person responsible for responding to inquiries regarding this proposed rule. A public hearing on this proposed rule is scheduled for Tuesday, December 28, 1999 at 9:30 a.m. in the Department of Transportation and Development Auditorium, First Floor, 1201 Capitol Access Road, Baton Rouge, Louisiana. At that time all interested persons will be afforded an opportunity to submit data, views or arguments, orally or in writing. The deadline for the receipt of all written comments is 4:30 p.m. on the next business day following the public hearing.

David W. Hood
Secretary

**FISCAL AND ECONOMIC IMPACT STATEMENT
FOR ADMINISTRATIVE RULES
RULE TITLE: Durable Medical Equipment Osteogenic
Bone Growth Stimulators**

I. ESTIMATED IMPLEMENTATION COSTS (SAVINGS) TO STATE OR LOCAL GOVERNMENT UNITS (Summary)

It is anticipated that implementation of this proposed rule will result in increased expenditures in the Durable Medical Equipment Program for Osteogenic Bone Growth Stimulators by approximately \$1,117 for SFY 1999-2000, \$3,020 for SFY 2000-01, and \$3,111 for SFY 2001-02. Included in SFY 1999-00 is \$268 (\$134 SGF and \$134 FED) for the administrative expense of promulgating this proposed rule and the final rule.

II. ESTIMATED EFFECT ON REVENUE COLLECTIONS OF STATE OR LOCAL GOVERNMENTAL UNITS (Summary)

The estimated effect on federal revenue collections is approximately \$2,463 for SFY 1999-00, \$7,210 for SFY 2000-01 and \$7,426 for SFY 2001-02.

III. ESTIMATED COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS OR NONGOVERNMENTAL GROUPS (Summary)

Implementation of this proposed rule shall ensure the availability of osteogenic bone growth stimulators for rental or purchase to nine (9) Medicaid recipients who meet the criteria. The providers who supply these devices will be able to receive reimbursement. This proposed rule will result in an increase in reimbursements to providers of the Durable Medical Equipment Program of approximately \$3,312 for SFY 1999-2000, \$10,230 for SFY 2000-2001, and \$10,537 for SFY 2001-2002.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

There is no known effect on competition and employment.

Thomas D. Collins
Director
9911#023

H. Gordon Monk
Staff Director
Legislative Fiscal Office

NOTICE OF INTENT

**Department of Health and Hospitals
Office of the Secretary
Bureau of Health Services Financing**

Home and Community-Based Services Waiver Program
Habilitative/Supported Employment Services

The Department of Health and Hospitals, Office of the Secretary, Bureau of Health Services Financing proposes to adopt the following rule in the Medical Assistance Program as authorized by R.S. 46:153 and pursuant to Title XIX of the Social Security Act. This proposed rule is adopted in accordance with the provisions of the Administrative Procedure Act, R.S. 49:950 et seq.

The Department of Health and Hospitals, Office of the Secretary, Bureau of Health Services Financing adopted a rule in July of 1990 to implement a Home and Community-Based Services waiver designed to meet the need of

developmentally disabled individuals by providing an array of residential and family support services in the community (*Louisiana Register*, Vol. 16, No. 7). In compliance with Section 1915(c)(5) of the Social Security Act, the July 1990 rule adopted a provision to furnish habilitation services only to those persons who had been deinstitutionalized from a Medicaid certified nursing facility or ICF/MR. Section 4743 of the Balanced Budget Act of 1997, Public Law 105-33, subsequently eliminated prior institutionalization as a requirement for receiving habilitation services furnished under a waiver for home or community-based services.

Effective July 23, 1999, the Bureau amended the July 1990 rule to remove the requirement that states, "To be eligible for Habilitative/Supported Employment services, the individual must have been deinstitutionalized from a SNF, ICF, or ICF/MR" (*Louisiana Register*, Volume 25, No. 8). Other qualifications for receipt of these services were not removed. Therefore, the Bureau proposes to adopt the following rule to continue the provisions of the July 23, 1999 emergency rule in force.

In compliance with Act 1183 of the 1999 Regular Session, the impact of this proposed rule on the family has been considered. It is anticipated that this proposed rule will promote the independence of developmentally disabled individuals participating in the MR/DD waiver and enhance the stability of their families by allowing greater access to habilitative services.

Proposed Rule

The Department of Health and Hospitals, Bureau of Health Services Financing amends the July 20, 1990 rule to remove the requirement that states, "To be eligible for Habilitative/ Supported Employment services, the individual must have been deinstitutionalized from a SNF, ICF, or ICF/MR."

All MR/DD waiver recipients who are in need of these services in order to prevent institutionalization may receive them. However, individuals receiving these services must continue to meet the requirement that:

- 1) either they are not eligible; or
- 2) they have been referred and rejected for participation in Section 110 of the Rehabilitation Act of 1973 or programs funded under P.L.94-142.

Interested persons may submit written comments to the following address: Thomas D. Collins, Bureau of Health Services Financing, P.O. Box 91030, Baton Rouge, LA 70821-9030. He is the person responsible for responding to inquiries regarding this proposed rule. A public hearing on this proposed rule is scheduled for Monday, November 29, 1999 at 9:30 a.m. in the Department of Transportation and Development Auditorium, First Floor, 1201 Capitol Access Road, Baton Rouge, Louisiana. At that time all interested persons will be afforded an opportunity to submit data, views or arguments, orally or in writing. The deadline for the receipt of all written comments is 4:30 p.m. on the next business day following the public hearing.

David W. Hood
Secretary

FISCAL AND ECONOMIC IMPACT STATEMENT FOR ADMINISTRATIVE RULES RULE TITLE: Home and Community-Based Services Waiver Program Habilitative/Supported Employment Services

- I. ESTIMATED IMPLEMENTATION COSTS (SAVINGS) TO STATE OR LOCAL GOVERNMENT UNITS (Summary)
Implementation of this proposed rule will result in additional costs to the MR/DD Waiver Program of approximately \$371,542 for SFY 1999-00, \$446,320 for SFY 2000-02, and \$529,320 for SFY 2001-02. Included in SFY 1999-00 is \$160 (\$80 SGF and \$80 FED) for the state's administrative expense of promulgating this proposed rule and the final rule.
- II. ESTIMATED EFFECT ON REVENUE COLLECTIONS OF STATE OR LOCAL GOVERNMENTAL UNITS (Summary)
The estimated effect on federal revenue collections is approximately \$880,598 for SFY 1999-00, \$1,065,605 for SFY 2000-01, and \$1,263,770 for SFY 2001-02.
- III. ESTIMATED COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS OR NONGOVERNMENTAL GROUPS (Summary)
Implementation of this proposed rule will afford approximately 700 MR/DD waiver recipients the opportunity to receive habilitative or supported employment services. This proposed rule will result in an increase in reimbursements to providers in the MR/DD Waiver Program of approximately \$1,251,980 for SFY 1999-00, \$1,511,925 for SFY 2000-01, and \$1,793,090 for SFY 2001-02.
- IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)
There is no known effect on competition and employment.

Thomas D. Collins
Director
9911#021

H. Gordon Monk
Staff Director
Legislative Fiscal Office

NOTICE OF INTENT

Department of Health and Hospitals Office of the Secretary Bureau of Health Services Financing

Medically Needy Program Service Coverage Restrictions

The Department of Health and Hospitals, Office of the Secretary, Bureau of Health Services Financing proposes to adopt the following rule in the Medical Assistance Program as authorized by LA. R.S. 46:153 and pursuant to Title XIX of the Social Security Act. This proposed rule is adopted in accordance with the Administrative Procedure Act, R.S. 49:953(B) et seq. The Department of Health and Hospitals, Office of the Secretary, Bureau of Health Services Financing adopted a rule on May 20, 1998 reinstating the Title XIX Medically Needy Program and establishing service coverage restrictions (*Louisiana Register*, Volume 24 No. 5).

Currently, dental services and dentures are non-covered services for Medically Needy recipients.

The Department has subsequently determined that it is necessary to amend the May 20, 1998 rule to remove the restriction on the coverage of dental services for EPSDT recipients who are certified for Medicaid in the Medically Needy category. In compliance with Act 1183 of the 1999 Regular Session, the impact of this proposed rule on the family has been considered. It is anticipated that removing the restriction on the coverage of dental services for EPSDT recipients who are certified for Medicaid in the Medically Needy category will enhance access to EPSDT dental services by allowing parents to seek preventive and restorative dental treatment and oral hygiene instruction for their children. Unrestricted access to dental services will ultimately improve the dental and overall health of these children.

Proposed Rule

The Department of Health and Hospitals, Office of the Secretary, Bureau of Health Services Financing amends the May 20, 1998 rule to remove the restriction on coverage of dental services for EPSDT recipients who are certified for Medicaid under the Medically Needy category.

All other provisions of the May 20, 1998 rule governing the Title XIX Medically Needy Program shall remain in force.

Interested persons may submit written comments to the following address: Thomas D. Collins, Bureau of Health Services Financing, P.O. Box 91030, Baton Rouge, Louisiana 70821-9030. He is the person responsible for responding to all inquiries regarding this proposed rule.

A public hearing on this proposed rule is scheduled for Tuesday, December 28, 1999 at 9:30 a.m. in the Department of Transportation and Development Auditorium, First Floor, 1201 Capitol Access Road, Baton Rouge, Louisiana. At that time all interested persons will be afforded an opportunity to submit data, views or arguments, orally or in writing. The deadline for the receipt of all written comments is 4:30 p.m. on the next business day following the public hearing.

David W. Hood
Secretary

FISCAL AND ECONOMIC IMPACT STATEMENT FOR ADMINISTRATIVE RULES

RULE TITLE: Title XIX Medically Needy Program Service Coverage Restrictions

I. ESTIMATED IMPLEMENTATION COSTS (SAVINGS) TO STATE OR LOCAL GOVERNMENT UNITS (Summary)

It is anticipated that implementation of this proposed rule will result in increased expenditures in the Title XIX Medically Needy Program for EPSDT dental services by approximately \$7,713 for SFY 1999-2000, \$23,601 for SFY 2000-01, and \$24,308 for SFY 2001-02. Included in SFY 1999-00 is \$160 (\$80 SGF and \$80 FED) for the administrative expense of promulgating this proposed rule and the final rule.

II. ESTIMATED EFFECT ON REVENUE COLLECTIONS OF STATE OR LOCAL GOVERNMENTAL UNITS (Summary)

It is anticipated that federal revenue collections for EPSDT dental services under the Title XIX Medically Needy Program

will increase by approximately \$18,175 for SFY 1999-00, \$56,347 for SFY 2000-01 and \$58,038 for SFY 2001-02.

III. ESTIMATED COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS OR NONGOVERNMENTAL GROUPS (Summary)

Approximately 1,950 EPSDT recipients who are certified as Medically Needy will have access to dental services as a result of implementation of this proposed rule. This proposed rule will result in an increase in reimbursement to providers in the Title XIX Medically Needy Program of approximately \$25,728 for SFY 1999-00, \$79,948 for SFY 2000-01, and \$82,346 for SFY 2001-02.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

There is no known effect on competition and employment.

Thomas D. Collins
Director
9911#022

H. Gordon Monk
Staff Director
Legislative Fiscal Office

NOTICE OF INTENT

Department of Insurance Office of the Commissioner

Fraud Assessment (LAC 37:XI Chapter 23)

Under the authority of Louisiana Revised Statutes (La. R.S.) Title 40, Section 1428 and the Administrative Procedure Act, La. R.S. 49:950 et seq., the Department of Insurance gives notice that it intends to adopt the following proposed rule, to become effective February 20, 2000. This intended action complies with the statutory law administered by the Department of Insurance.

Title 37

INSURANCE

Part XI. Rules

Chapter 23. Rule 13—Special Assessment to Pay the Cost of Investigation, Enforcement, and Prosecution of Insurance Fraud

§2301. Purposes

A. The purpose of this rule is to implement the provisions of La. R.S. 40:1428 by assessing a fee on insurers to pay the cost of investigation, enforcement, and prosecution of insurance fraud in this state as more fully described in La. R.S. 40:1421-1429 and this rule. This rule shall be effective February 20, 2000.

B. The fees collected shall be used solely for the purposes of Subpart B of Part III of Chapter 6 of Title 40 of the Louisiana Revised Statutes of 1950, comprised of La. R.S. 40:1421 through 1429, entitled "Insurance Fraud Investigation Unit."

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:3 and R.S. 40:1428.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 26:

§2303. Fee Assessment

A. As authorized by La. R.S. 40:1428, and subject to the limitations provided therein and in this rule, there is hereby assessed an annual fee not to exceed .000375 multiplied times the direct premiums received by each insurer licensed by the Department of Insurance to conduct business in this state.

B. The fee shall be assessed for that portion of the 1999-2000 fiscal year, ending June 30, 2000, which follows the effective date of this rule, and on July 1, 2000, and each fiscal year thereafter, and shall be based on premiums received in the previous calendar year. The Commissioner of Insurance will notify insurers in writing of the fee assessment owed each fiscal year.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:3 and R.S. 40:1428.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 26:

§2305. Limitations on the Fee Assessment

The fee shall not be assessed on premiums received on life insurance policies, annuities, credit insurance, reinsurance contracts, reinsurance agreements, or reinsurance claims transactions. The fee shall not be assessed on fifty percent of the premiums received on health and accident insurance policies.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:3 and R.S. 40:1428.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 26:

§2307. Allocation of the Fee Assessment

A. The fees shall be allocated as follows.

1. Seventy-five percent of the fees collected shall be allocated to the Insurance Fraud Investigation Unit within the Office of State Police.

2. Fifteen percent of the fees collected shall be allocated to the Department of Justice to be used solely for the Insurance Fraud Support Unit.

3. Ten percent of the fees collected shall be allocated to the Department of Insurance to be used solely for the Section of Insurance Fraud.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:3 and R.S. 40:1428.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 26:

§2309. Payment of the Fee Assessment

The fee established in La. R.S. 40:1428 and in this rule shall be paid to the Commissioner of Insurance as required by La. R.S. 40:1428(B).

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:3 and R.S. 40:1428.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 26:

§2311. Sunset

This rule shall be null, void, and unenforceable on July 1, 2004 in accordance with the sunset provision of La. R.S. 40:1429, unless legislative authorization for this rule is reenacted prior to July 1, 2004. If such legislation authorization is reenacted prior to July 1, 2004, then this Rule shall continue in full force in effect without need for a reenactment, amendment, or re-promulgation.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:3, R.S. 40:1428 and R.S. 40:1429.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 26:

A public hearing on this proposed rule will be held on December 27, 1999, in the Plaza Hearing Room of the Insurance Building located 950 N. Fifth Street, Baton Rouge, Louisiana, at 10:00 a.m. All interested persons will be afforded an opportunity to make comments.

Interested persons may obtain a copy of this proposed rule from, and may submit oral or written comments to Barry W. Karns, Deputy General Counsel, Department of Insurance, P.O. Box 94214, Baton Rouge, Louisiana 70804-9214, telephone (225) 342-9217. Comments will be accepted through the close of business at 4:30 p.m. December 27, 1999.

Family Impact Statement

1. The Effect of the Proposed Rule on the Stability of the Family. The proposed rule should have no measurable impact on the stability of the family. Elimination of instances of insurance fraud should eventually have a positive effect on insurance rates and availability of affordable insurance in the state for individuals, families and businesses, and therefore aid in the stability of the state's economy.

2. The Effect of the Proposed Rule on the Authority and Rights of Parents regarding the Education and Supervision of Their Children. The proposed rule should have no impact upon the authority and rights of parents regarding the education and supervision of their children.

3. The Effect of the Proposed Rule on the Functioning of the Family. The proposed rule should have no direct impact on the functioning of the family, except that elimination of instances of insurance fraud should eventually have a positive effect on insurance rates and the availability of affordable insurance for individuals, families and businesses and therefore aid in the stability of the state's economy.

4. The Effect of the Proposed Rule on Family Earnings and Family Budget. The proposed rule should have no direct impact upon family earnings and budget in the short term; however, the elimination of instances of insurance fraud should eventually have a positive effect on insurance rates and the availability of affordable insurance for individuals, families and businesses and therefore aid in the stability of the state's economy.

5. The Effect of the Proposed Rule on the Behavior and Personal Responsibility of Children. The proposed rule should have no impact upon the behavior and personal responsibility of children.

6. The Effect of the Proposed Rule on the Ability of the Family and a Local Government to perform the Function as Contained in the Proposed Rule. The proposed rule should have no impact upon the ability of the family or a local governmental unit to perform the function as contained in the rule.

Cheri Bowman
Secretary

FISCAL AND ECONOMIC IMPACT STATEMENT FOR ADMINISTRATIVE RULES RULE TITLE: Rule 13—Special Assessment to Pay the Cost of Investigation, Enforcement and Prosecution of Insurance Fraud

I. ESTIMATED IMPLEMENTATION COSTS (SAVINGS) TO STATE OR LOCAL GOVERNMENT UNITS (Summary)

Implementation costs associated the promulgation of this rule by DOI total \$19,869 for the first assessment—last six

- months of FY 1999-2000. These costs will be absorbed by DOI.
- II. ESTIMATED EFFECT ON REVENUE COLLECTIONS OF STATE OR LOCAL GOVERNMENTAL UNITS (Summary)
- Revenue collection by the Department of Insurance will increase by an estimated \$1,123,279.68 in the last six months of fiscal year 1999/2000, when DOI will collect 6 months of assessment. Example—one-half of the product of subject premiums multiplied by 0.000375. For fiscal years beginning July 1, 2000 and thereafter, the fee assessment shall be based on premiums received in the previous calendar year; the fee assessment factor may be reduced, if appropriate, as set forth in LRS 40:1428. The commissioner of insurance will notify insurers in writing of the fee assessment owed for each fiscal year.
- III. ESTIMATED COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS OR NONGOVERNMENTAL GROUPS (Summary)
- Insurance consumers and the insurance industry will benefit from any drop in insurance fraud, but it is not possible for DOI to estimate the amount of the benefit to either group.
- IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)
- It is not anticipated that this rule would have any effect on employment or competition.

Craig S. Johnson Deputy Commissioner Management & Finance 9911#011	Robert E. Hosse General Government Section Director Legislative Fiscal Officer
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NOTICE OF INTENT

**Department of Natural Resources
Office of Mineral Resources**

Geophysical and Geological Surveys; Operating Agreements; and Fees and Other Charges (LAC 43:V.Chapters 1-3)

The Office of Mineral Resources, Department of Natural Resources, pursuant to R.S. 49:950, et seq., proposes to amend LAC 43, Part V. The proposed rule change adds additional fees and charges to the fee schedule of the Office of Mineral Resources which historically have been and presently are being collected and recognized by the Legislative Fiscal Office as self-generated funds for said Office. Said fees and charges will add no new fees or charges to be collected from industry or the public, but the addition to the fee schedule merely recognizes said fees and charges which have been and are being presently collected from industry and the public as self-generated: a view historically held by the Legislative Fiscal office. The Assistant Secretary for the Office of Mineral Resources will consider comments and public input for a period of thirty-five (35) days following publication.

The proposed addition of fees and charges to the schedule represent fees and charges already being collected and recognized by the Legislative Fiscal Office as self-generated funds.

In accordance with R.S. 49:950 et seq., the Department of Natural Resources, Office of Mineral Resources, has amended LAC 43:I, Part V, Chapter I as follows.

TITLE 43

NATURAL RESOURCES

Part V. Office of Mineral Resources

Chapter 1. Geophysical and Geological Surveys

§101. Geophysical and Geological Surveys

A. Permits for geophysical and geological surveys under Title 30, Chapter 3, Sections 211 through 216 of the Louisiana Revised Statutes of 1950 shall be obtained from the State Mineral Board through the Office of Mineral Resources. Applications for a permit for such exploration must be filed in quadruplicate with one copy addressed to the Secretary of the Department of Natural Resources and three copies addressed to the Deputy Assistant Secretary of the Office of Mineral Resources at least ten (10) days before the requested effective date of the permit and each such copy must be accompanied by supporting documents as follows.

1. If the permittee is a shooting company, i.e., a company whose primary business enterprise is the physical, "on-ground" acquisition of seismic and geophysical data and the transferral of said acquired data, in either raw or processed form, exclusively to one or more cost underwriting parties or by sale or licensing agreements on the open market, it shall give the name of the client(s) for whom the seismic is being shot under the permit or, if a speculative shoot, a statement to that effect. If permittee is not a shooting company, it shall give the name of the shooting company which will do the physical, "on-ground" acquisition of the seismic or geophysical data under the permit, including current mailing address and telephone number.

2. A statement of the type of work planned, such as gravity meter, magnetometer, reflection, refraction, 2-D, 3-D and/or any other recognized methods of acquiring seismic, geophysical or geological data. It is required that the official permit application available on request from the Office of Mineral Resources be used.

B. No permit issued hereunder shall cover, nor shall any project for which the permit is secured include, acreage covered by a valid state mineral lease in full force and effect at the time the permit is secured. However, if the permit applicant secures the appropriate consent from the state mineral Lessee to conduct the type of seismic operations contemplated under the permit application over the state mineral lease acreage included within the prospective project area, the permittee shall have the right under the applied for permit to conduct the type of seismic operations set forth in the permit application over the state mineral lease acreage without the necessity of securing an addendum thereto or an additional permit. Upon the expiration, lapse, or termination of any state mineral leases, the acreage of which falls within a project area delineated in a seismic permit issued hereunder, during the term in which the said seismic permit is in full force and effect, the respective permit for the project area which includes the expired, lapsed, or terminated state mineral lease acreage shall be deemed to cover, and the project area to include, said acreage without the necessity of any further permission from the State Mineral Board, and the seismic operations contemplated under the said permit may be conducted upon such acreage, but only for such time as the permit term remains in force and effect, and no longer. Permits are limited to a period of one year from date of issuance, unless revoked for cause.

C. In order to accommodate proper administration of seismic permits issued hereunder and orderly operations conducted under said permits, the applicant shall submit to the Office of Mineral Resources ("OMR") notice of the date of commencement of any seismic operations authorized by the permit, a plat acceptable to the Staff of the OMR reasonably identifying and locating each particular grid area in which operations are to be conducted and, after completion of field operations under the permit, a supplemental plat showing details of any work done in addition to that set forth in the permit application; which plat shall reflect the locations of the lines or grids shot, all shot point and/or geophone locations, and the date of completion of said additional work. The permittee, may, but shall not be required to, voluntarily agree to make available to OMR, at permittee's or OMR's office at permittee's option, the fully migrated and processed data derived from the seismic project under the issued permit. All such plats and data secured by OMR shall be deemed confidential and not subject to the public records doctrine; but shall be for the use of OMR staff only. For purposes of this section, date of commencement of operations is defined as the date upon which surveying crews and equipment are moved into the area to be worked for purposes of preliminary line placement surveying prior to the beginning of acquisition of data.

D. A permit to conduct seismic, geophysical and/or geological surveying of any kind upon State of Louisiana lands or water bottoms over which the State Mineral Board through OMR has jurisdiction shall be subject to the following terms.

1. The permit shall be valid for a period of one (1) year from date of issuance.

2. The permit shall be valid for the entire State of Louisiana, but the exercise of operations under the permit shall be limited only to the project area set forth in the application.

3. Any and all rights exercised under a valid seismic permit issued hereunder shall be exclusive only to the named permittee or, if the permittee is not a shooting company, the shooting company named in the permit application as the entity to actually do the physical, "on ground" seismic project.

4. No permit issued hereunder shall be transferable and shall be specific as to the party securing the permit, the party for whom the permitted work is being done, the project-including location plat, written description, and total acreage of state owned land and/or water bottom in the project area-covered by the permit, and the date of commencement of the permitted activity.

5. The permittee shall pay to OMR at the time of application for the seismic permit-by official bank check, certified funds, bank money order, or other certifiable funding method made payable to "Office of Mineral Resources"- an amount of money equal to \$200 per mile for 2-D lines, \$2.00 per acre multiplied by the total number of state owned lands and/or water bottoms located within the seismic project area as set forth in the application for other than 2-D or \$1,000, whichever is greater. The OMR staff reserves the right to verify the total length to the nearest mile of the proposed 2-D seismic lines or the total amount of state owned lands and/or water bottoms within the project area and, if necessary, require additional funds from the permittee

if the verified length or acreage exceeds the length or acreage set forth in the application.

E. Violation by the permittee of any of the terms specified in this schedule as promulgated, or which may be written on the permit form, shall be deemed to be a permit violation by OMR which may, at the sole discretion of OMR, subject permittee to the cancellation of his permit and forfeiture of his permit fee.

F. Pursuant to R.S. 30:124 any and all rights exercised by any permittee pursuant to a permit issued hereunder shall be in compliance with any and all applicable rules and regulations which have been promulgated, and which may be further promulgated from time to time, by the Department of Wildlife and Fisheries governing the conduct of seismic exploration on land and/or water for the protection of oysters, fish, and wildlife. Further, all wildlife and waterfowl refuges, game and fish preserves, or oyster seed ground reservations, the mineral rights over which the Department of Wildlife and Fisheries exercises direct control, shall not be included in any project area covered by any permit issued hereunder unless written permission is secured from said agency.

G. The approval of the State Mineral Board, through its duly authorized officer, of any permit, is granted subject to any future rules which may be adopted by the State Mineral Board from time to time. The Board hereby declares that in the event any changes in the rules are effected, thirty (30) days written notice shall be given to all permittees whose permits are still in effect.

AUTHORITY NOTE: Promulgated in accordance with Act 13, First Extraordinary Session, 1988, R.S. 30:136(A)(2) and 30:142(A), as amended by Acts 1017 and 1018 of 1990, R.S. 30:209 and 209.1, as amended by acts 530 and 531 of 1997, and R.S. 30:211 through 216.

HISTORICAL NOTE: Promulgated by the Department of Natural Resources, Office of Mineral Resources, LR 26:

§103. Exclusive Geophysical Agreements

A. Exclusive geophysical agreements authorized under Title 30, Chapter 3, Section 208 through 209.1 of the Louisiana Revised Statutes of 1950 may be obtained from the State Mineral Board, through the Office of Mineral Resources.

B. There are three types of exclusive geophysical agreements which may be secured from the Office of Mineral Resources, namely: Exclusive Geophysical Agreement Type I, Exclusive Geophysical Agreement Type II, and Exclusive Geophysical Agreement Type III. The following shall apply to all exclusive geophysical agreements secured hereunder.

1. The area to be covered by the exclusive geophysical agreement shall be nominated just as a lease with the description set forth in X/Y Lambert coordinates.

2. The exclusive geophysical agreements are to be awarded by public bid, just as leases are, at the monthly Mineral Lease Sale.

3. The OMR staff will determine the minimum per acre seismic fee which must be bid to be acceptable to the State Mineral Board for the awarding of the exclusive geophysical agreement.

4. The nominated acreage will then be advertised on the same delay basis and in the same manner as lease nominations; which advertisement will state a property description of the geographical area over which the

exclusive geophysical agreement is to be awarded, the type of exclusive geophysical agreement sought and the minimum per acre seismic fee acceptable to the State Mineral Board as a bid, and the day, date, time, place of the next State Mineral Lease Sale at which bids will be accepted

5. The term of the exclusive geophysical agreement shall be eighteen (18) months with an option for an additional six (6) months, which option period shall be granted only upon written request by the bid winner made prior to the end of the original eighteen (18) month term and upon payment to the Office of Mineral Resources in the manner set forth as acceptable herein above of a sum of money equal to one-half (1/2) of the original total fee bid and paid for the seismic agreement.

6. The exclusive geophysical agreement awarded shall be subject to, and shall not supersede, any existing seismic permits, leases, or other agreements of any kind with the State of Louisiana in the nominated area at the time awarded.

7. The Office of Mineral Resources will get copies (hard copies and digital tapes) of all fully processed and migrated 3-D seismic data and any other geophysical and geological data, including, but not limited to, 2-D seismic, gravity (air or surface), and magnetic (air or surface) acquired under the exclusive geophysical agreement. The Staff of the Office of Mineral Resources will be provided access to the seismic data, both processed and interpreted, at the facilities of the entity conducting the seismic operations under the exclusive geophysical agreement awarded during all phases of the seismic operations with interpreted data to be accessed no later than one (1) year following the end of the primary term of the exclusive geophysical agreement, or the option term if activated.

8. The exclusive geophysical agreement shall be available for the primary purpose of conducting 3-D seismic operations only, although other types of geophysical data may be acquired in addition to 3-D seismic, unless otherwise agreed upon by the Office of Mineral Resources and the nominating party.

C. In addition to §103.B above, the following shall apply to the Exclusive Geophysical Agreement Type I:

1. The State Mineral Board shall not grant any new seismic agreements or permits in the nominated area during the initial term of the exclusive geophysical agreement, or the option term if activated, but does reserve the right to accept nominations for and grant new mineral leases within the nominated area of the exclusive geophysical agreement. Any new mineral leases granted within the nominated area of the exclusive geophysical agreement during its primary term, or option term if activated, shall be subject to the rights granted under the exclusive geophysical agreement and the grantee shall not be required to deal with the state mineral Lessee in order to conduct seismic operations over the new lease acreage.

D. In addition to §103.B above, the following shall apply to the Exclusive Geophysical Agreement Type II.

1. The State Mineral Board shall not grant any new seismic agreements or permits, or any new leases in the exclusive geophysical agreement area from the time it is nominated, during the initial term of the exclusive geophysical agreement, or the option term if activated. However, a buffer zone of one-half (1/2) mile will be

established around existing leases within the area of the exclusive geophysical agreement and only the lessee of the existing lease or the successful exclusive geophysical agreement grantee shall have the right to nominate acreage for a state mineral lease within that buffer zone during the initial term of the exclusive geophysical agreement, or the option term if activated, which will then go up for public bid and the regular monthly state mineral lease sale.

2. The exclusive geophysical agreement grantee only shall have the right to nominate acreage within the exclusive geophysical agreement area for a state mineral lease during the primary term of the exclusive geophysical agreement, or the option term if activated, except as to the buffer zone around existing leases as provided for in 9. above, which lease nominations shall not exceed fifteen hundred (1500) acres each and shall not in aggregate amount exceed one-third (1/3) of the entire acreage of the exclusive geophysical agreement.

E. In addition to §103.B and D above, the following shall apply to the Exclusive Geophysical Agreement Type III.

1. The Staff of the Office of Mineral Resources shall, after examination of the area nominated for the Exclusive Geophysical Agreement Type III, set a minimum royalty and bonus price per acre which would be acceptable by the State Mineral Board for a state mineral lease granted within that nominated area, which minimums shall be advertised within the advertisement for the nominated area.

2. The exclusive geophysical agreement grantee only shall have the right, within the initial term of the exclusive geophysical agreement, or the option term if activated, to select for mineral leases tracts within the exclusive geophysical agreement area, not to exceed fifteen hundred (1500) acres each or one-third (1/3) in the aggregate of the entire acreage of the exclusive geophysical agreement area, and, upon payment to the Office of Mineral Resources of the amount of the per acre bonus as advertised and bid during the acquisition of the exclusive geophysical agreement type III multiplied times the acreage for each tract selected, plus an additional ten (10%) administration fee, and have a state mineral lease issued by the Office of Mineral Resources on each selected tract which shall carry the royalty burden advertised and bid during the acquisition of the exclusive geophysical agreement.

F. The State Mineral Board, through the Office of Mineral Resources, agrees to hold all information, maps, data of any and all kinds provided to the state under R.S. 30:213 or as a result of the terms of the exclusive geophysical agreements confidential and same shall not be available for view or use except by certain members of the staff of the Office of Mineral Resources in connection with the administration of state owned lands and water bottoms, and the state mineral leases thereon unless ordered by a court of proper jurisdiction to do so. Said information shall be kept under lock and key, except during the course of actual examination by the staff of the Office of Mineral Resources. Any violation of these requirements is hereby declared cause for peremptory removal from office or discharge from employment in addition to the penalties provided under R. S. 30:216.

AUTHORITY NOTE: Promulgated in accordance with Act 13, First Extraordinary Session, 1988, R.S. 30:136(A)(2) and 30:142(A), as amended by Acts 1017 and 1018 of 1990, R.S.

30:209 and 209.1, as amended by acts 530 and 531 of 1997, and R.S. 30:211 through 216.

HISTORICAL NOTE: Promulgated by the Department of Natural Resources, Office of Mineral Resources, LR 26:

Chapter 2. Operating Agreements Upon Relating to State-Owned Lands and Water Bottoms

§201. Operating Agreements

A. Operating agreements under Title 30, Chapter 3, Sections 208 through 209.1 of the Louisiana Revised Statutes of 1950 may be obtained from the State Mineral Board through the Office of Mineral Resources.

B. An operating agreement, as that term is used herein, shall refer to the contractual agreement by and between the State of Louisiana and an operator, under limited conditions and circumstances, and in lieu of a state mineral lease, to reestablish or attempt to establish production of liquid or gaseous hydrocarbons from an existing well, or wells, located on state owned lands or water bottoms previously leased, but on which the lease has terminated, by reworking, deepening, sidetracking, or plugging back of said well(s) when it has been determined by the State Mineral Board that, due to equity, economics, and other factors, it is in the best interest of the State to assume a portion of the risk of establishing production in said existing wells by contracting with the operator to attempt said establishing of production on behalf of the State whereby the State shall be entitled to receive a graduated share of production, or its value, based on recoupment of the risked cost as monitored by the Office of Mineral Resources in administering the operating agreement.

C. Operating agreements shall only be granted by the State Mineral Board in those limited situations set forth and illustrated by R.S. 30:209 (4)(a)(i-iv) when it has been determined that the best interest of the State of Louisiana will not be served by the granting of a regular state mineral lease.

D. Pursuant to R.S. 30:124 all permits will be issued subject to strict compliance by the permittee with all applicable rules governing the conduct of seismic exploration in water areas as such rules may from time to time be promulgated by the Department of Wildlife and Fisheries for the protection of oysters, fish, and wildlife. Further all wildlife and waterfowl refuges, game and fish preserves, or oyster see ground reservations or any part thereof, shall not be deemed to be included in the area covered by any permit unless written permission from the agency in charge of such refuge, preserve, or reservation is also secured.

AUTHORITY NOTE: Promulgated in accordance with Act 13, First Extraordinary Session, 1988, R.S. 30:136(A)(2) and 30:142(A), as amended by Acts 1017 and 1018 of 1990, R.S. 30:209 and 209.1, as amended by acts 530 and 531 of 1997, and R.S. 30:211 through 216.

HISTORICAL NOTE: Promulgated by the Department of Natural Resources, Office of Mineral Resources, LR 26:

Chapter 3. Fees and Other Charges

§301. Fees and Other Charges

A. The Department of Natural Resources, pursuant to the authority of Act 13 of the 1988 First Extraordinary Session of the Louisiana Legislature authorizing fees and other charges as self-generated funds, has adopted the following fees and charges commensurate with costs incurred in the application for and administration of state oil, gas or mineral

leases, geophysical and geological permits and agreements, and operating agreements on state-owned lands and water bottoms. Fees.

1. Fee for new mineral leases equal to ten percent (10%) of cash payment to be submitted no later than ten (10) days after acceptance of bid and awarding of lease.

2. Fee of \$100 for processing docketed items, such as assignments, not including advertised docketed items.

3. Fee of \$500 for processing advertised docketed items, such as unitization agreements.

4. \$200 per mile for 2-D lines, \$2.00 per acre times the total number of state owned acres included in the seismic project for other than 2-D seismic, or \$1000, whichever is greater, for the issuance of a seismic permit.

5. Fee of the price per acre bid times the total number of state owned acres included in the seismic project for the granting and cost of administering an exclusive geophysical agreement.

6. Fee covering the cost of administering operating agreements authorized by statute on a cost risk basis which would equal to twenty-five percent (25%) of the value (as determined by the sale of said production) of that portion of production returned to the State under the said operating agreements.

7. A fee of \$35.00 per hour for the number of staff hours required to process and verify requests from payers of royalties seeking reimbursements of overpayments of royalties.

8. Fee of one dollar per page for all items faxed by the Office of Mineral Resources upon request by the public to cover actual cost of faxing the material.

9. Fee of twenty-five cents per page copied or printed by the Office of Mineral Resources upon request by the public to cover the actual cost of copying the material

10. Fee of \$120.00 per subscription for a person or entity, upon request, to receive, in advance of the sale, the monthly mineral notice book of tracts coming up each month for lease sale for a period of one year which covers the cost of compiling, binding and postage incurred by the Office of Mineral Resources.

11. Fee of one dollar per page for certification that document copies requested by and furnished to the public are true and correct copies of the original documents located at the Office of Mineral Resources.

12. Fee for the administration of an in-kind royalty program, authorized by statute, although not collected last year due to the absence of an in-kind royalty program, which could amount to more than \$1,000,000.00 if the program were implemented.

13. A base non-refundable fee of \$200.00 per nomination to cover the cost of advertising; which fee shall be increased by the actual cost of advertisement per nomination, if any, and said increase levied and collected from the nominating party prior to the lease sale at which the tract appears for bid.

14. Fee for copies of G5 maps which amount to \$10.00 for copies pertaining to area north of the thirty-first parallel (Township 1 North and above) and \$20.00 for copies pertaining to area south of the thirty-first parallel (Township 1 South and below).

15. Fee of \$20.00 charged for furnishing upon request a proof of publication for tracts advertised for lease sale.

16. Fee of \$5.00 each for furnishing upon request proofs of execution of leases, no conflict or overlap of tracts and that tract is within the three mile line.

Other Charges:

17. Penalty charge of \$100.00 per day up to a maximum of \$1000.00 as statutorily imposed for assignments filed with the Office of Mineral Resources beyond a statutorily established time from the execution of the assignment to cover the cost of tracking, notifying assignor of and collecting said penalty.

18. For incorrectly filling out any form required by the Department of Natural Resources or the Office of Mineral Resources which accompanies the payment of any sum of money due the state, other than lease bonus, rental, or shut-in payments, unless the incorrectly filled out portion is corrected before the due date of the payment, a statutory penalty charge of five percent (5%) of the sum due, up to a maximum of \$500.00 to cover the cost of having the corrections made after the fact.

19. For late payment of any sums due, other than bonus, rental, or shut-in payments, a statutory penalty charge of ten (10%) of the sum due up to a maximum of \$1000.00 to cover the cost of collecting the correct amount

20. Penalty charge of \$100.00 per day for every day beyond ninety (90) days from lease termination until a release of the terminated lease is recorded in all parishes in which the original lease was recorded.

21. Any liquidated damages specified as such in any contract by and between the State of Louisiana, through the staff of the State Mineral Board, the Office of Mineral Resources, including, but not limited to, leases, operating agreements, and unit agreements, and any person or business entity, the purpose of which is to facilitate the exploration and drilling for, and the establishment of production of any mineral from state owned land and water bottoms which shall, between the contracting parties, reflect the agreed upon amount of damage, including cost of recovery, incurred by the State for violation of the agreement.

22. Charge for production of gaseous or liquid hydrocarbons from unleased state acreage in the nature of damages for trespass, amounting to payment to the state of all revenue from sale of production allocated to the state acreage less the state's actual, reasonable allocated share of costs for drilling and production, as reimbursement for the cost of finding, tracking, compiling and collecting said damages.

23. Kinds and anticipated amounts of costs are:

Personal services	\$ 3,413,308.00
Operating expenses	613,155.00
Professional services	1,020,000.00
Other charges	7,672,888.00
Equipment	4,889.00
Total	\$12,724,240.00

24. This schedule of fees and charges, as amended, shall be re-promulgated, and the provisions hereof shall be in full force and effect, as of January 1, 2000 and shall continue in force until canceled by the Office of Mineral Resources, any other order by a duly authorized person or entity, or by order of a court of law of proper venue and authority.

AUTHORITY NOTE: Promulgated in accordance with Act 13, First Extraordinary Session, 1988, R.S. 30:136(A)(2) and 30:142(A), as amended by Acts 1017 and 1018 of 1990, R.S. 30:209 and 209.1, as amended by acts 530 and 531 of 1997, and R.S. 30:211 through 216.

HISTORICAL NOTE: Promulgated by the Department of Natural Resources, Office of Mineral Resources, LR 26:

Robert D. Harper
Undersecretary

**FISCAL AND ECONOMIC IMPACT STATEMENT
FOR ADMINISTRATIVE RULES
RULE TITLE:**

I. ESTIMATED IMPLEMENTATION COSTS (SAVINGS) TO STATE OR LOCAL GOVERNMENT UNITS (Summary)

No additional implementation costs over the present budgeted costs are anticipated because the Office of Mineral Resources has historically and is presently collecting all of the fees and charges within the proposed rule change. The changes are necessary to officially designate as self-generated those funds collected by the Office of Mineral Resources so such funds can be used to defray the ongoing costs of administering new operating agreements.

II. ESTIMATED EFFECT ON REVENUE COLLECTIONS OF STATE OR LOCAL GOVERNMENTAL UNITS (Summary)

If the rule change is approved the Mineral Board and its staff will have sufficient funds to grant the new type of Operating Agreement, which requires much higher maintenance and administrative costs than the old type of Operating Agreement. Production payments to the State from those new type Operating Agreements, which are unlikely to be granted without the rule change, are estimated to be about \$1,600,000 based on \$836,000 in revenue generated by six (6) of the new type of Operating Agreements which have already been granted. Based on this estimate, \$1,200,000 of additional revenue should be generated for the State general fund and \$400,000 in self-generated revenue should be generated for the Office of Mineral Resources.

III. ESTIMATED COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS OR NONGOVERNMENTAL GROUPS (Summary)

There will be economic benefit estimated to be in excess of \$4,800,000 to those companies in the oil and gas industry which are granted the new type of Operating Agreement because the marginally productive areas over which operating agreements are granted are not economically suited to the competitive bidding format of regular leasing. The hydrocarbon reserves which are the objective of companies in these marginal areas are not sufficiently large to support competitive bidding in that the money which would be competitively bid to secure the lease is required to re-establish production and the estimated recovery is usually only sufficient to reimburse costs plus a very small margin of profit. The rule change allows the Office of Mineral Resources to keep 25 percent of production payments to the State from the new Operating Agreements, thereby providing sufficient funding for the Mineral Board and its staff to continue to grant the new Operating Agreements when they are unlikely to do so otherwise due to the high maintenance cost. Thus, this rule change is economically beneficial to the oil and gas industry in that they are allowed to secure production, and the marginal profit therefrom, which they might not otherwise secure under the competitive bid situation of the regular lease sale. The economic benefit to the companies is estimated in the following manner:

\$836,000 in production payment received by the State on six (6) existing new Operating Agreements at an average 25 percent production payment to the State on each Operating

Agreement leaves the Operators of the Operating Agreements receiving an average 75 percent of the sales of production, or 3 times what the State receives [\$836,000 x 3 = \$2,508,000 is Operator's share of sales of production]. Estimates are that the rule change will almost double the number of new Operating Agreements given by the State Mineral Board. Our conservative estimate is that the Operators will make approximately \$4,800,000 from sale of production if the rule change is made and the new Operating Agreements are granted.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

There will be no effect on competition or employment due to the fact that the fees and charges added to the proposed rule change have historically been and are presently being collected by the Office of Mineral Resources as a result of granting and administering mineral leases and operating agreements and related services on lands and water bottoms belonging to the State of Louisiana; which granting and administering can only be done by the State Mineral Board, through the Office of Mineral Resources, as the statutorily designated staff of the State Mineral Board.

Gus Rudemacher
Assistant Secretary
9911#032

Robert E. Hosse
General Government Section Director
Legislative Fiscal Officer

NOTICE OF INTENT

**Department of Public Safety and Corrections
Corrections Services**

**Medical Reimbursement Plan
(LAC 22:I.Chapter 21)**

In accordance with the Administrative Procedure Act, R.S. 49:950, et seq., and in order to implement R.S. 15:831(B)(1), the Department of Public Safety and Corrections, Corrections Services, hereby adopts regulations for the medical reimbursement plan.

Adoption of this amendment will have no effect on the stability of the family, on the authority and rights of parents regarding the education and supervision of their children, on the functioning of the family, on family earnings and family budget, on the behavior and personal responsibility of children or on the ability of the family or a local government to perform the function as contained in the proposed rule amendment.

**Title 22
CORRECTIONS, CRIMINAL JUSTICE
AND LAW ENFORCEMENT**

Part I. Corrections

**Chapter 21. Medical Reimbursement Plan
§2101. Policy**

Policy—to institute the Secretary's policy that medical co-payments must comply with the provisions of La. R.S. 15:831(B)(1).

AUTHORITY NOTE: Promulgated in accordance with R.S. 15:831(B)(1).

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Corrections Services LR 26:

§2103. Applicability

Applicability—deputy secretary, undersecretary, assistant secretary/office of adult services, wardens of adult institutions, and administrators of adult local jail facilities.

AUTHORITY NOTE: Promulgated in accordance with R.S. 15:831(B)(1).

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Corrections Services LR 26:

§2105. Medical Reimbursement Plan Pursuant To R.S. 15:831(B)(1)

A. Inmates Housed in State Institutions

1. Procedures concerning medical co-payments are outlined in Department Regulation No. B-06-001. "Health Care." Please see the section entitled "Provisions of Medical and Dental Services."

2. Inmates shall file a claim with a private medical or health care insurer, (or any public medical assistance program under which the inmate is covered and from which the inmate may make a claim), for payment or reimbursement of the cost of any such medical treatment.

B. Inmates Housed in Local Jail Facilities

1. If a facility has a medical reimbursement plan for non-state inmates approved as stipulated in La. R.S. 15:705(C), then such a plan is acceptable for use in obtaining reimbursement or co-payments from state inmates in the custody of the facility for medical expenses incurred. The application of the rules in said plan shall be identical for state and non-state inmates that may be housed in the facility. The plan must contain language that stipulates that no inmate will be denied medical care because of their ability to pay co-payments or make reimbursement. No further approval by the Department of Public Safety and Corrections shall be deemed necessary.

2. The facility should require that the inmate file a claim with a private medical or health care insurer, (or any public medical assistance program under which he is covered and from which the inmate may make a claim), for payment or reimbursement of the cost of any such medical treatment.

AUTHORITY NOTE: Promulgated in accordance with R.S. 15:831(B)(1).

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Corrections Services (November 1999), LR 26:

Richard L. Stalder
Secretary

**FISCAL AND ECONOMIC IMPACT STATEMENT
FOR ADMINISTRATIVE RULES
RULE TITLE: Medical Reimbursement Plan**

I. ESTIMATED IMPLEMENTATION COSTS (SAVINGS) TO STATE OR LOCAL GOVERNMENT UNITS (Summary)

There may be some savings to the state resulting from medical reimbursements paid to qualifying inmates in state and local institutions for state provided treatment. However, it is estimated that the number of state inmates so qualified is very small compared to the total population and it is not possible to calculate those savings with any certainty.

II. ESTIMATED EFFECT ON REVENUE COLLECTIONS OF STATE OR LOCAL GOVERNMENTAL UNITS (Summary)

There will be no effect on revenue collections of state or local governmental units.

III. ESTIMATED COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS OR NONGOVERNMENTAL GROUPS (Summary)

There are no costs or economic benefits to directly affected persons or non-governmental groups.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT
(Summary)

There is no anticipated impact on competition and employment.

Robert B. Barbor
Executive Counsel
9911#012

Robert E. Hosse
General Government Section Director
Legislative Fiscal Office

NOTICE OF INTENT

**Department of Public Safety and Corrections
Corrections Services**

**Sex Offender Treatment Plan and Program
(LAC 22:I.337)**

In accordance with the Administrative Procedure Act, R.S. 49:950 et seq., and in order to implement R.S. 15:538(C), the Department of Public Safety and Corrections, Corrections Services hereby amends regulations for sex offender treatment plans and programs.

Adoption of this amendment will have no effect on the stability of the family, on the authority and rights of parents regarding the education and supervision of their children, on the functioning of the family, on family earnings and family budget, on the behavior and personal responsibility of children or on the ability of the family or a local government to perform the function as contained in the proposed rule amendment.

**Title 22
CORRECTIONS, CRIMINAL JUSTICE
AND LAW ENFORCEMENT
Part I. Corrections**

**Chapter 3. Adult and Juvenile Services
Subchapter A. General**

§337. Sex Offender Treatment Plan and Program

A. Policy—to institute the secretary's policy and procedures for providing a sex offender treatment plan and program as set forth pursuant to the laws of this state.

B. Applicability—assistant secretary/Office of Adult Services, director of probation and parole, Board of Parole, all wardens of adult institutions, and local facility administrators.

C. Sex Offender Treatment Plan Pursuant to R.S. 15:538(C)

1. No sexual offender whose offense involved a minor child who is 12 years old or younger or who is convicted two or more times of a violation of the following shall be eligible for probation, parole or suspension of sentence, or diminution of sentence if imposed as a condition by the sentencing court pursuant to R.S. 15:537, unless, as a condition thereof, the offender undergoes a treatment plan based upon a mental health evaluation:

- a. R.S. 14:42 aggravated rape;
- b. R.S. 14:42.1 forcible rape;
- c. R.S. 14:43 simple rape;
- d. R.S. 14:43.1 sexual battery;
- e. R.S. 14:43.2 aggravated sexual battery;
- f. R.S. 14:43.3 oral sexual battery;
- g. R.S. 14:43.4 aggravated oral sexual battery;
- h. R.S. 14:78 incest;
- i. R.S. 14:78.1 aggravated incest; or

j. R.S. 14:89.1 aggravated crime against nature.

2. Mental health evaluation means an examination by a qualified mental health professional with experience in treating sex offenders. Each institution and the Division of Probation and Parole shall make arrangements with qualified mental health professionals for the purpose of conducting evaluations and to develop and implement treatment plans.

3. The treatment plan shall be based upon a mental health evaluation and shall effectively deter recidivist sexual offenses by the offender, thereby reducing the risk of reincarceration of the offender and increasing the safety of the public, and under which the offender may reenter society.

4. The treatment plan may include:

a. the utilization of medroxyprogesterone acetate treatment or its chemical equivalent as a preferred method of treatment;

b. a component of defined behavioral intervention if the evaluating qualified mental health professional determines that such is appropriate for the offender.

5. The provisions of R.S. 15:538(C) shall only apply if parole, probation or suspension of sentence, or conditioned diminution of sentence is permitted by law and the offender is otherwise eligible.

6. If on probation or subject to a sentence that has been suspended, the offender shall begin medroxyprogesterone acetate, or chemical equivalent treatment as ordered by the court or a qualified mental health professional and medical staff.

7. If medroxyprogesterone acetate or chemical equivalent treatment is part of an incarcerated inmate's treatment plan, the inmate shall begin such treatment at least six weeks prior to release on parole.

8. Once a treatment plan is initiated based upon a mental health evaluation, it shall continue unless it is determined by a physician or qualified mental health professional that it is no longer necessary. The attending physician or qualified mental health professional may seek a second opinion.

9. If an offender voluntarily undergoes a permanent, surgical alternative to hormonal chemical treatment for sex offenders, he shall not be subject to these provisions.

10. Before beginning medroxyprogesterone acetate or chemical equivalent therapy, the offender shall be informed about the uses and side effects of medroxyprogesterone therapy, and shall acknowledge in writing that he has received this information (see §337.F).

11. The offender shall be responsible for the costs of the evaluation, the treatment plan, and the treatment.

a. If the offender is not indigent, these services will be rendered by an outside mental health provider based upon a fee schedule established by the Department of Public Safety and Corrections. If the offender is on probation or under parole supervision, services will be rendered at the provider's place of business. If the offender is housed in an institution, services will be rendered by the provider at the state or local facility. In either event, the Department reserves the right to determine the eligibility within the Department of Health and Hospitals.

b. Indigent offenders who are on probation or under parole supervision will be responsible for seeking services through the Department of Health and Hospitals, Office of

Mental Health (with assistance as needed from their probation and parole officer). The provision of such services is strictly subject to the availability of resources and programs within the Department of Health and Hospitals. If the offender is housed in a state institution, services will be provided by Department of Public Safety and Corrections' mental health staff. A set-up fee will be charged to the inmate based upon the fee scale for non-indigent inmates and the inmate's account shall reflect the cost of the service as a debt owed. Indigent offenders housed in local facilities requiring these services should be transferred, if possible, to ARDC/WRDC. In unusual circumstances when this is not possible, services for these offenders shall be coordinated by the facility administrator with the Department of Health and Hospitals, Office of Mental Health (with assistance, as needed, of the Office of Adult Services or the Basic Jail Guidelines Regional Team Leader.) The provision of such services is strictly subject to the availability of resources and programs within the Department of Health and Hospitals.

12. Chemical treatment shall be administered through a licensed medical practitioner. Any physician or qualified mental health professional who acts in good faith in compliance with this regulation in the administration of treatment shall be immune from civil or criminal liability for his actions in connection with the treatment. The inmate may decline to participate in the evaluation or treatment plan by signing the Consent for Medroxyprogesterone Acetate Treatment indicating that he acknowledges his decision renders him ineligible for probation, parole, suspension of sentence or diminution of sentence if conditioned by the court. However, the inmate may still fall under the provisions of R.S. 15:828 or C.Cr.P.Art. 895(J).

13. Failure to continue or complete treatment shall be grounds for revocation of probation, parole, or suspension of sentence, or, if so conditioned by the Court, revocation of release on diminution of sentence as if on parole. Good time earned may be forfeited pursuant to R.S. 15:571.4. Should an inmate in an institutional setting fail to continue or complete his sex offender treatment plan, an Incident Report shall be initiated and good time forfeited, if appropriate, pursuant to the provisions of the *Disciplinary Rules and Procedures for Adult Inmates*.

14. During the preclass verification process, it will be the responsibility of staff at ARDC/WRDC to identify those inmates whose sentence places them under the provisions of R.S. 15:538(C). It is preferable that state inmates in this category be transferred from local facilities to ARDC/WRDC. Staff at ARDC/WRDC shall be responsible for assuring the transport of these inmates to the department's custody. However, if this is not done, then the Office of Adult Services or the Basic Jail Guidelines Regional Team Leader shall assist the local facility with any questions or concerns regarding the provisions of R.S. 15:538(C). If an inmate assigned to an institution should receive a new sentence for an identified sex offense, it will be the responsibility of the warden to determine if they are subject to the conditions of R.S. 15:538(C).

15. The director of the Division of Probation and Parole and all wardens shall establish procedures to implement the policy provisions of this regulation to ensure strict adherence to the procedures outlined herein.

D. Sex Offender Treatment Program Pursuant to R.S. 15:828

1. Sex offenders for the purpose of this statute are defined as persons committed to the custody of the Department of Public Safety and Corrections, for any of the following crimes:

- a. R.S. 14:41 rape;
- b. R.S. 14:42 aggravated rape;
- c. R.S. 14: 42.1 forcible rape;
- d. R.S. 14:43 simple rape;
- e. R.S. 14:43.1 sexual battery;
- f. R.S. 14:43.2 aggravated sexual battery;
- g. R.S. 14:43.3 oral sexual battery;
- h. R.S. 14:43.4 aggravated oral sexual battery;
- i. R.S. 14:43.5 intentional exposure of aids virus;
- j. R.S. 14:76 bigamy;
- k. R.S. 14:77 abetting in bigamy;
- l. R.S. 14:78 incest;
- m. R.S. 14:78.1 aggravated incest;
- n. R.S. 14:80 carnal knowledge of a juvenile;
- o. R.S. 14:81 indecent behavior with juveniles;
- p. R.S. 14:81.1 pornography involving juveniles;
- q. R.S. 14:81.2 molestation of a juvenile;
- r. R.S. 14:89 crime against nature; or
- s. R.S. 14:89.1 aggravated crime against nature.

2. Subject to the availability of resources and appropriate individual classification criteria, sex offenders as enumerated in §337.D.1.a - s and who are housed in a state correctional facility should be provided counseling and therapy by institutional mental health staff in a sex offender treatment program until successfully completed or until expiration of sentence, release on parole in accordance with and when permitted by R.S. 15:574.4, or other release in accordance with law, whichever comes first.

3. A sex offender treatment program means one which includes either or both group and individual therapy and may include arousal reconditioning. Group therapy should be conducted by two therapists, one male and one female. Subject to availability of staff, at least one of the therapists should be licensed as a psychologist, board-certified as a psychiatrist, or a clinical social worker. A therapist may also be an associate to a psychologist under the supervision of a licensed psychologist.

4. Reports, assessments, and clinical information, as available, including any testing and recommendations by mental health professionals, shall be made available to the Board of Parole.

5. If the inmate falls under the provisions of R.S. 15:538(C), then he should be treated in accordance with that statute and not R.S. 15:828.

E. Sex Offender Treatment Program Pursuant to C.Cr.P. Art. 895(J). In addition to other requirements of law, in cases where a defendant has been convicted of an offense involving criminal sexual activity, the court shall order as a condition of probation that the defendant successfully complete a sex offender treatment program. As part of the sex offender treatment program, the offender shall participate with a victim impact panel or program providing a forum for victims of criminal sexual activity and sex offenders to share experiences on the impact of the criminal sexual activity in their lives. The Director of Probation and Parole shall establish procedures to implement victim impact

panels. All costs for the sex offender treatment program, pursuant to this Subsection shall be paid by the offender.

F. Consent for Medroxyprogesterone Acetate Treatment Form

Consent for Medroxyprogesterone Acetate Treatment

By my signature below, I hereby confirm that I have been informed of the uses and side effects involved with medroxyprogesterone acetate treatment or its chemical equivalent, hereinafter referred to as "the Treatment."

My initials before each section of this consent form indicate that each section has been read and discussed with me by the physician or his designee on this date.

I understand that this medication is an accepted treatment for sex offender behavior, but the Treatment is not a "cure".

I understand that the Treatment will be given in addition to counseling and I agree to participate in counseling during the course of the Treatment.

I shall be responsible for the costs of the evaluation, the treatment plan, and the Treatment. If I am not indigent these services will be rendered by an outside mental health provider based upon a fee schedule established by the Department of Public Safety and Corrections. If I am on probation or under parole supervision, services will be rendered at the provider's place of business. If I am housed in an institution, services will be rendered by the provider at the state or local facility.

If I am indigent and on probation or under parole supervision, I will be responsible for seeking services through the Department of Health and Hospitals, Office of Mental Health. If I am housed in a state institution, services will be provided by the Department of Public Safety and Corrections' mental health staff and I will be charged a set-up fee based upon the fee scale for non-indigent inmates and my account will reflect the cost of the service as a debt owed.

I agree to cooperate with any psychological and medical evaluations, including but not limited to a complete physical examination and any laboratory, radiological, or neurological testing deemed necessary by the physician, with appropriate counseling by the physician or his designee prior to initiation of the Treatment to assess the possible effectiveness of the Treatment.

I understand that the following are possible or potential side effects associated with the Treatment:

Minor Side Effects

- Acne, dizziness, hair growth, headache, nausea, or vomiting. These side effects should disappear as your body adjusts to the medication.

- This medication can increase your sensitivity to sunlight. Avoid prolonged exposure to sunlight and sunlamps. Wear protective clothing and use an effective sunscreen.

- This medication may cause tenderness, swelling or bleeding of the gums. Brushing and flossing your teeth regularly may prevent this. Also, you should see your dentist regularly while you are taking this medication.

- If you feel dizzy or light-headed, sit or lie down for a while; get up slowly from a sitting or reclining position, and be careful of stairs.

Major Side Effects

- Tell your doctor about any side effects that are persistent or particularly bothersome. IT IS ESPECIALLY IMPORTANT TO TELL YOUR DOCTOR if you experience breast tenderness; chest pain; depression; fainting; hair loss; itching; pain in the calves; rapid weight gain (three to five pounds within a week); rash; slurred speech; sudden, severe headache; swelling of the feet or ankles; or yellowing of the eyes or skin.

I understand that the Treatment should not interact with other medications if it is used according to the physician's directions and monitoring.

Promptly consulting your doctor is the best path to a quick and successful resolution of any medical problem or question you may have about the Treatment. I understand the following "Warnings" and agree to participate in my care by informing my physician of any problem, including but not limited to the following:

- Unusual or allergic reactions I have had to any medications, especially to medroxyprogesterone acetate (the Treatment), progestin, or progesterone.

- Any history of cancer of the breast or genitals, clotting disorders, diabetes mellitus, depression, epilepsy, gallbladder disease, asthma, heart disease, kidney disease, liver disease, migraines, porphyria, or stroke.

- Dizziness or drowsiness (do not take part in any activities that require alertness, such as driving a car or operating potentially dangerous machinery).

I understand that any physician or qualified mental health professional who acts in good faith in compliance with the provisions of La. R.S. 15:538(C), in the administration of the Treatment or the provision of counseling shall be immune from civil or criminal liability for his actions in connection with the Treatment or counseling as a means of altering sexual offender behavior.

I understand that in some individuals the Treatment may not be effective at all for the problem of sexual offender behavior.

If a relapse or recurrence of sexual offender behavior occurs while receiving the Treatment or after discontinuation of the Treatment, I agree to in-patient treatment if deemed appropriate by a physician, whether or not incarcerated at the time of recurrence of the sexual offender behavior.

I agree to a full psychological and medical evaluation with laboratory examination(s), radiological or neurological evaluation(s) as determined by the attending physician with appropriate counseling by the physician or his designee prior to release from custody or if I choose to discontinue the Treatment at any time.

I understand that once the Treatment is initiated, it shall continue unless it is determined by the physician or mental health professional that it is no longer necessary. I also understand that discontinuation of the Treatment at any time in the future would stop the therapeutic effect of the Treatment until it is resumed.

I understand that failure to continue or complete the Treatment shall be grounds for revocation of probation, parole, or suspension of sentence, or, if so conditioned by the Parole Board, revocation of release on diminution of sentence as if on parole. I also understand that if I am housed in an institution and fail to continue or complete the Treatment, good time earned may be forfeited pursuant to La. R.S. 15:571.4.

I, _____, on this date _____, have been informed of the uses and side effects involved with taking medroxyprogesterone acetate as a treatment for sex offenders. I agree to take the Treatment of my own free will and with full understanding of the possible risks versus potential benefit.

I, _____, on this date _____, have been informed of the uses and side effects involved with taking medroxyprogesterone acetate and refuse to participate in the Treatment. I understand that failure to participate will render me ineligible for probation, parole, suspension of sentence or diminution of sentence if conditioned by the court.

I, _____, on this date _____, give Dr. _____ permission to treat me with medroxyprogesterone acetate and agree to testing and counseling as stated above.

As the physician of record or his designee (medical or mental health), I attest to my counseling this patient of the use and side effects of medroxyprogesterone acetate or its chemical equivalent as treatment for sex offenders.

(Signature and date)

Patient Signature _____ Date _____
Physician Signature _____ Date _____
Witness (of Patient signature) _____ Date _____
Witness (of MD signature) _____ Date _____
Witness (of Patient signature) _____ Date _____
Witness (of MD signature) _____ Date _____

The consent form must be completed in its entirety with all three pages constituting a total consent form in Louisiana before the administration of medroxyprogesterone acetate treatment or its chemical equivalent for sexual offender behavior regardless of the sexual offender's current, prior, or future status of incarceration.

White copy consent Chart
Yellow copy consent Court
Blue copy consent Physician

AUTHORITY NOTE: Promulgated in accordance with R.S. 15:538(C).

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Corrections Services, LR 24:2308 (December 1998), amended LR 26:

Richard L. Stalder
Secretary

**FISCAL AND ECONOMIC IMPACT STATEMENT
FOR ADMINISTRATIVE RULES
RULE TITLE: Sex Offender Treatment Plan and
Program**

- I. ESTIMATED IMPLEMENTATION COSTS (SAVINGS) TO STATE OR LOCAL GOVERNMENT UNITS (Summary)
There will be no estimated costs associated with this amendment.
- II. ESTIMATED EFFECT ON REVENUE COLLECTIONS OF STATE OR LOCAL GOVERNMENTAL UNITS (Summary)
There will be no effect on revenue collections of state or local governmental units.
- III. ESTIMATED COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS OR NONGOVERNMENTAL GROUPS (Summary)
There are no additional costs or economic benefit directly affecting persons or non-governmental groups.
- IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)
There is no anticipated impact on competition and employment.

Robert B. Barbor
Executive Counsel
9911#013

Robert E. Hosse
General Government Section Director
Legislative Fiscal Office

NOTICE OF INTENT

**Department of Public Safety and Corrections
Gaming Control Board**

Electronic Gaming Devices (LAC 42:XIII.Chapter 42)

LAC 42:XIII.4327, 4329, 4331, 4333, 4335, 4337, 4339, 4341, 4343, 4345, 4347, 4349, 4351, 4353, 4355, and 4357 have been incorporated into this new LAC 42:XIII.Chapter 42 and need to be stricken from LAC 42:XIII.Chapter 43.

Title 42

LOUISIANA GAMING

Part XIII. Riverboat Gaming

Chapter 42. Electronic Gaming Devices

§4201. Division's Central Computer System (DCCS)

A. Pursuant to R.S. 27:114, the Legislature of Louisiana has mandated that all electronic gaming devices on all riverboats shall be linked by telecommunications to a central computer system for purposes of monitoring and reading device activities.

B. The DCCS shall be located within and administrated by the Division, and shall be on line and completely functional by June 1, 2000.

C. The DCCS shall be capable of monitoring and reading financial aspects of each electronic gaming device such as:

1. coin in, coin out, coins to the drop, games played, hand paid jackpots, bills/paper currency accepted, and

bills/paper currency by denomination accepted shall all be reported to the central computer system;

2. any device malfunction that causes any meter information to be altered, cleared, or otherwise inaccurate may require immediate disablement of the electronic gaming device from patron play by the Division. The Licensee shall report the malfunction to the Division within four hours after the occurrence;

3. no electronic gaming device shall be enabled for patron play after a meter malfunction as described in §4201C.2 until authorized by a Division agent;

4. meter information required in C.1 of this Section will have been reported and documented by the central computer system on a previous event and will be used to provide all meter information prior to the device malfunction. Subsequent adjustments after the meter malfunction shall document a "meter reasonableness" as determined by the following procedures:

a. the meter information recorded prior to the device malfunction shall be verified as accurate by an operator of the DCCS;

b. a coin and bill validator test shall be performed on the electronic gaming device in the presence of a Division agent;

c. upon successful completion of the coin and bill validator test, all final meter information shall be documented on forms prescribed by the Division; and

d. the final meter information shall be reported to the DCCS operator and all final meter information shall be entered into the central computer system prior to the enablement of the electronic gaming device for patron play.

D. The DCCS shall provide for the monitoring and reading of exception code reporting to insure direct scrutiny of conditions detected and reported by the electronic gaming device, including any tampering, device malfunction, and any door opening to the drop areas, with exception of the drop team:

1. exception or event codes that signal illegal door opening(s) shall necessitate an investigation by a Division agent, which may result in an administrative action against the Licensee;

2. all events that can be reported by an electronic gaming device shall be transmitted to the DCCS. Examples of the events reported are, but not limited to, as follows:

- a. machine power loss;
- b. main door open/closed;
- c. BVA or stacker accessed;
- d. hard drop door open/closed;
- e. logic board accessed;
- f. reel tilt;
- g. hopper empty;
- h. excess coin dispensed by the hopper;
- i. hopper jam;
- j. coin diverter error;
- k. battery low;
- l. jackpot win;
- m. jackpot reset;
- n. logic board failure.

3. In the event of any exception or event code, or combination thereof which may indicate inappropriate meter readings, that is reported to the DCCS, the Division may require the disablement of the electronic gaming device.

E. No new electronic gaming device or EGD monitoring system shall be authorized for operation unless the electronic gaming device or EGD monitoring system meets the minimum requirements of §4201.

F. The DCCS shall not provide for the monitoring or reading of personal or financial information concerning any patron's gaming activities conducted on a riverboat.

G. Any new electronic gaming device placed on line and enabled for patron play shall have the annual fee required by R.S. 27:114 paid prior to placement into operation for patron play.

H. The payment of the electronic gaming device fee shall be made in such manner as prescribed by the Division.

I. Any reference to slot machine or slots in this LAC42:XIII.Chapter 42 includes all electronic gaming devices, herein referred to as EGD's.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:

§4202. Approval of Electronic Gaming Devices;

Applications and Procedures; Manufacturers and Suppliers

A. A manufacturer or supplier shall not sell, lease or distribute EGD's or equipment in this state and a licensee shall not offer EGD's for play without first obtaining the requisite permit or license and obtaining prior approval by the Division/Board for such action. This section shall not apply to those manufacturers or suppliers licensed or permitted to sell, lease or distribute EGD's or equipment in the state to an entity licensed under a provision of state law other than the Administrative Rules when those manufacturers or suppliers are selling or distributing to such licensed entity.

B. Applications for approval of a new EGD shall be made and processed in such manner and using such forms as the Division may prescribe. Licensees may apply for approval of a new EGD. Each application shall include, in addition to such other items or information as the Division may require:

1. a complete, comprehensive, and technically accurate description and explanation in both technical and lay language of the manner in which the device operates, signed under penalty of perjury; and

2. a statement, under penalty of perjury, that to the best of the applicant's knowledge, the EGD meets the standards set forth in LAC 42:XIII.Chapter 42.

C. No game or EGD other than those specifically authorized in this LAC 42:XIII.Chapter42 may be offered for play or played on a riverboat except that the Division may authorize the operation of progressive electronic EGD's as part of a network of separate gaming operations licensed by the Division with an aggregate prize or prizes.

D. Approval shall be obtained from the Division prior to changing, adding, or altering the casino configuration once such configuration has received final Divisional approval. For the purpose of this section, altering the casino configuration does not include the routine movement of EGD's for cleaning and/or maintenance purposes.

E. All components, tools, and test equipment used for installation, repair or modification of EGD's shall be stored in the slot technician repair office, or in a Division approved

locked storage area. Such office/storage area shall be kept secure, and only authorized personnel shall have access.

Any compartment or room that contains communications equipment used by the EGD's and the EGD monitoring system shall be kept secure.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:

§4203. Minimum Standards for Electronic Gaming Devices

All EGD's submitted for approval:

A. shall be electronic in design and operation and shall be controlled by a microprocessor or micro-controller or the equivalent;

B. shall theoretically pay out a mathematically demonstrable percentage of all amounts wagered, which shall not be less than eighty percent (80%) and not more than ninety nine point nine percent (99.9%) for each wager available for play on the device;

C. shall use a random selection process to determine the game outcome of each play of a game. The random selection process shall meet 99 percent confidence limits using a standard chi-squared test for goodness of fit and in addition:

1. each possible permutation or combination of game elements which produce winning or losing game outcomes shall be available for random selection at the initiation of each play; and

2. the selection process shall not produce detectable patterns of game elements or detectable dependency upon any previous game outcome, the amount wagered, or upon the style or method of play;

D. shall display an accurate representation of the game outcome. After selection of the game outcome, the EGD shall not make a variable secondary decision which affects the result shown to the player;

E. shall display the rules of play and payoff schedule;

F. shall not automatically alter pay-tables or any function of the device based on internal computation of the hold percentage;

G. shall be compatible to on-line data monitoring;

H. shall have a separate locked internal enclosure within the device for the control circuit board and the program storage media;

I. shall be able to continue a game with no data loss after a power failure;

J. shall have current game and the previous two games data recall;

K. shall have a complete set of nonvolatile meters including coins-in, coins-out, coins dropped and total jackpots paid;

L. shall contain a surge protector on the line that feeds power to the device. The battery backup or an equivalent for the electronic meter information shall be capable of maintaining accuracy of all information required for 180 days after power is discontinued from the device. The backup shall be kept within the locked logic board compartment;

M. shall have an on/off switch that controls the electrical current used in the operation of the device which shall be located in an accessible place within its interior;

N. shall be designed so that it shall not be adversely affected by static discharge or other electromagnetic interference;

O. shall have at least one electronic coin acceptor and may be equipped with an approved currency acceptor. Coin and currency acceptors shall be designed to accept designated coins and currency and reject others. The coin acceptor on a device shall be designed to prevent the use of cheating methods such as slugging, stringing, or spooning. All types of coin and currency acceptors are subject to the approval by the Division. The control program shall be capable of handling rapidly fed coins so that occurrences of inappropriate "coin-ins" are prevented;

P. shall not contain any unsecured hardware switches that alter the pay-tables or payout percentages in its operation. Hardware switches may be installed to control graphic routines, speed of play, and sound;

Q. shall contain a non-removable identification plate containing the following information, appearing on the exterior of the device:

1. manufacturer;
2. serial number; and
3. model number;

R. shall have a communications data format from the EGD to the EGD monitoring system approved by the Division;

S. shall be capable of continuing the current game with all current game features after a malfunction is cleared. This rule does not apply if a device is rendered totally inoperable. The current wager and all credits appearing on the screen prior to the malfunction shall be returned to the patron;

T. shall have attached a locked compartment separate from any other compartment of the device for housing a drop bucket. The compartment shall be equipped with a switch or sensor that provides detection of the drop door opening and closing by signaling to the EGD monitoring system;

U. shall have a locked compartment for housing currency, if so equipped with a currency acceptor;

V. shall, at a minimum, be capable of detecting and displaying the following error conditions which an attendant may clear:

1. coin-in jam;
2. coin-out jam;
3. currency acceptor malfunction or jam;
4. hopper empty or time-out;
5. program error;
6. hopper runaway or extra coin paid out;
7. reverse coin-in;
8. reel error; and
9. door open;

W. shall use a communication protocol which ensures that erroneous data or signal will not adversely affect the operation of the device;

X. shall have a mechanical, electrical, or electronic device that automatically precludes a player from operating the device after a jackpot requiring a manual payout and requires an attendant to reactivate the device; and

Y. shall be outfitted with any other equipment required by this LAC 42:XIII.Chapter 42.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:

§4204. Progressive Electronic Gaming Devices

A. This section authorizes the use of progressive EGD's within one (1) riverboat provided that the EGD's meet the requirements stated in this LAC42:XIII.Chapter 42 and any additional requirements imposed by the Administrative Rules, the Board, or the Division.

B. Wide area progressive games that link EGD's located on more than one (1) riverboat shall be approved by the Board and Division on a case-by-case basis.

C. Progressive EGD's Defined

1. A progressive EGD is an electronic gaming device with a payoff that increases uniformly as the EGD or another device on the same link is played.

2. Base amount means the amount of the progressive jackpot offered before it increases.

3. "Incremental amount" means the difference between the amount of a progressive jackpot and its base amount.

4. A progressive jackpot may be won where certain pre-established criteria, which does not have to be a winning combination, is satisfied.

5. A bonus game where certain circumstances are required to be satisfied prior to awarding a fixed bonus prize is not a progressive EGD and is not subject to this LAC 42:XIII.Chapter 42.

D. Transferring of Progressive Jackpot which is in play.

1. A progressive jackpot which is currently in play may be transferred to another progressive EGD on the riverboat in the event of :

- a. EGD malfunction;
- b. EGD replacement; or
- c. other good reason deemed appropriate by the Division to ensure compliance with this LAC 42:XIII.Chapter 42.

2. If the events set forth above do not occur, the progressive award shall be permitted to remain until it is won by a player or transfer is approved by the Division.

E. Recording, Keeping and Reconciliation of Jackpot Amount

1. The licensee shall maintain a record of the amount shown on a progressive jackpot meter on the riverboat and/or dockside premises. The progressive jackpot meter information shall be read and documented, at a minimum, every twenty-four (24) hours. Electronic meter information shall be recorded when a primary jackpot occurs on an EGD.

2. Supporting documents shall be maintained to explain any reduction in the payoff amount from a previous entry.

3. The records and documents shall be retained for a period of five (5) years.

4. The Licensee shall confirm and document, on a quarterly basis, that proper communication was maintained on each EGD linked to the progressive controller during that time.

5. The Licensee shall record the progressive liability on a daily basis.

6. The Licensee shall review, on a quarterly basis, the incremented rate and reasonableness of the progressive liability by either a physical coin-in test or by meter readings to calculate incremental coin-in multiplied by the rate

incremented to arrive at the increase in, and reasonableness of, the progressive jackpot amount.

7. Each Licensee shall formally adopt the manufacturer's specified internal controls for wide area progressive EGD's, as approved by the Division, as part of the Licensee's system of internal controls.

F. The Progressive Meter

1. The EGD shall be linked to a progressive meter or meters showing the current payoff to all players who are playing an EGD which may potentially win the progressive amount. A meter that shows the amount of the progressive jackpot shall be conspicuously displayed at or near the machines to which the jackpot applies.

G. Consistent Odds on Linked EGD's

1. When more than one (1) progressive EGD is linked together, each EGD in the link shall be the same denomination, same coin in multiplier, and have the same probability of hitting the combination that will award the progressive jackpot or jackpots as every other machine in the link.

H. Operation of Progressive Controller-Normal Mode

1. During the normal operating mode of the progressive controller, the controller shall do the following:

- a. continuously monitor each EGD attached to the controller to detect inserted coins or credits wagered;
- b. multiply the accepted coins by the programmed rate of progression in order to determine the correct amounts to apply to the progressive jackpot.

2. The progressive display shall be constantly updated as play on the link is continued. It will be acceptable to have a slight delay in the update so long as when a jackpot is triggered the jackpot amount is shown immediately.

I. Operation of Progressive Controller-Jackpot Mode

1. When a progressive jackpot is recorded on an EGD which is attached to the progressive controller or another attached approved component or system (hereinafter progressive controller), the progressive controller shall allow for the following:

- a. display of the winning amount;
- b. display of the EGD identification that caused the progressive meter to activate if more than one (1) EGD is attached to the controller.

2. The progressive controller is required to send to the EGD the amount that was won. The EGD is required to update its electronic meters to reflect the winning jackpot amount consistent with this LAC 42:XIII.Chapter 42.

3. When more than one (1) progressive EGD is linked to the progressive controller, the progressive controller shall automatically reset to the reset amount and continue normal play. During this time, the progressive meter or another attached approved component or system shall display the following information:

- a. the identity of the EGD that caused the progressive meter to activate;
- b. the winning progressive amount;
- c. the new normal mode amount that is current on the link.

4. A Wide Area progressive EGD and/or a progressive device where a jackpot of one hundred thousand dollars (\$100,000) or more is won shall automatically enter into a non-play mode which prohibits additional play on the device after a primary jackpot has been won on the device. Upon

conclusion of necessary inspections and tests by the Division, the device may be offered for play.

J. Alternating Displays

1. When this procedure prescribes multiple items of information to be displayed on a progressive meter, it is sufficient to have the information displayed in an alternating fashion.

K. Security of Progressive Controller

1. Each progressive controller linking two (2) or more progressive EGD's shall be housed in a double keyed compartment in a location approved by the Division. All keys shall be maintained in accordance with LAC 42:XIII.Chapter 27 of the Administrative Rules.

2. The Division may require possession of one (1) of the keys.

3. Persons having access to the progressive controller shall be approved by the Division.

4. A list of persons having access to a progressive controller shall be submitted to the Division.

L. Progressive Controller

1. A progressive controller entry authorization log shall be maintained within each controller. The log shall be on a form prescribed by the Division and completed by each individual who gains entrance to the controller.

2. Security restrictions shall be submitted in writing to the Division for approval at least sixty (60) days before their enforcement. All restrictions approved by the Division shall be made on a case by case basis in the case of a stand-alone progressive where the controller is housed in the logic area.

3. The progressive controller shall keep the following information in nonvolatile memory which shall be displayed upon demand:

- a. the number of progressive jackpots won on each progressive level if the progressive display has more than one (1) winning amount;
- b. the cumulative amounts paid on each progressive level if the progressive display has more than one (1) winning amount;
- c. the maximum amount of the progressive payout for each level displayed;
- d. the minimum amount or reset amount of the progressive payout for each level displayed;
- e. the rate of progression for each level displayed.

M. Limits on Jackpot of Progressive EGD's

1. A Licensee may impose a limit on the jackpot of a progressive EGD if the limit imposed is greater than the possible maximum jackpot payout on the EGD at the time the limit is imposed. The riverboat licensee shall inform the public with a prominently posted notice of progressive EGD's and their limits.

N. Licensee shall not reduce the amount displayed on a progressive jackpot meter or otherwise reduce or eliminate a progressive jackpot unless:

1. a player wins the jackpot;
2. the licensee adjusts the progressive jackpot meter to correct a malfunction or to prevent the display of an amount greater than a limit imposed pursuant to §4204.M and the licensee documents the adjustment and the reasons for it;
3. the licensee's gaming operations at the establishment cease for any reason other than a temporary closure where the same licensee resumes gaming operations at the same establishment within a month;

4. the licensee distributes the incremental amount to another progressive jackpot at the licensee's establishment and:

- a. the licensee documents the distribution;
- b. any machine offering the jackpot to which the licensee distributes the incremental amount does not require that more money be played on a single play to win the jackpot, than the machine from which the incremental amount is distributed;
- c. any machine offering the jackpot to which the incremental amount is distributed complies with the minimum theoretical payout requirement of §4203.B; and
- d. The distribution is completed within thirty (30) days after the progressive jackpot is removed from play or within such longer period as the Division may for good cause approve; or
- e. the Division approves a reduction, elimination, distribution, or procedure not otherwise described in this subsection, which approval is confirmed in writing;

5. licensees shall preserve the records required by this section for at least five (5) years.

O. Individual Progressive EGD Controls

1. Individual EGD's shall have a minimum of seven electronic meters, including a coin-in meter, drop meter, jackpot meter, win meter, hand paid jackpot meter, progressive hand paid jackpot meter and a progressive meter.

P. Link progressive EGD controls.

1. Each machine shall require the same number of tokens be inserted to entitle the player to a chance at winning the progressive jackpot and every token shall increment the meter by the same rate of progression as every other machine in the group.

2. When a progressive jackpot is hit on a machine in the group, all other machines shall be locked out, except if an individual progressive meter unit is visible from the front of the machine. In that case, the progressive control unit shall lock out only the machine in the progressive link that hit the jackpot. All other progressive meters shall show the current "Current Progressive Jackpot Amount."

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:

§4205. Computer Monitoring Requirements of Electronic Gaming Devices

A. The Licensee shall have a computer connected to all EGD's on the riverboat to record and monitor the activities of such devices. No EGD's shall be operated unless it is on-line and communicating to a computer monitoring system approved by a designated gaming laboratory specified by the Division/Board. Such computer monitoring system shall provide on-line, real-time monitoring and data acquisition capability in the format and media approved by the Division.

1. Any occurrence of malfunction or interruption of communication between the EGD's and the EGD monitoring system shall immediately be reported to the Division for determination of further action to be taken. These malfunctions include, but are not limited to, system down for maintenance or malfunctions, zeroed meters, invalid meters and any variance between EGD drop meters and the actual count of the EGD drop.

2. Prior written approval from the Division is required before implementing any changes to the computerized EGD

monitoring system or adopting manual procedures for when the computerized EGD monitoring system is down.

3. Each and every modification of the software shall be approved by a designated gaming laboratory specified by the Division/Board.

B. The computer permitted by subparagraph (1) of this Subsection shall be designed and operated to automatically perform and report functions relating to EGD meters, and other exceptional functions and reports in the riverboat as follows:

1. record the number and total value of tokens placed in the EGD for the purpose of activating play;

2. record the total value of credits received from the currency acceptor for the purpose of activating play;

3. record the number and total value of tokens deposited in the drop bucket of the EGD;

4. record the number and total value of tokens automatically paid by the EGD as the result of a jackpot;

5. record the number and total value of tokens to be paid manually as the result of a jackpot. The system shall be capable of logging in this data if such data is not directly provided by EGD;

6. have an on-line computer alert, alarm monitoring capability to insure direct scrutiny of conditions detected and reported by the EGD, including any device malfunction, any type of tampering, and any open door to the drop area. In addition, any person opening the EGD or the drop area shall complete the machine entry authorization log including time, date, machine identity and reason for entry; with exclusion of the drop team,

7. be capable of logging in and reporting any revenue transactions not directly monitored by token meter, such as tokens placed in the EGD as a result of a fill, and any tokens removed from the EGD in the form of a credit;

8. identify any EGD taken off-line or placed on-line of the computer monitor system, including date, time, and EGD identification number; and

9. report the time, date and location of open doors or error conditions, as specified in §4201.D.2, by each EGD.

C. The Licensee shall store, in machine-readable format, all information required by paragraph b for the period of five years. The Licensee shall store all information in a secure area and certify that this information is complete and unaltered. This information shall be available upon request by a Division agent in the format and media approved by the Division.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:

§4206. Employment of Individual to Respond to Inquires From the Division

Each manufacturer shall employ or retain an individual who understands the design and function of each of its EGD's who shall respond within the time specified by the Division to any inquires from him concerning the EGD or any modifications to the device. Each manufacturer shall on or before December 31 of each year report in writing the name of the individual designated pursuant to this section and shall report in writing any change in the designation within fifteen (15) days of the change.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:

§4207. Evaluation of New Electronic Gaming Devices

A. The Division may require transportation of not more than two working models of a new EGD to a designated gaming laboratory for review and inspection. The manufacturer seeking approval of the device shall pay the cost of the inspection and investigation. The designated gaming laboratory may dismantle the models and may destroy electronic components in order to fully evaluate the device. The Division/Board may require that the manufacturer provide specialized equipment or the services of an independent technical expert to evaluate the device.

B. The Division/Board may require the manufacturer or supplier seeking approval to provide specialized equipment or the services of an independent technical expert to evaluate the equipment, and may employ an outside designated gaming laboratory to conduct the evaluation.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:

§4208. Certification by Manufacturer

After completing its evaluation of a new EGD, the lab shall send a report of its evaluation to the Division/Board and the manufacturer seeking approval of the device. The report shall include an explanation of the manner in which the device operates. The manufacturer shall return the report within fifteen (15) days and shall either:

A. certify under penalty of perjury that to the best of its knowledge the explanation is correct; or

B. make appropriate corrections, clarifications, or additions to the report and certify under penalty of perjury that to the best of its knowledge the explanation of the EGD is correct amended.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:

§4209. Approval of New Electronic Gaming Devices

After completing its evaluation of the new EGD, the Division/Board shall determine whether the application for approval of the new EGD should be granted. In considering whether a new EGD will be given final approval, the Division/Board shall consider whether approval of the new EGD is consistent with LAC 42:XIII.Chapter 42. Division/Board approval of a EGD does not constitute certification of the device's safety.

A. Equipment Registration and Approval

1. All electronic or mechanical EGD's shall be approved by the Division/Board and/or its approved designated gaming laboratory and registered by the Division prior to use.

2. The following shall not be used for gaming by any licensee without prior written approval of the Division:

a. bill acceptors or bill validators;

b. coin acceptors;

c. progressive controllers;

d. signs depicting payout percentages, odds, and/or rules of the game;

e. associated gaming equipment as provided for in LAC 42:XIII.Chapter 42 of the Administrative Rules.

3. The licensee and/or manufacturer's request for approval shall describe with particularity the equipment or device for which the Division/Board's approval is requested.

4. The Division/Board may request additional information or documentation prior to issuing written approval.

B. Testing

1. The following shall be tested prior to registration or approval for use:

a. all EGD's;

b. EGD monitoring systems;

c. any other device or equipment as the Division/Board may deem necessary to ensure compliance with this.

2. The Division/Board may employ the services of a designated gaming laboratory to conduct testing.

a. Any new EGD not presently approved by the Division/Board shall first meet the approval and testing criteria of the Division/Board's recognized designated gaming laboratory, who shall evaluate and test the product and issue a written opinion to the Division/Board of all test results. The Licensee, manufacturer or supplier shall incur all costs associated with the testing of the product. This may include costs for field test, travel, laboratory test, and/or other associated costs. Failure on the part of the requesting party to timely pay these cost may be grounds for the denial of the request and cause for enforcement action by the Division. Recommendations of approval by the designated gaming laboratory with regard to program approval(s) shall constitute Division/Board approval and do not require separate written approval by the Division/Board. Other test determinations shall be reviewed by the Division/Board and a written decision shall be issued by the Division/Board. In situations wherein the need for specific guidelines and internal controls are required, the Division/Board will work in concert with the designated gaming laboratory to develop guidelines for each Licensee. Licensees shall be required to comply with these guidelines and they shall become part of the Licensee's system of internal controls. At no time shall an unauthorized program, gaming device, associated equipment and/or component be installed, stored, possessed, or offered for play by a Licensee, Permittee, its agent, representative, employee or other person in the Louisiana Riverboat Gaming Industry.

3. Registration and/or approval shall not be issued unless payment for all costs of testing is current.

4. Registration, approval, or the denial of EGD's, or any other device or equipment shall be issued in accordance with the Administrative Rules, and/or this LAC 42:XIII.Chapter 42.

5. EGD's shall meet all specifications as required in §4203 and shall meet the following security and audit specifications:

a. be controlled by a microprocessor;

b. be connected and communicating to an approved on-line EGD monitoring system;

c. have an internal enclosure for the circuit board which is locked or sealed, or both, prior to and during game play;

d. be able to continue a game with no loss of data after a power failure;

- e. have game data recall for the current game and the previous two (2) games;
- f. have a random selection process that satisfies the ninety-nine percent (99%) confidence level using the following test:
 - i. standard chi-squared;
 - ii. runs;
 - iii. serial correlation.

(Note: These tests shall not be predictable by players.)

- g. clearly display applicable rules of play and the payout schedule;
- h. display an accurate representative of each game outcome utilizing:
 - i. rotating wheels;
 - ii. video monitoring; or
 - iii. any other type of display mechanism that accurately depicts the outcome of the game.

6. All EGD's shall be registered with the Division/Board and shall have a registration sticker affixed to the device on a viewable, accessible location on the interior of the frame of the EGD. It is incumbent on each licensee to ensure that the registration sticker is properly affixed and is valid. In the event the registration sticker becomes damaged or voided, the licensee shall immediately notify the Division/Board in writing. The Division shall issue a replacement sticker and re-register the device as soon as practical.

7. All EGD's shall be located within the designated gaming area. This is inclusive of all "Free Pull" machines or similar devices. A device which is not in use may be stored in a secured area if approved in writing by the Division.

8. Each licensee shall maintain a current inventory report of all EGD's and equipment. The inventory report shall include, but is not limited to, the following:

- a. the serial number assigned to the EGD by the manufacturer;
- b. the registration number issued by the Division;
- c. the type of game the EGD is designed and used for;
- d. the denomination of tokens or coins accepted by each EGD;
- e. the location of EGD's equipped with bill validators and any bill validators that stand alone;
- f. The manufacturer of the EGD;
- g. The location or house number of the EGD.

9. This inventory report shall be submitted to the Division's Operational Section on a diskette, in a data text format, upon request by the Division/Board.

10. All EGD's offered for play shall be given a "House Number" by the licensee. This house number shall not be altered or changed without prior written approval from the Division. The licensee shall issue the "House Numbers" in a systematic manner which provides for easy recognition and location of the device's location. This number shall be a part of the licensee's "On-Line Computer EGD Monitoring System", and shall be displayed, in part, on all on-line system reports. Each EGD shall have its respective house number attached to the device in a manner which allows for easy recognition by Division personnel and surveillance cameras.

11. Control Program Requirements

a. EGD control programs shall test themselves for possible corruption caused by failure of the program storage media.

b. The test methodology shall detect ninety-nine and ninety nine one hundredths percent (99.99%) of all possible failures.

c. The control program shall allow for the EGD to be continually tested during game play.

d. The control program shall reside in the EGD which is contained in a storage medium not alterable through any use of the circuitry or programming of the EGD itself.

e. The control program shall check the following:

- i. corruption of RAM locations used for crucial EGD functions;
- ii. information relating to the current play and final outcome of the two (2) prior games;
- iii. random number generator outcome;
- iv. error states.

f. The control RAM areas shall be checked for corruption following game initiation, but prior to display of the game outcome to the player.

g. Detection of corruption is a game malfunction that shall result in a tilt condition which identifies the error and causes the EGD to cease further function.

h. The control program shall have the capacity to display a complete play history for the current game and the previous two (2) games.

i. The control program shall display an indication of the following:

- i. the game outcome or a representative equivalent;
- ii. bets placed;
- iii. credits or coins paid;
- iv. credits or coins cashed out;
- v. any error conditions.

j. The control program shall provide the means for on-demand display of the electronic meters via a key switch or other mechanism on the exterior of the EGD.

12. Accounting Meters

a. all EGD's shall be equipped with electronic meters;

b. all EGD's electronic meters shall have at least eight (8) digits;

c. all EGD's shall tally totals to eight (8) digits and be capable of rolling over when the maximum value is reached;

d. the required electronic meters are as follows:

i. the coin-in meter shall cumulatively count the number of coins wagered by actual coins inserted or credits bet, or both;

ii. the coin-out meter shall cumulatively count the number of coins that are paid by the hopper as a result of a win, or credits that are won, or both;

iii. the coins-dropped meter shall maintain a cumulative count of the number of coins that have been diverted into a drop bucket and credit value of all bills inserted into the bill validator for play;

iv. the jackpots-paid meter shall reflect the cumulative amounts paid by an attendant for all jackpots;

v. the games-played meter shall display the cumulative number of games played (handle pulls);

vi. the drop door meter shall display the number of times the drop door was opened;

vii. if the EGD is equipped with a bill validator, the device shall be equipped with a bill validator meter that records (1) the total number of bills that were accepted, (2) a breakdown of the number of each denomination of bill accepted, and (3) the total dollar amount of bills accepted.

e. EGD's shall be designed so that replacement of parts, modules, or components required for normal maintenance does not affect the electronic meters.

f. EGD's shall have meters which continuously display the following information relating to the current play or monetary transaction:

i. the number of coins or credits wagered in the current game;

ii. the number of coins or credits won in the current game, if applicable;

iii. the number of coins paid by the hopper for a credit cash out or a direct pay from a winning outcome;

iv. the number of credits available for wagering, if applicable.

g. Electronically stored meter information required by this section shall be preserved after power loss to the EGD by battery backup and be capable of maintaining accuracy of electronically stored meter information for a period of at least one hundred and eighty (180) days.

13. No EGD may have a mechanism that causes the electronic accounting meters to clear automatically when an error occurs.

14. Clearing of the electronic accounting meters, other than due to a malfunction, may be done only if approved in writing by the Division. Meter readings, as prescribed by the Division, shall be recorded before and after any electronic accounting meter is cleared or a modification is made to the device.

15. Hopper

a. EGD's shall be equipped with a hopper which is designed to detect the following and force the EGD into a tilt condition if one of the following occurs:

i. jammed coins;

ii. extra coins paid out;

iii. hopper runaways;

iv. hopper empty conditions.

b. The EGD control program shall monitor the hopper mechanism for these error conditions in all game states in accordance with this LAC 42:XIII.Chapter 42.

c. All coins paid from the hopper mechanism shall be accounted for by the EGD including those paid as extra coins during hopper malfunction.

d. Hopper pay limits shall be designed to permit compliance by licensees with all applicable taxation laws, rules, and regulations.

16. Communication Protocol

a. An EGD which is capable of a bi-directional communication with internal or external associated equipment shall use a communication protocol which ensures that erroneous data or signals will not adversely affect the operation of the EGD.

17. EGD's installed and/or modified shall be inspected and/or tested by Division Agents prior to offering these

devices for live play. Accordingly, no device shall be operated unless and until each regulated program storage media has been tested and sealed into place by Division Agent(s). The Division's security tape shall at all times remain intact and unbroken. It is incumbent on the licensee to routinely inspect every device to ensure compliance with this procedure. In the event a licensee discovers that the security tape has been broken or tampered with, the power to the EGD shall be immediately turned off, surveillance shall be immediately notified and shall take a photograph of the logic board. The board shall be maintained in the surveillance office until a Division Agent has the opportunity to inspect the board. A copy of the device's "meal" card shall be made and shall accompany the board.

18. No Licensee or other person shall modify an EGD without prior written approval from the Division. A request shall be made by completing form(s) prescribed by the Division/Board and filing it with the respective field office. The Licensee shall ensure that the information listed on the EGD form(s) is true and accurate. Any misstatement or omission of information shall be grounds for denial of the request and may be cause for enforcement action.

19. EGD's shall meet the following minimum and maximum theoretical percentage payout during the expected lifetime of the EGD:

a. The EGD shall pay out at least eighty percent (80%) and not more than ninety nine and nine tenths percent (99.9%) of the amount wagered.

b. The theoretical payout percentage shall be determined using standard methods of the probability theory. The percentage shall be calculated using the highest level of skill where player skill impacts the payback percentage.

c. An EGD shall have a probability of obtaining the maximum payout greater than one (1) in fifty million (50,000,000).

d. An EGD shall be capable of continuing the current play with all the current play features after an EGD malfunction is cleared.

20. Modifications to an EGD's program shall be considered only if the new program has been approved by the designated gaming laboratory, and if the existing program has met the minimum requirements as set forth herein. The minimum program change requirements are unique to each program (program storage media). Therefore, it is not practical to list each one. In general, a program shall meet the ninety nine percent (99%) confidence interval range of eighty percent (80%) to ninety nine point nine and nine tenths percent (99.9%) prior to being removed or replaced. As stated, this confidence interval varies by program and manufacturer. The confidence interval is determined by the designated gaming laboratory who tests each program and determines the interval. For the purpose of these procedures, an interval shall be determined by the games played on the existing program. An EGD's program shall not be approved for change unless the existing program has met or exceeded the minimum of one hundred thousand required games played. Exceptions to this procedure are those situations in which it can be reasonably determined that a program chip is defective or malfunctioning, or during a ninety (90) day trial period of a newly approved program.

21. A licensee shall be allowed to test, on a limited basis, newly approved programs. The licensee shall file an

EGD 96-01 form and indicate in field 21 that the request is for a ninety-day (90) trial period. Failure to do so may be grounds for denial of the request to remove the program prior to reaching the ninety nine and nine tenths (99.9%) confidence interval. The licensee, upon approval, shall be allowed to test the program and will be allowed to replace it during this ninety day (90) period with cause. If a request to replace the test program is not filed with the Division prior to the expiration of the ninety day (90) approval, the program shall not be replaced and the program replacement criteria as stated in these procedures shall be applicable.

22. When an approved denomination change is made to an EGD which used or uses tokens, the licensee shall make necessary adjustments to the initial hopper fill listed on the Daily Fee Remittance Summary. Additionally, an adjustment shall be made to the Daily Fee Remittance Summary to reflect the change in the initial hopper fill each time an EGD is taken off the floor or out of play. A final drop shall be made for that machine, including the hopper. The initial hopper load should be deducted to determine the final net drop for the device.

23. Randomness Events/Randomness Testing

a. Events in EGD's are occurrences of elements or particular combinations of elements which are available on the particular EGD.

b. A random event has a given set of possible outcomes which has a given probability of occurrence called the distribution.

c. Two (2) events are called independent if the following conditions exist.

i. the outcome of one (1) event has no influence on the outcome of the other event;

ii. the outcome of one (1) event does not affect the distribution of another event.

d. An EGD shall be equipped with a random number generator to make the selection process. A selection process is considered random if the following specifications are met:

i. the random number generator satisfies at least ninety-nine percent (99%) confidence level using chi-squared analysis;

ii. the random number generator does not produce a measurable statistic with regard to producing patterns of occurrences. Each reel position is considered random if it meets at least the ninety-nine percent (99%) confidence level with regard to the runs test or any similar pattern testing statistic;

iii. the random number generator produces numbers which are independently chosen.

24. Safety Requirements

a. Electrical and mechanical parts and design principles shall not subject a player to physical hazards.

b. Spilling a conductive liquid on the EGD shall not create a safety hazard or alter the integrity of the EGD's performance.

c. The power supply used in an EGD shall be designed to make minimum leakage of current in the event of an intentional or inadvertent disconnection of the alternate current power ground.

d. A surge protector shall be installed on each EGD. Surge protection can be internal or external to the power supply.

e. A battery backup device shall be installed and capable of maintaining accuracy of required electronic meter information after power is disconnected from the EGD. The device shall be kept within the locked or sealed logic board compartment and be capable of sustaining the stored information for one hundred and eighty (180) days.

f. Electronic discharges.

i. The following shall not subject the player to physical hazards:

(a). electrical parts;

(b). mechanical parts;

(c). design principles of the EGD and its component parts.

25. On and Off Switch. An on and off switch that controls the electrical current used to operate the EGD shall be located in an accessible place and within the interior of the EGD.

26. Power Supply Filter. EGD power supply filtering shall be sufficient to prevent disruption of the EGD by a repeated fluctuation of alternating current.

27. Error Conditions and Automatic Clearing

a. EGD's shall be capable of detecting and displaying the following conditions:

i. power reset;

ii. door open;

iii. inappropriate coin-in if the coin is not automatically returned to the player.

b. The conditions listed above shall be automatically cleared by the EGD upon initiation of a new play sequence, if possible.

28. Error Conditions; Clearing by Attendant

a. EGD's shall be capable of detecting and displaying the following error conditions which an attendant may clear:

i. coin-in jam;

ii. coin-out jam;

iii. hopper empty or timed-out;

iv. RAM error;

v. hopper runaway or extra coin paid out;

vi. program error;

vii. reverse token-in;

viii. reel spin error of any type, including a misindex condition for rotating reels. The specific reel number shall be identified in the error indicator;

ix. low RAM battery, for batteries external to the RAM itself, or low power source.

b. A description of EGD error codes and their meanings shall be affixed inside the EGD.

29. Coin Acceptors

a. At least one (1) electronic coin acceptor shall be installed in each EGD.

b. All acceptors shall be approved by the Division/Board or the designated gaming laboratory.

c. Coin acceptors shall be designed to accept designated coins and to reject others.

d. The coin receiver on an EGD shall be designed to Prevent the use of cheating methods, including, but not limited to:

i. slugging;

ii. stringing;

iii. spooling.

e. Coins which are accepted but not credited to the current game shall be returned to the player by activation of the hopper or credited toward the next play of the EGD control program and shall be capable of handling rapidly fed coins so that frequent occurrences of this type are prevented.

f. EGD's shall have suitable detectors for determining the direction and speed of the coin(s) travel in the receiver. If a coin traveling at improper speed or direction is detected, the EGD shall enter an error condition and display the error condition which shall require attendant intervention to clear.

30. Bill Validators

a. EGD's may contain a bill validator that will accept the following:

- i. one dollar (\$1) bills;
- ii. five dollar (\$5) bills;
- iii. ten dollar (\$10) bills;
- iv. twenty dollar (\$20) bills;
- v. fifty dollar (\$50) bills;
- vi. one hundred dollar (\$100) bills.

b. The bill acceptors may be for single denomination or combination of denominations.

31. Automatic Light Alarm

a. A light shall be installed on the top of the EGD that automatically illuminates when the door to the EGD is opened or associated equipment that may affect the operation of the EGD is exposed, excluding all bartop EGD's.

32. Access to the Interior

a. The internal space of an EGD shall not be readily accessible when the door is closed.

b. The following shall be in a separate locked or sealed area within the EGD's:

- i. logic boards;
- ii. ROM;
- iii. RAM;
- iv. program storage media.

c. No access to the area described above is allowed without prior notification to the Licensee's surveillance room.

d. The Division shall be allowed immediate access to the locked or sealed area. A riverboat licensee shall maintain its copies of the keys to EGD's in accordance with the administrative rules and the licensee's system of internal controls. A licensee shall provide the Division a master key to the door of an approved EGD, if so requested. Unauthorized tampering or entrance into the logic area without prior notification in accordance with subsection (c) is grounds for enforcement action.

33. Tape Sealed Areas. An EGD's logic boards and/or any program storage media in a locked area within the EGD shall be sealed with the Division's security tape. The security tape shall be affixed by a Division Agent. The security tape may only be removed by, or with approval from, a Division Agent.

34. Hardware Switches

a. No hardware switches may be installed which alter the pay tables or payout percentages in the operation of an EGD.

b. Hardware switches may be installed to control the following:

- i. graphic routines;

ii. speed of play;

iii. sound;

iv. other approved cosmetic play features.

35. Display of Rules of Play

a. The rules of play for EGD's shall be displayed on the face or screen of all EGD's. Rules of play shall be approved by the Division/Board prior to play.

b. The Division/Board may reject the rules if they are:

- i. incomplete;
- ii. confusing;
- iii. misleading; or

iv. for any other reason stated by the Division/Board.

c. Rules of play shall be kept under glass or another transparent substance and shall not be altered without prior approval from the Division.

d. Stickers or other removable devices shall not be placed on the EGD face unless their placement is approved by the Division.

36. Manufacturer's Operating and Field Manuals and Procedures

a. A Licensee shall comply with written guidelines and procedures concerning installations, modifications, and/or upgrades of components and associated equipment established by the manufacturer of an EGD, component, on-line system, software, and/or associated equipment unless otherwise approved in writing by the Division/Board, or if the guideline(s) and/or procedure(s) conflict with any portion of this LAC 42:XIII.Chapter 42.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:

§4210. Electronic Gaming Device Tournaments

A. EGD tournaments may be conducted by Licensees, upon written approval by the Division.

B. All tournament play shall be on machines which have been tested and approved by the Division, and for which the tournament feature has been enabled.

C. All EGD's used in a single tournament shall utilize the same electronics and machine settings. Licensees shall utilize, and each device shall be equipped with an approved program which allows for tournament mode play to be enabled by a switch key (reset feature) and/or total replacement of the logic board, with an approved tournament board. Replacement of program storage media is not permissible for tournament play only. Form(s) as prescribed by the Division are required to be submitted for each device used in tournament play when the non-tournament logic board is removed. The Licensee shall submit, in writing, procedures regarding the storage and security of the both tournament and non-tournament boards when not in use.

D. EGD's enabled for tournament play shall not accept or pay out coins. The EGD's shall utilize credit points only.

E. Tournament credits shall have no cash value.

F. Tournament play shall not be credited to accounting or electronic (soft) meters of the EGD.

G. At the licensee's discretion, and in accordance with applicable laws and rules, the licensee may establish qualification or selection criteria to limit the eligibility of players in a tournament.

H. Rules of Tournament Play

1. The riverboat licensee shall submit rules of tournament play to the Division in accordance with LAC 42:XIII.2953 or within such time period as the Division may designate. The rules of play shall include, but are not limited to, the following:

- a. the amount of points, credits, and playing time players will begin with;
- b. the manner in which players will receive EGD assignments and how reassignments are to be handled;
- c. how players are eliminated from the tournament and how the winner or winners are to be determined;
- d. the number of EGD's each player will be allowed to play;
- e. the amount of entry fee for participating in the tournament;
- f. the number of prizes to be awarded;
- g. an exact description of each prize to be awarded;
- h. any additional house rules governing play of the tournament;
- i. any rules deemed necessary by the Division/Board to ensure compliance with this LAC 42:XIII.Chapter 42.

2. A licensee shall not permit any tournament to be played unless the rules of the tournament play have been approved, in writing, by the Division.

3. The rules of tournament play shall be provided to all tournament players and each member of the public who requests a copy of the rules.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:

§4211. Duplication of Program Storage Media

A. Personnel and Certification

1. Only the personnel defined in the Licensee's, Division approved, written internal controls shall be allowed to duplicate program storage media.

2. The Licensee shall provide to the Division certified documentation, from the manufacturer or copyright holder of the program storage media which is being duplicated, stating that the duplication of the program storage media is authorized.

3. The Licensee shall assume the responsibility of complying with all rules and regulations regarding copyright infringement. Program storage media protected by the manufacturer's federal copyright laws will not be duplicated for any reason or circumstance, unless approved otherwise by the manufacturer and/or the Division/Board.

4. Each duplicated program storage media shall be certified by the designated gaming laboratory's signature for that program storage media.

B. Required Documentation

1. Each Licensee shall maintain an program storage media Duplication Log which shall contain:

- a. the name of the program storage media manufacturer and the program storage media identification number of each program storage media to be erased;
- b. serial number of program storage media eraser and duplicator;
- c. printed name and signature of individual performing the erasing and duplication of the program storage media;

- d. identification number of the new program storage media;
- e. the number of program storage media duplicated;
- f. the date of the duplication;
- g. machine number (source and destination);
- h. reason for duplication;
- i. disposition of permanently removed program storage media.

2. The log shall be maintained on record for a period of five years.

3. Corporate internal auditors shall verify compliance with program storage media duplication procedures at least twice annually.

C. Program Storage Media Labeling

1. Each duplicated program storage media shall have an attached white adhesive label containing the following:

- a. manufacturer name and serial number of the new program storage media;
- b. designated gaming laboratory signature verification number;
- c. date of duplication;
- d. initials of personnel performing duplication.

D. Storage of Program Storage Media and Duplicator/Eraser

1. Program storage media duplication equipment shall be stored with the security department or other department approved by the Division.

2. Equipment shall be released only to the personnel defined in the Licensee's, Division approved, written internal controls.

3. At no time shall the personnel defined in the Licensee's, Division approved, written internal controls leave unattended the program storage media duplication equipment.

4. Program storage media duplication equipment shall only be released from the security department, or other department approved by the Division, for a period not to exceed four (4) hours within a twenty-four (24) hour period.

5. An Equipment Control Log shall be maintained by the Licensee and shall include the following:

- a. date, time, name of employee taking possession of, or returning equipment, and name of the individual assigned to the Division approved storage department taking possession of, or releasing equipment;

6. All program storage media shall be kept in a secure area and the Licensee shall maintain an inventory log of all program storage media.

E. Internal Controls

1. The Licensee shall adopt, and have approved by the Division, internal controls which are in compliance with this section prior to duplicating program storage media.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:

§4212. Marking, Registration, and Distribution of Gaming Devices

A. No one, including a licensee, Permittee, manufacturer or supplier may ship or otherwise transfer a gaming device into this state, out of this state, or within this state unless:

1. a serial number (which shall be the same number as given the device pursuant to the provisions of 15 U.S.C. 1173 of the Gaming Device Act of 1962) permanently

stamped or engraved in lettering no smaller than five (5) millimeters on the metal frame or other permanent component of the EGD and on a removable metal plate attached to the cabinet of the EGD; and

2. a manufacturer, supplier, or licensee shall file forms as prescribed by the Division/Board before receiving authorization to ship a device for use in the Louisiana Riverboat Gaming Industry;

3. each manufacturer or supplier shall keep a written list of the date of each distribution, the serial numbers of the devices, the Division approval number, and the name, state of residence, addresses and telephone numbers of the person to whom the gaming devices have been distributed and shall provide such list to the Division immediately upon request;

4. a registration fee of one hundred dollars \$100.00 per device shall be paid by company check, money order, or certified check made payable to "State of Louisiana, Department of Public Safety." This fee is not required on devices which are currently registered with the Division/Board and display a valid registration certificate. Upon receipt of the appropriate shipping forms and fees, the Division/Board shall issue a written authorization to ship for approved devices. This fee is applicable only to gaming devices destined for use in Louisiana by licensed riverboat entities or suppliers;

5. prior to actual receipt of the shipment, the Licensee shall notify the Division of the arrival. The Division shall require that the shipper's manifest or other shipping documents are verified against the Letter of Authorization for that shipment. The shipment shall also have been sealed at the point of origin, or the last point of shipment. The seal number shall be recorded on the shipping documents and attached to the Licensee's copy of the Letter of Authorization;

6. the storage of the shipment, once properly received, shall be in a containment area that is secure from any other equipment. There shall be a dual key locking system for the containment area. The containment area shall have been inspected and approved in writing by the Division/Board prior to any EGD storage. All electronic control boards and/or program storage media shall be securely stored in a separate containment area from the EGD's. The containment area shall have been inspected and approved in writing by the Division/Board prior to any electronic control board and/or program storage media storage.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:

§4213. Approval to Sell or Disposal of Gaming Devices

No gaming device registered by the Division/Board shall be destroyed, scrapped, or otherwise disassembled without prior written approval of the Division/Board. A licensee shall not sell or deliver a gaming device to a person other than its affiliated companies or a permitted manufacturer or supplier without prior written approval of the Division/Board. Applications for approval to sell or dispose of a registered gaming device shall be made, processed, and determined in such manner and using such forms as the Division/Board may prescribe.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:

§4214. Maintenance of Electronic Gaming Devices

A licensee shall not alter the operation of an approved EGD except as provide otherwise in the Division/Board's rules and shall maintain the EGD's as required in LAC 42:XIII.Chapter 42. Each licensee shall keep a written list of repairs made to the EGD offered for play to the public that require a replacement of parts that affect the game outcome, and any other maintenance activity on the EGD, and shall make the list available for inspection by the Division upon request. The written list of repairs for all EGD's shall be kept in a maintenance log book in the slot tech office.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:

§4215. Analysis of Questioned Electronic Gaming Devices

A. If the operation of any EGD is questioned by any licensee, patron or an agent of the Division/Board and the question cannot be resolved, the questioned device shall be examined in the presence of an agent of the Division and a representative of the licensee. If the malfunction can not be cleared by other means to the satisfaction of the Division/Board, the patron or the licensee, the EGD shall be disabled and be subjected to a program storage media memory test to verify "signature" comparison by the Division. Upon successful verification of the signature of the program storage media ,and all malfunctions resolved, the EGD in question may be enabled for patron play.

B. In the event that the malfunction can not be determined and corrected by this testing, the EGD may be removed from service and secured in a remote, locked compartment. The EGD may then be transported to the designated gaming laboratory selected by the Division/Board where the device shall be fully analyzed to determine the status and cause of the malfunction. All costs for transportation and analysis shall be borne by the licensee.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:

§4216. Summary Suspension of Approval of Electronic Gaming Devices

The Division/Board may issue an order suspending approval of an EGD if it is determined that the EGD does not operate in the manner certified by the designated gaming laboratory pursuant to this LAC42:XIII.Chapter 42. The Division/Board after issuing an order may thereafter seal or seize all models of that EGD not in compliance with the LAC 42:XIII.Chapter 42.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:

§4217. Seizure and Removal of Electronic Gaming Equipment and Devices

EGD's and associated equipment may be summarily seized by the Division/Board. Whenever the Division/Board seizes and removes EGD's and/or associated equipment:

A. an inventory of the equipment or EGD's seized will be made by the Division/Board, identifying all such equipment or EGD's as to make, model, serial number, type, and such other information as may be necessary for authentication and identification;

B. all such equipment or EGD's will be sealed or by other means made secure from tampering or alteration;

C. the time and place of the seizure will be recorded; and

D. the licensee or Permittee will be notified in writing by the Division/Board at the time of the seizure, of the fact of the seizure, and of the place where the seized equipment or EGD is to be impounded. A copy of the inventory of the seized equipment or EGD will be provided to the licensee or Permittee upon request.

§4218. Seized Equipment and EGD's as Evidence

All gaming equipment and EGD's seized by the Division/Board shall be considered evidence, and as such shall be subject to the laws of Louisiana governing chain of custody, preservation and return, except that:

A. any article of property that constitutes a cheating device shall not be returned. All cheating devices shall become the property of the Division/Board upon their seizure and may be disposed of by the Division/Board, which disposition shall be documented as to date and manner of disposal;

B. the Division/Board shall notify by certified mail each known claimant of a cheating device that the claimant has ten (10) days from the date of the notice within which to file a written claim with the Division/Board to contest the characterization of the property as a cheating device;

C. failure of a claimant to timely file a claim as provided in subsection (2) above will result in the Division/Board's pursuit of the destruction of property;

D. if the property is not characterized as a cheating device, such property shall be returned to the claimant within fifteen (15) days after final determination;

E. items seized for inspection or examination may be returned by the Division/Board without a court order.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:

§4219. Approval of Associated Equipment; Applications and Procedures

A manufacturer or supplier of associated equipment and/or non-gaming products shall not distribute associated equipment and/or non-gaming products unless such manufacturer and/or supplier has been approved by the Division/Board. Applications for approval of associated equipment and/or non-gaming products shall be made and processed in such manner and using such forms as the Division/Board may prescribe. Each application shall include, in addition to such other items or information as the Division/Board may require:

A. the name, permanent address, social security number or federal tax identification number of the manufacturer or supplier of associated equipment and non-gaming products unless the manufacturer or supplier is currently permitted by the Division/Board. If the manufacturer or supplier of associated equipment and non-gaming products is a corporation, the names, permanent addresses, social security numbers, and driver's license numbers of the directors and

officers shall be included. If the manufacturer or supplier of associated equipment and non-gaming products is a partnership, the names, permanent addresses, social security numbers, driver's license numbers, and partnership interest of the partners shall be included. If social security numbers or driver's license numbers are not available, the birth date of the partners may be substituted;

B. a complete, comprehensive and technically accurate description and explanation in both technical and non-technical language of the equipment and its intended usage, signed under penalty of perjury;

C. detailed operating procedures; and

D. details of all tests performed and the standards under which such tests were performed.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:

Chapter 43. Specifications for Gaming Devices and Equipment

§§4327. - 4357. Repealed.

FAMILY IMPACT STATEMENT

Pursuant to the provisions of La. R.S. 49:953 A., the Louisiana Gaming Control Board, through its chairman, has considered the potential family impact of the proposed addition of LAC 42:III.4201 et seq. and repeal of XIII.4327-4357.

It is accordingly concluded that the addition of LAC 42:III.4201 et seq. and repeal of XIII.4327-4357 would appear to have no impact on the following:

1. The Effect on Stability of the Family.
2. The Effect on the Authority and Rights of Parents Regarding the Education and Supervision of their Children.
3. The Effect on the Functioning of the Family.
4. The Effect on Family Earnings and Family Budget.
5. The Effect on the Behavior and Personal Responsibility of Children.
6. The Ability of the Family or a Local Government to Perform the Function as Contained in the Proposed Rule.

All interested persons may contact Tom Warner, Attorney General's Gaming Division, telephone (225) 342-2465, and may submit written comments relative to these proposed rules, through December 10, 1999, to 339 Florida Street, Suite 500, Baton Rouge, LA 70801.

Hillary J. Crain
Chairman

FISCAL AND ECONOMIC IMPACT STATEMENT FOR ADMINISTRATIVE RULES

RULE TITLE: Electronic Gaming Devices

I. ESTIMATED IMPLEMENTATION COSTS (SAVINGS) TO STATE OR LOCAL GOVERNMENT UNITS (Summary)

It is anticipated that there will be no direct implementation costs or savings to state or local government units. A significant aspect of these proposed rules is necessitated by Act 1301 of 1999 requiring all riverboat licensees to be connected to a central computer system. This enactment will increase costs to State Police in an amount of approximately \$3.2 million over a period of five (5) years inclusive of financing costs. Act 1301 provides that these costs will be offset through payment of a \$50 per year fee on each gaming device by

licensees. This fee is expected to generate approximately \$650,000 per year and will expire in 2005.

II. ESTIMATED EFFECT ON REVENUE COLLECTIONS OF STATE OR LOCAL GOVERNMENTAL UNITS (Summary)

It is not anticipated that revenue collections will change significantly as a result of the LAC 42:XIII.4201 et seq.

III. ESTIMATED COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS OR NONGOVERNMENTAL GROUPS (Summary)

Some costs may be incurred by riverboat licensees in order to convert electronic gaming devices to comply with the provisions of Act 1301 of 1999 and LAC 42:XIII.4201 et seq. However, the amount of such costs cannot be estimated at this time and are expected to be minimal.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

No effect on competition or employment is estimated.

Hillary J. Crain
Chairman
9911#040

H. Gordon Monk
Staff Director
Legislative Fiscal Office

NOTICE OF INTENT

**Department of Public Safety and Corrections
Office of State Police**

Gaming Equipment and Raffles at Trade Shows and
Conventions (LAC 42:II.Chapters 1 and 2)

The Office of State Police hereby gives notice that it intends to adopt LAC 42:II.101 et seq. in accordance with La. R.S. 47:7001 et seq., and the Administrative Procedure Act, La. R.S. 49:950 et seq.

Title 42

LOUISIANA GAMING

**Part II. Gaming Equipment and Raffles at Trade Shows
and Conventions**

Chapter 1. Regulation of Gaming Equipment

§101. Applicability

A. This Chapter shall apply to any person who manufactures, sells, distributes, transports or repairs any gaming equipment within this state for use outside this state or who proposes to engage in the manufacture, sale, distribution, transportation, or repair of any gaming equipment within this state for use outside this state and to any manufacturer or distributor of gaming equipment, whether or not licensed or permitted in the State of Louisiana, who proposes to temporarily display gaming equipment at a trade show or convention in a facility having a legal capacity of two hundred fifty or more persons.

B. Except as provided in Section 105, this Chapter shall not apply to:

1. any person authorized in accordance with provisions of the Louisiana Gaming Control Law, La. R.S. 27:1 et seq., to manufacture, distribute, own, operate, service, repair, maintain or inspect any slot machine, video draw poker device, other gaming device or equipment;

2. any person authorized in accordance with the Charitable Raffles, Bingo and Keno Licensing Law, La. R.S. 4:701 et seq., to manufacture, distribute, own, operate, service, repair, maintain or inspect any electronic video bingo machine, electronic video pull tab machine, other gaming device or equipment;

3. any person operating amusement games in accordance with the provisions of La. R.S. 4:10.1 et seq.;

4. any person operating a lottery game or equipment in accordance with the provisions of the Louisiana Lottery Corporation Law, La. R.S. 47:9001 et seq.;

5. any person operating gaming equipment pursuant to a tribal compact executed between a federally recognized Indian tribe and an authorized representative of the State of Louisiana pursuant to the provisions of the Indian Gaming Regulatory Act; or

6. any person in possession of an antique slot machine as defined in and as provided by La. R.S. 15:31.1.

AUTHORITY NOTE: Promulgated in accordance with La. R.S. 47:7001 and 7003.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 26:

§102. Definitions

As used in this Chapter, the following terms shall have the meanings provided below:

Applicant—any person which has submitted an application to manufacture, sell, distribute, transport or repair gaming equipment within the state pursuant to the provisions of this Chapter.

Division—the Gaming Enforcement Division of the Office of State Police.

Gaming Equipment—any mechanical, electrical, or other contrivance used to facilitate the risking of loss of anything of value in order to realize a profit.

Transporter—any person primarily engaged in the business of transporting gaming devices or equipment for hire.

AUTHORITY NOTE: Promulgated in accordance with La. R.S. 47:7001 and 7003.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 26:

§103. Application; Fees

A. Any applicant for a license or permit pursuant to the provisions of this Chapter shall submit an application to the Division on forms prescribed and provided by the division.

B. The following fees shall apply to each specified type of license or permit and shall accompany each new or renewal application:

Manufacturer	\$2,000
Distributor	\$1,000
Service/Repair Entities, Transporter	\$ 500
Temporary Permits	\$ 100

C. Applicants shall provide additional information and documentation as requested by the division. Failure to provide requested information and documentation shall render an application incomplete.

D. Applicants, licensees and permittees shall notify the division in writing of all changes to information required in any application within ten (10) days of the effective date of the change.

AUTHORITY NOTE: Promulgated in accordance with La. R.S. 47:7001 and 7003.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 26:

§104. License Expiration and Renewal

A. All licenses issued pursuant to the provisions of this Chapter shall expire on June 30 of each year.

B. A renewal application shall be submitted to the Division on forms prescribed and provided no later than May 1 of the current licensing year.

C. Renewal applications shall be accompanied by the appropriate annual fee as provided in §103.B.

AUTHORITY NOTE: Promulgated in accordance with La. R.S. 47:7001 and 7003.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 26:

§105. Temporary Permit and Application

A. A manufacturer or distributor of gaming equipment may apply for a permit to temporarily display gaming equipment at a trade show or convention in a facility with a legal capacity of two hundred fifty or more persons for a period not to exceed fifteen consecutive days by submitting an application to the Division on forms prescribed and provided by the Division.

B. An application for a temporary permit shall be submitted to the Division no later than thirty (30) days prior to the date the applicant proposes to ship or transport gaming equipment into the state.

C. Each application for a temporary license shall contain the following information:

1. description of gaming equipment, including the name of manufacturer, model number, serial numbers, and identification numbers, if applicable;

2. a detailed description of the period of time and purpose for which the gaming equipment will be located within the state;

3. identification of the method to be utilized to transport the gaming equipment into and out of the state, including the name of common carrier or shipper;

4. identification of the locations the gaming equipment will be stored, displayed, repaired or otherwise possessed within the state and a description of the security measures to be implemented at each location;

5. name, address and social security number of any and all employees or agents which will or may be in custody or control of gaming equipment located in the state during the permit period;

6. copies of up to two current gaming licenses or permits from other gaming jurisdictions, if applicable.

D. Upon timely receipt of sufficient information and payment of the appropriate fee, the Division may issue a temporary permit to the applicant for the limited purposes and time periods provided in the application, not to exceed fifteen days.

AUTHORITY NOTE: Promulgated in accordance with La. R.S. 47:7001 and 7003.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 26:

§106. General Requirements

A. All applicants, licensees and permittees shall insure that gaming equipment is not used for gambling purposes.

B. Unless necessary for repair, servicing or inspection, no gaming equipment shall be operated in any manner other than a display mode.

C. No gaming equipment shall be operated by persons under twenty-one (21) years of age.

D. All gaming equipment and all areas where gaming equipment is stored or otherwise located shall be made available for immediate inspection by agents of the Division.

E. Applicants, licensees and permittees shall be and remain in compliance with all applicable local ordinances, state and federal laws, including 15 USC 1171 et seq.

F. Except when on display in a public facility, all gaming equipment shall be stored in a secured location inaccessible to persons other than authorized agents of the licensee or permittee.

G. All gaming equipment on display in a public facility shall be maintained in the immediate custody and control of an authorized agent of the licensee or permittee.

AUTHORITY NOTE: Promulgated in accordance with La. R.S. 47:7001 and 7003.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 26:

§107. Reporting and Recordkeeping Requirements

A. All licensed manufacturers and distributors shall maintain a current record of gaming equipment received, gaming equipment sold, and gaming equipment in inventory.

B. All licensed manufacturers and distributors shall provide the division with a current list of authorized service entities and other personnel that they have certified. The list, which shall be updated in order to maintain an accurate list of service personnel, shall include, but not be limited to the following information:

1. name and address of service entity and all of its certified technicians;

2. social security number and date of birth of all technicians;

3. date of certification of all technicians; and

4. level(s) of certification of all technicians.

C. Licensed Manufacturers

1. If requested by the division, all licensed manufacturers shall provide a semi-annual report, signed by the licensee or an authorized representative of the licensee, on forms provided by the Division.

2. The semi-annual report shall include, but not be limited to the following information:

a. gross gaming equipment sales for that period;

b. specific delivery location of all gaming equipment and identity of person(s) purchasing and receiving gaming equipment;

c. names and addresses of carriers used in transporting gaming equipment;

d. names and addresses of person to whom the gaming equipment was sold;

e. list of gaming equipment sold to each licensee;

f. if applicable, make, model and serial number of all gaming equipment sold and in inventory.

D. Licensed Distributors

1. If requested by the division, all licensed distributors shall provide a quarterly report, signed by the licensee or an authorized representative of the licensee, on forms provided by the division.

2. The quarterly report shall include, but not be limited to the following information:

a. gross sales for the quarter;

b. make, model, and serial number of all gaming equipment sold or leased;

c. name and address of all persons that the gaming equipment was sold or leased to;

d. description of gaming equipment sold or leased;

e. delivery address of each item of gaming equipment sold or leased; and

f. if requested, copies of invoices, credit memos and/or documents substantiating any transactions and/or sales.

3. In addition, if requested by the division, all licensed distributors shall provide a quarterly inventory report, signed by the licensee or an authorized representative of the licensee, on forms provided by the division.

4. The inventory report shall include, but not be limited to the following information:

a. total number of items of gaming equipment in inventory; and

b. if applicable, make, model, and serial number of all gaming equipment in inventory.

E. Licensed Service or Repair Entities

1. All licensed service or repair entities shall be required to maintain the following records:

a. invoices, of all services and/or repairs to gaming equipment which shall contain, but not be limited to:

i. date gaming equipment was received;

ii. date gaming equipment was serviced;

iii. date gaming equipment was returned;

iv. service or repair entity name and license number;

v. gaming equipment owner name;

vi. manufacturer, make, model and serial number of the gaming equipment, if applicable; and/or

vii. description of service and/or repair performed on the gaming equipment;

viii. name of certified technician performing service and/or repair on the gaming equipment.

b. a list of all certified technicians, including a list of the types of devices and equipment that each technician is certified to service and/or repair.

F. Licensed Transporters. All licensed transporters shall be required to maintain the following records relative to gaming equipment transported within the state:

1. name of manufacturer, serial number, and model number if applicable;

2. date of transport, identification of points of origin and destination;

3. copies of all bills of lading and invoices; and

4. name and address of shipper and recipient.

AUTHORITY NOTE: Promulgated in accordance with La. R.S. 47:7001 and 7003.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 26:

§108. Hearings

A. Any person whose license or permit the division proposes to suspend or revoke, other than immediate suspensions as provided in La. R.S. 47:7005 D., may request a hearing by filing a written request with the division. The request shall be filed within 10 days of the date of receipt of the certified mailing or personal service of the notice of proposed action.

B. A hearing shall be conducted in accordance with procedural and evidentiary rules contained in the Administrative Procedure Act, R.S. 49:950 et seq., La. R.S. 47:7001 et seq. and rules promulgated in accordance therewith.

C. No discovery request shall be made within 20 days of the date scheduled for the hearing.

D. Hearing requests shall be promptly docketed and scheduled for hearing.

E. The requesting party shall be notified of the time, date and location of the hearing by certified mail or personal service.

F. Testimony taken at a hearing shall be under oath.

G. Depositions may be used at hearings as provided in the Administrative Procedure Act, R.S. 49:950 et seq.

AUTHORITY NOTE: Promulgated in accordance with La. R.S. 47:7001 and 7003.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 26:

§109. Record Preparation Fees

A. Any person requesting a hearing, or to whom a hearing is being afforded pursuant to La. R.S. 47:7001 et seq. and rules promulgated in accordance therewith, shall be assessed and pay a fee based upon costs of preparing the administrative record and transcript for submission to the division or the 19th Judicial District Court.

B. No less than 10 days prior to the date scheduled for the administrative hearing, the party shall deposit with the division the sum of \$100 as prepayment of the costs of preparing the administrative record and transcript.

C. Failure to timely pay the \$100 deposit may result in dismissal of the hearing with prejudice.

D. After the hearing has been conducted, the actual costs of preparing the administrative record and transcript will be determined by the division and the party will be notified of such actual costs.

E. In the event actual costs are less than \$100, a refund will be made to the party.

F. Actual costs in excess of \$100 shall be assessed against the party, who shall pay the excess costs within 10 days of the date of receipt of the notice of assessment.

G. Failure to timely pay the excess costs assessed may result in dismissal of the hearing, and shall prevent the record and transcript from being transmitted to the 19th Judicial District Court.

AUTHORITY NOTE: Promulgated in accordance with La. R.S. 47:7001 and 7003.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 26:

Chapter 2. Raffles at Trade Shows and Conventions

§201. Applicability

A. This Chapter shall apply to any person conducting a raffle at a trade show or convention having a legal capacity of two hundred fifty or more persons pursuant to La. R.S. 47:7001 et seq.

B. This Chapter shall not apply to:

1. any person or organization conducting a raffle pursuant to the provisions of the Charitable Raffles, Bingo and Keno Licensing Law, La. R.S. 4:701 et seq.;

2. any person conducting a raffle pursuant to the provisions of Acts 1999, No. 1390.

AUTHORITY NOTE: Promulgated in accordance with La. R.S. 47:7001 and 7003.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 26:

§202. Definitions

As used in this Chapter, the following terms shall have the meanings provided below:

Division—The Gaming Enforcement Division of the Office of State Police.

Raffle—a game of chance played by drawing for prizes or the allotment of prizes by chance, by the selling of shares,

tickets, or rights to participate in such game or games, and by conducting the game or games accordingly.

AUTHORITY NOTE: Promulgated in accordance with La. R.S. 47:7001 and 7003.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 26:

§203. Temporary Permit and Application

A. A person may apply for a permit to conduct a raffle at a trade show or convention in a facility having a legal capacity to hold two hundred fifty or more persons for a period not to exceed fifteen consecutive days by submitting an application to the division on forms prescribed and provided by the division.

B. An application for a temporary permit shall be submitted to the division no later than thirty (30) days prior to the date the applicant proposes to conduct the raffle drawing.

C. Each application for a temporary permit shall contain the following information:

1. name and location of facility where trade show or convention is to be held;

2. dates of trade show or convention, dates raffle tickets will be sold and date and time drawing shall be conducted at the facility;

3. name, address, and social security number of each person which will sell raffle tickets or conduct the raffle drawing;

4. description and reported value of the prize or prizes to be awarded and the amount which will be charged for tickets or, if applicable, a statement that any or all tickets may be given away;

5. cost of tickets or chances to win.

D. Upon timely receipt of sufficient information and payment of a fee in the amount of \$50, the Division may issue a temporary permit to the applicant for the limited purposes and time periods provided in the application, not to exceed fifteen (15) days.

AUTHORITY NOTE: Promulgated in accordance with La. R.S. 47:7001 and 7003.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 26:

§204. General Requirements

A. Any prize which will be awarded by raffle drawing shall be owned by the applicant or permittee prior to the sale of any tickets or chances to win.

B. No raffle shall be conducted where the winner must be present at the drawing in order to win, unless clearly stated on the raffle ticket.

C. Raffle tickets or chances to win shall be consecutively numbered and designed and constructed to allow the licensee to retain a consecutively numbered stub for each ticket sold and to provide the purchaser with a matching consecutively numbered ticket at the time of purchase.

D. Permittee shall retain the following records and documentation for three years from the date of the raffle drawing:

1. name, address, and social security number of the winner(s);

2. amount received from the sale of all raffle tickets and expenses incurred;

3. stubs of all tickets sold, winning tickets and the unsold tickets; and

4. copies of all records and documentation submitted in conjunction with the raffle to any local, state or federal taxing authority.

E. Permittees shall comply with all applicable local ordinances, and state and federal laws and regulations, including, but not limited to, income withholding and reporting requirements.

F. Permittees shall take steps to insure that each ticket purchaser has an equal chance to win and that the prize winner is selected in an entirely random manner.

AUTHORITY NOTE: Promulgated in accordance with La. R.S. 47:7001 and 7003.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 26:

All interested persons may contact Tom Warner, Attorney General's Gaming Division, telephone (225) 342-2465, and may submit written comments relative to these proposed rules, through December 10, 1999 to 339 Florida Street, Suite 500, Baton Rouge, Louisiana 70801.

Pursuant to the provisions of La. R.S. 49:953 A., the Louisiana State Police, through its superintendent, has considered the potential family impact of the proposed addition of LAC 42:II.101 et seq.

It is accordingly concluded that the addition of LAC 42:II.101 et seq. would appear to have no impact on the following:

1. The Effect on Stability of the Family.
2. The Effect on the Authority and Rights of Parents Regarding the Education and Supervision of their Children.
3. The Effect on the Functioning of the Family.
4. The Effect on Family Earnings and Family Budget.
5. The Effect on the Behavior and Personal Responsibility of Children.
6. The Ability of the Family or a Local Government to Perform the Function as Contained in the Proposed Rule.

W. R. "Rut" Whittington
Superintendent

FISCAL AND ECONOMIC IMPACT STATEMENT FOR ADMINISTRATIVE RULES RULE TITLE: Gaming Equipment and Raffles at Trade Shows and Conventions

I. ESTIMATED IMPLEMENTATION COSTS (SAVINGS) TO STATE OR LOCAL GOVERNMENT UNITS (Summary)

It is anticipated that there will be no direct implementation costs or savings to state or local government units. The adoption of LAC 42:II.101 et seq. may result in some increased workload to the Office of State Police but the amount of increase and cost cannot be estimated at this time due to the fact that the number and types of events involved is unknown and not constant. It is anticipated that any increase in workload can be performed at existing staffing levels.

II. ESTIMATED EFFECT ON REVENUE COLLECTIONS OF STATE OR LOCAL GOVERNMENTAL UNITS (Summary)

No significant effect on revenue collections can be estimated. Revenues will increase as a result of the adoption of LAC 42:II.101 et seq. as a result of fees provided under the rules. However, the amount of any increase cannot be estimated.

III. ESTIMATED COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS OR NONGOVERNMENTAL GROUPS (Summary)

No significant costs and/or economic benefits to directly affected persons or non-governmental groups can be estimated. No fees are expected to be received from manufacturers or distributors except as temporary permittees. Permittees will be required to pay fees of \$100 to display gaming devices at a trade show or convention, and persons conducting raffles at trade shows and conventions will be required to pay a \$50 fee. However, the amount of permits which will be sought for display or raffles cannot be estimated.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

No effect on competition or employment is estimated.

W. R. "Rut" Whittington
Superintendent
9911#065

H. Gordon Monk
Staff Director
Legislative Fiscal Office

NOTICE OF INTENT

**Department of Public Safety and Corrections
Office of State Police**

Towing, Recovery, and Storage
(LAC 55:I.1903, 1907, 1909, 1917, 1921,
1933, 1939, 1941, 1945, 1949, and 1969)

The Department of Public Safety and Corrections, Office of State Police, Towing, Recovery and Storage Section, in accordance with R.S. 49:950 et seq., and R.S. 32:1711 through R.S. 32:1731, gives notice of its intent to adopt rules pertaining to the towing and storage industry.

Title 55

PUBLIC SAFETY

Part I. State Police

Chapter 19. Towing, Recovery, and Storage

§1903. Scope

A. - C.4. ...

D. Tow trucks that are owned by a business not engaged in towing and/or storage for direct or indirect compensation. An example of that is a tow truck owned by a company to tow vehicles belonging to that company's fleet. Another example would be a tow truck used to pick up vehicles from salvage pools provided that the owner of the tow truck also is the owner of the salvage vehicles. This must be documented by Titles and/or Bills of Sale for the vehicle(s) being towed and such documentation shall be with the driver of the tow truck.

AUTHORITY NOTE: Promulgated in accordance with R.S. 32:1711 through R.S. 32:1731.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Public Safety Services, Office of State Police, LR 15:1097 (December 1989), amended LR 26:

§1907. Definitions

* * *

Tow Truck—a motor vehicle equipped with a boom or booms, winches, slings, tilt beds, wheel lifts, under-reach equipment, and/or similar equipment including, but not limited to, trucks attached to trailers or dollies, and car carriers designed for the transportation and/or recovery of

vehicles and other objects which cannot operate under their own power or for some reason must be transported by means of towing.

* * *

AUTHORITY NOTE: Promulgated in accordance with R.S. 32:1711 through R.S. 32:1731.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Public Safety Services, Office of State Police, LR 15:1097 (December 1989), amended LR 19:502 (April 1993), LR 26:

§1909. Tow Truck License Plates

A. - C.2. ...

D. Any notice required by law or by the rules of the Department served upon any holder of a towing license plate shall be served personally or mailed to the last known address of such person as reflected by the records on file with the Department. It is the duty of every holder of a tow truck license plate to notify the Department of Public Safety and Corrections, in writing, as to any change in the address of such person or his principal place of business within ten (10) days of such change.

E.1. - 2. ...

AUTHORITY NOTE: Promulgated in accordance with R.S. 32:1711 through R.S. 32:1731.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Public Safety Services, Office of State Police, LR 15:1097 (December 1989), amended LR 26:

§1917. Towing Operators Requirements

A. - C. ...

D. Drivers must be eighteen (18) years of age or older. Only those with a Louisiana drivers license shall be permitted to drive and operate a tow truck. The class of operators license must be compatible to the equipment operated.

E. A towing service will not be allowed to receive calls on any police radio communications system, unless authorized by a law enforcement agency and possesses a valid FCC license.

§1921. Other Required Equipment

A. - B. ...

C. Fire Extinguishers: Each tow truck shall be equipped with a fire extinguisher having an Underwriters Laboratories rating of 5 B:C or more.

D. - H. ...

AUTHORITY NOTE: Promulgated in accordance with R.S. 32:1711 through R.S. 32:1731.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Public Safety Services, Office of State Police, LR 15:1097 (December 1989), amended LR 26:

§1933. Prohibition of Unauthorized Operation

A. No person regulated under these rules shall stop at the scene of an accident or at or near an unattended disabled vehicle for the purpose of soliciting an engagement for towing service, either directly or indirectly, nor furnish any towing service, unless that person has been summoned to such scene by the owner or operator of the disabled vehicle or has been requested to perform such services by a law enforcement officer or agency pursuant to that agency's authority.

B. - C. ...

AUTHORITY NOTE: Promulgated in accordance with R.S. 32:1711 through R.S. 32:1731.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Public Safety Services, Office of State Police, LR 15:1097 (December 1989), amended LR 26:

§1939. Towing/Storage Facility Business Practices

A. Storage facility business hours for purposes of inspection of records, place of business, and towing equipment shall be 8 a.m. to 5 p.m., excluding weekends and holidays.

1. When an operator is not open for business and does not have personnel present at the place of business, the operator shall post a clearly visible telephone number at the business location for the purpose of advising the public how to make contact for the release of vehicles or personal property.

2. All billing invoices that are provided to the redeemer of the vehicle shall be consecutively numbered and shall contain the following information:

- a. date of service and tow truck operator(s) name;
- b. the name of any police agency requesting the tow if applicable;
- c. if the call for service is for a private individual, then an invoice must contain the full name, address, drivers license number or some form of permanent identification of the person requesting the tow and his/her signature at time of tow;
- d. itemized fees for service;
- e. the date the vehicle was released;

3.a. - c. ...

B. - D. ...

E. Towing services must make business records available for inspection upon request by law enforcement officers, and shall provide copies upon request, which information shall be confidential and shall not be released or deemed a public record.

AUTHORITY NOTE: Promulgated in accordance with R.S. 32:1711 through R.S. 32:1731.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Public Safety Services, Office of State Police, LR 15:1097 (December 1989), amended LR 19:502 (April 1993), amended LR 26:

§1941. Storage Procedures

A. - D. ...

E. Movable personal items shall not purposely be kept until payment is rendered. These items will be released to the owner upon request if there is no police hold on them.

AUTHORITY NOTE: Promulgated in accordance with R.S. 32:1711 through R.S. 32:1731.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Public Safety Services, Office of State Police, LR 15:1097 (December 1989), amended LR 26:

§1945. Storage Rates

A. - C. ...

D. The daily storage fee shall be the only fee charged by the storage facility during storage of a vehicle. There shall be no additional charges for locating the vehicle in the storage facility, viewing of the vehicle, photography of the vehicle, removal of items from the vehicle, or for any other similar activity which does not require towing or moving of the vehicle during regular business hours. A towing or storage company that assesses gate fees shall not assess such fees in an amount in excess of forty-five dollars.

AUTHORITY NOTE: Promulgated in accordance with R.S. 32:1711 through R.S. 32:1731.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Public Safety Services, Office of State Police, LR 15:1097 (December 1989), amended LR 19:502 (April 1993), amended LR 26:

§1949. Owner Notification of a Stored Vehicle

A. - B. ...

C. Administrative Fees

1. Towing Services may charge the registered owner/lien holder those administrative costs incurred by filing of the official report of stored vehicle card with the Office of Motor Vehicles along with any postal charges related to the mailing of the official report of stored vehicle card or certified letters to the registered owner/lien holder.

2. All costs must be documented with receipts which shall be made available to the registered owner/lien holder upon demand. Failure to comply will result in the forfeiture of all administrative costs, towing, and storage fees.

3. At no time will administrative costs exceed thirty-five (35) dollars for in-state notifications and forty (40) dollars for out-of-state notifications.

AUTHORITY NOTE: Promulgated in accordance with R.S. 32:1711 through R.S. 32:1731.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Public Safety Services, Office of State Police, LR 15:1097 (December 1989), amended LR 26:

§1969. Recovery of Civil Penalties

A. To enforce the collection of a civil penalty levied after due process upon a person determined by the Deputy Secretary of the Department of Public Safety and Corrections to have committed an act that is a violation of R.S. 32:1711 et seq., or adopted and promulgated regulations as provided in this Chapter, the deputy secretary:

1. may order the removal of the offending vehicle's license tag if the registration is from this state:

2. may seize any vehicle not registered within the state which is owned by the person or company in violation:

3. may have the driver's or owner's operator's license suspended for a violation(s) committed by the driver or operator.

B. The Deputy Secretary shall enforce the provisions of Subsection A as follows.

1. The removal of a vehicle's license tag shall be completed any upon remittance of the levied penalty, reinstated in a manner consistent with the procedures required by the Office of Motor Vehicles.

2. When the person or company fails to remit a levied civil penalty within ninety (90) days subsequent to the seizure of a vehicle as authorized in this section, the Department of Public Safety and Corrections shall collect the penalty in a manner consistent with applicable law.

3. The suspension of a driver's or owner's license shall be completed and upon remittance of the levied penalty, reinstated in a manner consistent with the procedures required by the Office of Motor Vehicles.

AUTHORITY NOTE: Promulgated in accordance with R.S. 32:1711 through R.S. 32:1731.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Public Safety Services, Office of State Police, LR 15:1097 (December 1989), amended LR 26:

Family Impact Statement

1. The Effect of These Rules on the Stability of the Family. These rules will have no effect on the stability of the family.

2. The Effect of These Rules on the Authority and Rights of Parents Regarding the Education and Supervision of Their Children. These rules will have no effect on the authority and rights of parents regarding the education and supervision of their children.

3. The Effect of These Rules on the Functioning of the Family. These rules will have no effect on the functioning of the family.

4. The Effect of These Rules on Family Earnings and Family Budget. These rules will have no effect on family earnings and family budget.

5. The Effect of These Rules on the Behavior and Personal Responsibility of Children. These rules will have no effect on the behavior and personal responsibility of children.

6. The Effect of These Rules on the Ability of the Family or Local Government to Perform the Function as Contained in the Proposed Rules. These rules will have no effect on the ability of the family or local government to perform the function as contained in the proposed rules.

Interested persons may submit written comments to: Paul Schexnayder, Post Office Box 66614, Baton Rouge, Louisiana 70896-6614. Written comments will be accepted through December 15, 1999.

Nancy Van Nortwick
Undersecretary

FISCAL AND ECONOMIC IMPACT STATEMENT FOR ADMINISTRATIVE RULES

RULE TITLE: Towing, Recovery, and Storage

I. ESTIMATED IMPLEMENTATION COSTS (SAVINGS) TO STATE OR LOCAL GOVERNMENT UNITS (Summary)

The proposed rules are expected to have no associated implementation costs to either state or local governments.

II. ESTIMATED EFFECT ON REVENUE COLLECTIONS OF STATE OR LOCAL GOVERNMENTAL UNITS (Summary)

The proposed rules are anticipated to have no effect on revenue collections of state or local governmental units.

III. ESTIMATED COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS OR NONGOVERNMENTAL GROUPS (Summary)

The towing industry will realize an economic benefit from these rules due to the provision raising the amount of administrative costs that may be charged in connection with a particular tow.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

These rules should have no effect on competition and employment.

Nancy Van Nortwick
Undersecretary
9911#027

H. Gordon Monk
Staff Director
Legislative Fiscal Office

NOTICE OF INTENT

Department of Social Services Office of Family Support

Family Independence Temporary Assistance Program (FITAP)—Time Limits (LAC 67:III.1203, 1209, 1247)

The Department of Social Services, Office of Family Support, proposes to amend the *Louisiana Administrative Code*, Title 67, Part III, Subpart 2, the Family Independence Temporary Assistance Program (FITAP).

Pursuant to the authority granted to the Department by the Louisiana Temporary Assistance to Needy Families Block Grant, the agency proposes to amend §1203 and §1209 to include changes necessary to FITAP as a result of the Kinship Care Subsidy Program. (The Notice of Intent which proposes the KCSP can also be found in this issue.)

In addition, the agency proposes to add another exception to the 24-month time-limit provision for the parent that is employed and entitled to the \$900 disregard. The agency takes this action to further the intent of R.S. 46:460.5(A)(3) as revised by the 1999 Louisiana Legislature. These changes are being made subsequent to codification changes proposed as *FITAP—Application, Eligibility and Furnishing Assistance* in a Notice of Intent published in August 1999 which the agency intends to publish as a final rule in the December 1999 issue of the *Louisiana Register*.

Title 67

SOCIAL SERVICES

Part III. Office of Family Support

Subpart 2. Family Independence Temporary Assistance Program (FITAP)

Chapter 12. Application, Eligibility, and Furnishing Assistance

Subchapter A. Application, Determination of Eligibility, and Furnishing Assistance

§1203. Standard Filing Unit

The mandatory filing unit includes the child, the child's siblings (including half and step-siblings) and the parents (including legal stepparents) of any of these children living in the home. In the case of the child of a minor parent, the filing unit shall include the child, the minor parent, the minor parent's siblings (including half and step) and the parents of any of these children living in the home. Supplemental Security Income (SSI) recipients and children receiving Kinship Care Subsidy Payments may not be included in the filing unit.

AUTHORITY NOTE: Promulgated in accordance with 42 U.S.C. 601 et seq., R.S. 36:474, R.S. 46:231.1.B, R.S. 46:237.

HISTORICAL NOTE: Promulgated by the Department of Social Services, Office of Family Support, amended LR 25:

§1209. Notices of Adverse Actions

A. - A.13. ...

14. the child is certified for Kinship Care Subsidy Payments.

AUTHORITY NOTE: Promulgated in accordance with 42 U.S.C. 601 et seq., R.S. 36:474, R.S. 46:231.1.B, R.S. 46:237.

HISTORICAL NOTE: Promulgated by the Department of Social Services, Office of Family Support, amended LR 25:

§1247. Time Limits

A. - B.6....

7. the parent is employed and entitled to the \$900 disregard.

C. - D. ...

AUTHORITY NOTE: Promulgated in accordance with 42 U.S.C. 601 et seq., R.S. 36:474, R.S. 46:231.6, R.S. 46:460.5(A)(3).

HISTORICAL NOTE: Promulgated by the Department of Social Services, Office of Family Support, amended LR 25:

Interested persons may submit written comments by December 29, 1999 to the following: Vera W. Blakes, Assistant Secretary, Office of Family Support, Post Office Box 94065, Baton Rouge, Louisiana, 70804-9065. She is the person responsible for responding to inquiries regarding this proposed rule.

A public hearing on the proposed rule will be held on December 28, 1999 at the Department of Social Services, A.Z. Young Building, Second Floor Auditorium, 755 Third Street, Baton Rouge, Louisiana beginning at 9:00 a.m. All interested persons will be afforded an opportunity to submit data, views, or arguments, orally or in writing, at said hearing. Individuals with disabilities who require special services should contact the Bureau of Appeals at least seven working days in advance of the hearing. For assistance, call Area Code 225-342-4120 (Voice and TDD).

Family Impact Statement

1. What effect will this rule have on the stability of the family? Implementation of the Kinship Care Subsidy Program will have a positive impact on the stability of eligible families by enhancing the ability of the caretaker relative to meet the financial needs of eligible children.

2. What effect will this have on the authority and rights of persons regarding the education and supervision of their children? There will be no effect on the authority and rights of persons regarding the education and supervision of their children. Children will, however, be required to meet the school attendance requirements of the program in order to maintain eligibility.

3. What effect will this have on the functioning of the family? The functioning of the family will be positively impacted due to a reduction in the financial strain created by the child's presence in the home.

4. What effect will this have on family earnings and family budget? There will be no impact on family earnings. There will be a favorable impact on the family budget.

5. What effect will this have on the behavior and personal responsibility of children? In order to maintain eligibility, children will be required to meet school attendance requirements which will have a positive impact on the child's behavior and personal responsibility.

6. Is the family or local government able to perform the function as contained in this proposed rule?

Assistance is provided to families which meet the financial eligibility requirements and are, thus, unable to fully meet the financial needs of eligible children. Assistance which may be provided by local governments is considered in determining eligibility.

Gwendolyn P. Hamilton
Secretary

**FISCAL AND ECONOMIC IMPACT STATEMENT
FOR ADMINISTRATIVE RULES
RULE TITLE: Family Independence Temporary
Assistance Program—Time Limits**

I. ESTIMATED IMPLEMENTATION COSTS (SAVINGS) TO STATE OR LOCAL GOVERNMENT UNITS (Summary)

There are no costs or savings anticipated for changes made at §1203 and §1209 except the minimum cost of publishing the rule. The additional exemption at §1247 may increase state costs by making more applicants eligible; however, this number cannot be projected. The number would be expected to be very low and any associated Family Independence Temporary Assistance Program (FITAP) benefits would be paid from the Louisiana Temporary Assistance for Needy Families (TANF) Block Grant which is federally funded.

II. ESTIMATED EFFECT ON REVENUE COLLECTIONS OF STATE OR LOCAL GOVERNMENTAL UNITS (Summary)

There is no effect on revenue collection of state or local governmental units.

III. ESTIMATED COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS OR NONGOVERNMENTAL GROUPS (Summary)

A small number of applicants may be eligible for FITAP as a result of the exception at §1247. Since this is a new exemption, neither the number nor the economic benefit can be estimated. There are no estimated costs and/or economic benefits to any non-governmental groups.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

The proposed rule will have no impact on competition and employment.

Vera W. Blakes
Assistant Secretary
9911#038

H. Gordon Monk
Staff Director
Legislative Fiscal Office

NOTICE OF INTENT

**Department of Social Services
Office of Family Support**

Food Stamp Program—Categorical Eligibility
(LAC 67:III.1987)

The Department of Social Services, Office of Family Support, proposes to amend the *Louisiana Administrative Code*, Title 67, Part III, Subpart 3, Food Stamps.

Pursuant to Public Law 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act, and subsequent interpretations and directives regarding 7 CFR 273.2(j) which allow the state flexibility and discretion as to which individuals may be considered categorically eligible for food stamps, the agency proposes to amend §1987 to expand categorical eligibility to include households in which one member receives cash benefits from the

Louisiana TANF Block Grant or all members receive SSI. The agency also proposes revising the section to remove references to monthly reporting requirements and the General Assistance Program, both of which are obsolete.

Title 67

SOCIAL SERVICES

Part III. Office of Family Support

Subpart 3. Food Stamps

Chapter 19. Certification of Eligible Households

Subchapter J. Determining Household Eligibility and Benefit Level

§1987. Categorical Eligibility for Certain Recipients

A. Households Considered Categorically Eligible

1. Households in which a member is a recipient of benefits from the FITAP, FIND Work and/or Kinship Care Subsidy Programs, and households in which all members are recipients of SSI, shall be considered categorically eligible for food stamps.

2. "Recipient" includes an individual determined eligible for TANF or SSI benefits, but the benefits have not yet been paid.

3. "Recipient" shall also include a person determined eligible to receive zero benefits, i.e., a person whose benefits are being recouped or a TANF recipient whose benefits are less than \$10 and therefore does not receive any cash benefits.

4. A household shall not be considered categorically eligible if:

- a. any member of that household is disqualified for an intentional program violation;
- b. the household is disqualified for failure to comply with the work registration requirements.

5. The following persons shall not be considered a member of a household when determining categorical eligibility:

- a. an ineligible alien;
- b. an ineligible student;
- c. an institutionalized person.

6. Households which are categorically eligible are considered to have met the following food stamp eligibility factors without additional verification:

- a. resources;
- b. social security numbers;
- c. sponsored alien information;
- d. residency.

7. These households also do not have to meet the gross and net income limits, but verification of income not counted for TANF/SSI is required (e.g. educational assistance). If questionable, the factors used to determine categorical eligibility shall be verified.

8. Categorically eligible households must meet all food stamp eligibility factors except as outlined above.

9. Changes reported by categorically-eligible Food Stamp households shall be handled according to established procedures except in the areas of resources or other categorical eligibility factors.

10. Benefits for categorically-eligible households shall be based on net income as for any other households. One and two person households will receive a minimum benefit of \$10. Households which meet categorical eligibility requirements but are not eligible for benefits must be certified and handled as if they were eligible for benefits. The household shall be notified that income exceeds the level at which benefits are issued but that they are categorically eligible and certified for participation. The household shall be advised of their reporting requirements.

B. - E. ...

AUTHORITY NOTE: Promulgated in accordance with F.R. 51:28196 et seq., 7 CFR 271, 272, 273.10, and 274; F.R. 56:63612-63613, P. L. 104-193.

HISTORICAL NOTE: Promulgated by the Department of Health and Human Resources, Office of Family Security, LR 13:90 (February 1987), amended LR 12:755 (November 1986), amended by the Department of Social Services, Office of Family Support LR 18:142 (February 1992), LR 18:686 (July 1992), LR 18:1267 (November 1992), LR:

Interested persons may submit written comments by December 28, 1999 to the following address: Vera W. Blakes, Assistant Secretary, Office of Family Support, Post Office Box 94065, Baton Rouge, Louisiana 70804-9065. She is the person responsible for responding to inquiries regarding this proposed rule.

A public hearing on the proposed rule will be held on December 28, 1999 at the Department of Social Services, A. Z. Young Building, Second Floor Auditorium, 755 Third Street, Baton Rouge, Louisiana beginning at 9:00 a.m. All interested persons will be afforded an opportunity to submit data, views, or arguments, orally or in writing, at said hearing. Individuals with disabilities who require special services should contact the Bureau of Appeals at least seven working days in advance of the hearing. For assistance, call Area Code 225-342-4120 (Voice and TDD).

Family Impact Statement

1. What effect will this rule have on the stability of the family? This proposed change to expand categorical eligibility will provide these families with increased access to food resources thereby having a positive effect on family stability.

2. What effect will this have on the authority and rights of persons regarding the education and supervision of their children? This proposed changes will have no effect in this area.

3. What effect will this have on the functioning of the family? The reduction of the financial strain on newly eligible families will have a positive impact on the functioning of these families.

4. What effect will this have on family earnings and family budget? There will be no impact on family earnings. Eligible families will have more disposable income to meet family needs other than food.

5. What effect will this have on the behavior and personal responsibility of children? An improved diet made

possible by access to food benefits should have a positive impact on the behavior and personal responsibility of children.

6. Is the family or local government able to perform the function as contained in this proposed rule? Neither can perform the function as contained in this rule.

Gwendolyn Hamilton
Secretary

**FISCAL AND ECONOMIC IMPACT STATEMENT
FOR ADMINISTRATIVE RULES
RULE TITLE: Food Stamp Program-Categorical
Eligibility**

- I. ESTIMATED IMPLEMENTATION COSTS (SAVINGS) TO STATE OR LOCAL GOVERNMENT UNITS (Summary)
Since this rule proposes only to expand Food Stamp categorical eligibility, the only cost to the state is the minimal charge for publication of the rulemaking and printing of policy revision. Funding for these costs is included in the agency's annual budget. Any increase in food stamp benefits being paid as a result of the rule is federally funded. There are no costs or savings to any local governmental units.
- II. ESTIMATED EFFECT ON REVENUE COLLECTIONS OF STATE OR LOCAL GOVERNMENTAL UNITS (Summary)
There is no effect on revenue collection of state or local governmental units.
- III. ESTIMATED COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS OR NONGOVERNMENTAL GROUPS (Summary)
There will be economic benefit to any households made eligible for food stamps as a result of this rule. There are no costs or benefits to any non-governmental groups.
- IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)
The proposed rule will have no impact on competition and employment.

Vera W. Blakes
Assistant Secretary
9911#057

H. Gordon Monk
Staff Director
Legislative Fiscal Office

**NOTICE OF INTENT
Department of Social Services
Office of Family Support**

Kinship Care Subsidy Program—Hearings
(LAC 67:III.301, 307, 309)

The Department of Social Services, Office of Family Support, proposes to amend the *Louisiana Administrative Code*, Title 67, Part III, Subpart 1, General Administrative.

Pursuant to the authority granted to the Department by the Louisiana Temporary Assistance to Needy Families Block Grant, the agency proposes to amend §301, §307, and §309 to include changes necessary as a result of the proposed Kinship Care Subsidy Program (KCSP). This change is being made subsequent to codification proposed as *Chapter 3. Hearings* in a Notice of Intent on Hearings published in August 1999 which the agency intends to publish as a final rule in the November 1999 issue of the *Louisiana Register*. (The Notice of Intent which proposes the Kinship Care Subsidy Program can also be found in this issue.)

**Title 67
SOCIAL SERVICES**

**Part III. Office of Family Support
Subpart 1. General Administration**

**Chapter 3. Hearings
§301. Definitions**

Benefits—are any kind of assistance, payments or benefits made by the agency for the Family Independence Temporary Assistance Program (FITAP), Family Independence Work Program (FIND Work), Kinship Care Subsidy (KCSP), Refugee Cash Assistance (RCA), Food Stamp, or Child Care Assistance (CCAP) Programs.

Public Assistance Household—is a food stamp household in which all members receive FITAP, KCSP, RCA, or federal Supplemental Security Income.

AUTHORITY NOTE: Promulgated in accordance with 42 U.S.C. 601 et seq., R.S. 36:474, R.S. 46:237.

HISTORICAL NOTE: Promulgated by the Department of Health and Human Resources, Office of Family Security, LR 11:689 (July 1985), amended by Department of Social Services, Office of Family Support, amended LR 26:

§307. Time Limits for Requesting a Fair Hearing

A. When a decision is made on a case, the client is notified and is allowed the following number of days from the date of the notice to request a Fair Hearing:

FITAP	30 days
FIND Work Program	30 days
Kinship Care Subsidy Program	30 days
Child Care Assistance	30 days
Refugee Cash Assistance	30 days
Food Stamps	90 days

The client may appeal at any time during a certification period for a dispute of the current level of benefits.

AUTHORITY NOTE: Promulgated in accordance with 42 U.S.C. 601 et seq., R.S. 36:474, R.S. 46:237.

HISTORICAL NOTE: Promulgated by the Department of Social Services, Office of Family Support, amended LR 26:

§309. Time Limits for Decisions to be Rendered

A. A prompt, definitive, and final decision must be provided within the number of days from the date of the Fair Hearing request as listed below:

FITAP	90 days
FIND Work Program	90 days
Kinship Care Subsidy Program	90 days
Child Care Assistance	90 days
Refugee Cash Assistance	90 days
Food Stamps	60 days*

*or 90 days for Public Assistance households simultaneously appealing the same issue in Public Assistance and Food Stamp cases

AUTHORITY NOTE: Promulgated in accordance with 42 U.S.C. 601 et seq., R.S. 36:474, R.S. 46:237

HISTORICAL NOTE: Promulgated by the Department of Social Services, Office of Family Support, amended LR 26:

Interested persons may submit written comments by December 28, 1999 to the following: Vera W. Blakes,

Assistant Secretary, Office of Family Support, Post Office Box 94065, Baton Rouge, Louisiana, 70804-9065. She is the person responsible for responding to inquiries regarding this proposed rule.

A public hearing on the proposed rule will be held on December 28, 1999 at the Department of Social Services, A.Z. Young Building, Second Floor Auditorium, 755 Third Street, Baton Rouge, Louisiana beginning at 9:00 a.m. All interested persons will be afforded an opportunity to submit data, views, or arguments, orally or in writing, at said hearing. Individuals with disabilities who require special services should contact the Bureau of Appeals at least seven working days in advance of the hearing. For assistance, call Area Code 225-342-4120 (Voice and TDD).

Family Impact Statement

This rule has no effect on the function or stability of the family: it concerns only administrative actions in the agency's fair hearing process and is necessary to add the new Kinship Care Subsidy Program (KCSP) to the process. The Family Impact Statement on the proposed KCSP can be found in this issue with the related Notice of Intent.

Gwendolyn P. Hamilton
Secretary

**FISCAL AND ECONOMIC IMPACT STATEMENT
FOR ADMINISTRATIVE RULES**

**RULE TITLE: Hearings-Kinship Care Subsidy
Program**

- I. ESTIMATED IMPLEMENTATION COSTS (SAVINGS) TO STATE OR LOCAL GOVERNMENT UNITS (Summary)
The immediate implementation cost to state government is the cost of publishing the rule. There are no costs or savings to local governmental units.
- II. ESTIMATED EFFECT ON REVENUE COLLECTIONS OF STATE OR LOCAL GOVERNMENTAL UNITS (Summary)
There is no effect on revenue collection of state or local governmental units.
- III. ESTIMATED COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS OR NONGOVERNMENTAL GROUPS (Summary)
There are no costs or economic benefits to persons or non-governmental units.
- IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)
The proposed rule will have no impact on competition and employment.

Vera W. Blakes
Assistant Secretary
9911#058

H. Gordon Monk
Staff Director
Legislative Fiscal Office

NOTICE OF INTENT

**Department of Social Services
Office of Family Support**

**Kinship Care Subsidy Program—Implementation
(LAC 67:III.Chapter 53)**

The Department of Social Services, Office of Family Support, proposes to amend the *Louisiana Administrative Code*, Title 67, Part III, to add Subpart 13, the Kinship Care Subsidy Program (KCSP).

Pursuant to R.S. 46:237 which was enacted by the 1999 Louisiana Legislature and which created the Grandparent Subsidy Program, the agency now proposes to establish the Kinship Care Subsidy Program (KCSP). This program will enable grandparents and other certain qualified caretaker relatives, other than parents, to receive a cash subsidy for eligible children.

Title 67

SOCIAL SERVICES

Part III. Office of Family Support

**Subpart 13. Kinship Care Subsidy Program (KCSP)
Chapter 53. Application, Eligibility, and Furnishing
Assistance**

**Subchapter A. Application, Determination of Eligibility,
and Furnishing Assistance**

§5301. Application

All individuals applying for Kinship Care Subsidy Program (KCSP) shall be considered applicants for assistance and shall file a written and signed application form under a penalty of perjury. The date the application form is received in the parish office shall be considered the date of application. Applicants for KCSP must apply for benefits through Family Independence Temporary Assistance Program (FITAP).

AUTHORITY NOTE: Promulgated in accordance with 42 U.S.C. 601 et seq., R.S. 36:474, R.S. 46:231.1.B, R.S. 46:237.

HISTORICAL NOTE: Promulgated by the Department of Social Services, Office of Family Support, LR 26:

§5303. Application Time Limit

The time limit for disposition of the application is 30 days from the date on which the signed application is received in the local office. The applicant shall have benefits available through Electronic Benefits Transfer (EBT), or be notified that he has been found ineligible for KCSP by the 30th day, unless an unavoidable delay has occurred.

AUTHORITY NOTE: Promulgated in accordance with 42 U.S.C. 601 et seq., R.S. 36:474, R.S. 46:231.1.B, R.S. 46:237.

HISTORICAL NOTE: Promulgated by the Department of Social Services, Office of Family Support, LR 26:

§5305. Certification Period and Reapplication

A. Certification periods of a set duration will be assigned. In order to continue to receive benefits, the household must timely reapply and be determined eligible. If the payee fails, without good cause, to keep a scheduled appointment, the case will be closed without further notification. Also, if during the re-application process, a change is reported which results in a determination of ineligibility the case will be closed.

B. The Office of Family Support will require an official reapplication for benefits following a period of ineligibility.

AUTHORITY NOTE: Promulgated in accordance with 42 U.S.C. 601 et seq., R.S. 36:474, R.S. 46:231.1.B, R.S. 46:237.

HISTORICAL NOTE: Promulgated by the Department of Social Services, Office of Family Support, LR 26:

§5307. Notices of Adverse Actions

A. A notice of adverse action shall be sent at least 13 days prior to taking action to terminate benefits. In some circumstances advance notice is not required. A concurrent notice shall be sent to the client at the time of action in the following situations:

1. the agency has factual information confirming the death of the KCSP payee;
2. the client signs a statement requesting closure and waiving the right to advance notice;
3. the client's whereabouts are unknown and agency mail directed to the client has been returned by the Post Office indicating no known forwarding address;
4. a client has been certified in another state and that fact has been established;
5. a child is removed from the home as a result of a judicial determination, or is voluntarily placed in foster care by his legal guardian;
6. the client has been admitted or committed to an institution;
7. the client has been placed in a skilled or intermediate nursing care facility or long-term hospitalization;
8. the agency disqualifies a household member because of an Intentional Program Violation and benefits are terminated because of the disqualification;
9. the worker ends benefits at the end of a normal period of certification when the client timely reapplies;
10. the case is closed due to the amount of child support collected through Support Enforcement Services.

AUTHORITY NOTE: Promulgated in accordance with 42 U.S.C. 601 et seq., R.S. 36:474, R.S. 46:231.1.B, R.S. 46:237.

HISTORICAL NOTE: Promulgated by the Department of Social Services, Office of Family Support, LR 26:

§5309. Domestic Violence

A. The secretary shall waive, for as long as necessary, pursuant to a determination of good cause, any public assistance program requirement that will create obstacles for a victim of domestic violence to escape a domestic violence situation, including but not limited to, work, training, or educational requirements; limitations on TANF assistance to noncitizens; child support or paternity establishment cooperation requirements; residency requirements; and any other program requirements which will create obstacles for such victim to escape violence or penalize that victim for past, present, and potential for abuse.

B. Any information obtained pursuant to this Section regarding a victim of domestic violence shall be used solely for the purposes provided for in this Section or for referral to supportive services and shall not be released to any third party, including a governmental agency, unless such agency is authorized to obtain such information by another provision of law.

C. Individuals who allege domestic violence should submit any available evidence to substantiate their claim. If the individual alleging to be a victim of domestic violence is unable to provide documentation to substantiate the claim, the client's statement may be accepted unless there is a reasonable basis to doubt the statement. The worker must continue to attempt to secure the documentation as it becomes available. The documentation may include, but is not limited to:

1. police, government agency or court records;
2. documentation from a shelter worker, legal professional, member of the clergy, medical professional, or other professional from whom the individual has sought assistance in dealing with domestic violence;
3. other corroborating evidence, such as a statement from any other individual with knowledge of the circumstances which provide the basis for the claim;
4. physical evidence of domestic violence; or
5. other evidence which supports the statement.

AUTHORITY NOTE: Promulgated in accordance with 42 U.S.C. 601 et seq., R.S. 36:474, R.S. 46:231.1.B, R.S. 46:237.

HISTORICAL NOTE: Promulgated by the Department of Social Services, Office of Family Support, LR 26:

Subchapter B. Conditions of Eligibility

§5321. Age Limit

A. A dependent child must be:

1. under 16 years of age, or
2. sixteen to 19 years of age either in school and working toward a high school diploma, GED, or special education certificate or participating in the FIND Work Program.

AUTHORITY NOTE: Promulgated in accordance with 42 U.S.C. 601 et seq., R.S. 36:474, R.S. 46:231.1.B, R.S. 46:237.

HISTORICAL NOTE: Promulgated by the Department of Social Services, Office of Family Support, LR 26:

§5323. Citizenship

A. Each KCSP recipient must be a United States Citizen or a qualified alien. A qualified alien is:

1. an alien who is lawfully admitted for permanent residence under the Immigration and Nationality Act;
2. an alien who is granted asylum under Section 208 of such Act;
3. a refugee who is admitted to the United States under Section 207 of such Act;
4. an alien who is paroled into the United States under Section 212(d)(5) of such Act for a period of at least one year;
5. an alien whose deportation is withheld under §243(h) of such Act (as in effect immediately before the effective date of §307 of Division C of Public Law 104-208) or §241(b)(3) of such Act (as amended by Section 305(a) of Division C of Public Law 104-208);
6. an alien who is granted conditional entry pursuant to §203(a)(7) of such Act as in effect prior to April 1, 1980;

7. an alien who is a *Cuban* or *Haitian* entrant, as defined in §501(e) of the Refugee Education Assistance Act of 1980;

8. an alien who has been battered or subjected to extreme cruelty in the United States by a spouse or parent, or by a member of the spouse's or parent's family residing in the same household as the alien if the spouse or parent consented to, or acquiesced in, such battery or cruelty. The individual who has been battered or subjected to extreme cruelty must no longer reside in the same household with the individual who committed the battery or cruelty. The agency must also determine that a substantial connection exists between such battery or cruelty and the need for the benefits to be provided. The alien must have been approved or have a petition pending which contains evidence sufficient to establish:

- a. the status as a spouse or a child of a United States citizen pursuant to clause (ii), (iii), or (iv) of §204(a)(1)(A) of the Immigration and Nationality Act (INA); or
- b. the classification pursuant to clause (ii) or (iii) of Section 204(a)(1)(B) of the INA, or
- c. the suspension of deportation and adjustment of status pursuant to §244(a)(3) of the INA; or
- d. the status as a spouse or child of a United States citizen pursuant to clause (i) of §204(a)(1)(A) of the INA, or classification pursuant to clause (i) of Section 204(a)(1)(B) of the INA.

9. an alien child or the alien parent of a battered alien as described in 8 above.

B. Time-limited Benefits. A qualified alien who enters the United States after August 22, 1996 is ineligible for five years from the date of entry into the United States unless:

1. the alien is admitted to the United States as a refugee under Section 207 of the Immigration and Nationality Act;
2. the alien is granted asylum under Section 208 of such Act;
3. the alien's deportation is withheld under §243(h) of such Act (as in effect immediately before the effective date of §307 of Division C of Public Law 104-208) or §241(b)(3) of such Act (as amended by §305(a) of Division C of Public Law 104-208);
4. the alien is a *Cuban* or *Haitian* entrant as defined in Section 501(e) of the Refugee Education Assistance Act of 1980;
5. the alien is an *Amerasian* immigrant admitted pursuant to Section 584 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act of 1988;
6. the alien is lawfully residing in the United States and is a *veteran* (as defined in Sections 101, 1101, or 1301, or as described in §107 of Title 38, *United States Code*) who is honorably discharged for reasons other than alienage and who fulfills the minimum active-duty service requirements of §5303A(d) of Title 38, *United States Code*, his spouse or the unremarried surviving spouse if the marriage fulfills the requirements of 1304 of Title 38, *United States Code*, and unmarried dependent children; or

7. the alien is lawfully residing in the United States and is on active duty (other than for training) in the Armed Forces and his spouse or the unremarried surviving spouse if

the marriage fulfills the requirements of §1304 of Title 38, *United States Code* and unmarried dependent children.

AUTHORITY NOTE: Promulgated in accordance with 42 U.S.C. 601 et seq., R.S. 36:474, R.S. 46:231.1.B, R.S. 46:237.

HISTORICAL NOTE: Promulgated by the Department of Social Services, Office of Family Support, LR 26:

§5325. Enumeration

Each applicant for or recipient of KCSP is required to furnish a social security number or to apply for a Social Security number if such a number has not been issued or is not known, unless good cause is established.

AUTHORITY NOTE: Promulgated in accordance with 42 U.S.C. 601 et seq., R.S. 36:474 and R.S. 46:231.1.B, R.S. 46:237.

HISTORICAL NOTE: Promulgated by the Department of Social Services, Office of Family Support, LR 26:

§5327. Living in the Home of a Qualified Caretaker Relative

A. A child must reside in the home of a qualified caretaker relative who is responsible for the day to day care of the child and who has legal custody or guardianship of the child. The child's parents may not reside in the home. Benefits will not be denied when the qualified caretaker relative or the child is temporarily out of the home. Good cause must be established for a temporary absence of more than 45 days. The following relatives are qualified caretaker relatives:

1. grandfather or grandmother (extends to great-great-great);
2. step-grandfather or step-grandmother (extends to great-great-great);
3. brother or sister (including half-brother and half-sister);
4. uncle or aunt (extends to great-great);
5. first cousins (including first cousins once removed);
6. nephew or niece (extends to great-great);
7. stepbrother or stepsister.

These may be either biological or adoptive relatives.

AUTHORITY NOTE: Promulgated in accordance with 42 U.S.C. 601 et seq., R.S. 36:474 and R.S. 46:231.1.B, R.S. 46:237.

HISTORICAL NOTE: Promulgated by the Department of Social Services, Office of Family Support, LR 26:

§5329. Income

A. Income is any gain or benefit to a household that has monetary value and is not considered a resource. Count all income in determining pretest eligibility except income from:

1. adoption assistance;
2. earned income of a child who is in school and working toward a high school diploma, GED, or special education certificate;
3. disaster payments;
4. Domestic Volunteer Service Act;
5. Earned Income Credits (EIC);
6. education assistance;
7. energy assistance;
8. foster care payments;
9. monetary gifts up to \$30 per calendar quarter;
10. Agent Orange Settlement payments;
11. HUD payments or subsidies other than those paid as wages or stipends under the HUD Family Investment Centers Program;
12. income in-kind;

13. Indian and Native Claims and Lands;
14. irregular and unpredictable sources;
15. lump sum payments;
16. nutrition programs;
17. job training income that is not earned;
18. relocation assistance;
19. a bona fide loan which is considered bona fide if the client is legally obligated or intends to repay the loan;
20. Wartime Relocation of Civilians Payments;
21. Developmental Disability Payments;
22. Delta Service Corps post-service benefits paid to participants upon completion of the term of service if the benefits are used as intended for higher education, repayment of a student loan, or for closing costs or down payment on a home;
23. Americorps VISTA payments to participants (unless the value of all such payments, adjusted to reflect the number of hours such volunteers are serving, is equivalent to or greater than the minimum wage);
24. Radiation Exposure Compensation Payments;
25. payment to victims of Nazi persecution; or
26. restricted income received for a person not in the income unit. Restricted income is income which is designated specifically for a person's use by federal statute or court order and may include RSDI, VA benefits and court ordered-support payments.

B. Pretest

1. In order to meet this requirement, the gross countable income of the caretaker relative's KCSP income unit must be less than 150 percent of the federal poverty threshold for the family size.
2. For purposes of this pretest, the caretaker's KCSP income unit is defined to include:
 - a. the child; and
 - b. the caretaker relative; and
 - c. anyone residing in the home for whom the caretaker relative claims financial responsibility.
3. For purposes of this pretest, income is defined as countable income belonging to any member of the KCSP income unit.

C. Income after pretest

1. The child is determined eligible for KCSP if the child's countable income is less than \$172. If the child's countable income is \$172 or more the child is ineligible.

D. Payment Amount

1. Payment amount is \$172 a month for each eligible child.

AUTHORITY NOTE: Promulgated in accordance with 42 U.S.C. 601 et seq., R.S. 36:474, R.S. 46:231.1.B, R.S. 46:237.

HISTORICAL NOTE: Promulgated by the Department of Social Services, Office of Family Support, LR 26:

§5331. Immunization

Failure to follow the schedule of immunizations as promulgated by the Louisiana Office of Public Health for any child under 18 years of age, without good cause, shall result in the child's ineligibility for the KCSP subsidy until the child has received the required immunizations, or in the case of an immunization that requires a series of injections, has begun to receive the injections. No person is required to comply with this provision if that person or his/her qualified caretaker relative submits a written statement from a physician stating that the immunization procedure is

contraindicated for medical reasons, or if the person or his/her qualified caretaker relative objects to the procedure on religious grounds.

AUTHORITY NOTE: Promulgated in accordance with 42 U.S.C. 601 et seq., R.S. 36:474, R.S. 46:231.1.B, R.S. 46:237.

HISTORICAL NOTE: Promulgated by the Department of Social Services, Office of Family Support, LR 26:

§5333. Residency

KCSP recipients must reside in Louisiana with intent to remain.

AUTHORITY NOTE: Promulgated in accordance with 42 U.S.C. 601 et seq., R.S. 36:474, R.S. 46:231.1.B, R.S. 46:237.

HISTORICAL NOTE: Promulgated by the Department of Social Services, Office of Family Support, LR 26:

§5335. School Attendance

A. At redetermination a school-age child who has missed more than 15 days of school without good cause during the previous six-month period shall be placed in a probationary status. School-age, for purposes of this requirement, is defined as a child who is age 7 through 16. If, however, a child starts school at the kindergarten level before age 7, he is considered to be a school-age child at the point he starts kindergarten. If during the probationary period a child is absent from school for more than 3 days in a given calendar month without good cause, the child will be ineligible for the KCSP subsidy until documentation that the child's attendance meets the requirements is provided.

B. A child age 17 or 18 is eligible to receive assistance if attending school and working toward a high school diploma, GED, or special education certificate, or participating in or exempt from the FIND Work Program.

AUTHORITY NOTE: Promulgated in accordance with 42 U.S.C. 601 et seq., R.S. 36:474, R.S. 46:231.1.B, R.S. 46:237.

HISTORICAL NOTE: Promulgated by the Department of Social Services, Office of Family Support, LR 26:

§5337. Assignment of Support Rights and Cooperation with Support Enforcement Services

A. Assignment of Support Rights

1. Each applicant for, or recipient of, KCSP is required to assign to the Louisiana Department of Social Services, Office of Family Support, any accrued rights to support for any other person that such applicant or recipient may have, including such rights in his own behalf or in behalf of any other family member for whom the applicant or recipient is applying for or receiving.

2. By accepting KCSP for, or on behalf of, a child or children, the applicant or recipient shall be deemed to have made an assignment to the department of any and all right, title, and interest in any support obligation and arrearage owed to, or for, such child or children or caretaker up to the amount of public assistance money paid for, or on, behalf of such child or children or caretaker for such term of time as such public assistance monies are paid; provided, however, that the department may thereafter continue to collect any outstanding debt created by such assignment which has not been paid by the responsible person. The applicant or recipient shall also be deemed, without the necessity of signing any document, to have appointed the Support Enforcement Services Program administrator as his or her true and lawful attorney-in-fact to act in his or her name, place, and stead to perform the specific act of endorsing any and all drafts, checks, money orders or other negotiable instruments representing support payments which are

received on behalf of such child or children or caretaker as reimbursement for the public assistance monies paid to such applicant or recipient.

B. Cooperation with Support Enforcement Services

1. Each applicant for, or recipient of, KCSP is required to cooperate in identifying and locating the parent of a child with respect to whom aid is claimed, establishing the paternity of a child born out of wedlock with respect to whom aid is claimed, obtaining support payments for such applicant or recipient and for a child with respect to whom aid is claimed, and obtaining any other payment or property due such applicant or recipient unless good cause is established.

2. Good cause exists when:

a. the client's cooperation with Support Enforcement Services is reasonably anticipated to result in physical or emotional harm to the child or caretaker relative which reduces his capacity to care for the child adequately;

b. the child was conceived as a result of incest or rape;

c. legal proceedings for adoption are pending before a court; or

d. the client is being assisted by a licensed or private social agency to resolve the issue of whether to keep the child or relinquish him for adoption. The issue must not have been under discussion more than three months.

3. Failure to cooperate in establishing paternity or obtaining child support will result in denial or termination of cash assistance benefits.

4. Failure to cooperate includes, but is not limited to, the following instances where good reason for failing to cooperate has not been established by the IV-D office:

a. failure to keep two consecutive appointments;

b. failure or refusal to cooperate at an interview;

c. failure to appear for, or cooperate during a court date or genetic testing.

5. The payee or recipient who has failed to cooperate will be notified in writing of the sanctioning. The payee or recipient's desire or intention to cooperate will not preclude case closure.

C. In any case in which child support payments are collected for a recipient of KCSP with respect to whom an assignment is in effect, such amount collected will be counted as income to determine eligibility.

D. Written notice will be provided to the Child Support Enforcement Agency of all relevant information prescribed by that agency within two days of the furnishing of KCSP.

E. Louisiana must have in effect a plan approved under Part D of Title IV of the Social Security Act and operate a child support program in conformity with such plan.

AUTHORITY NOTE: Promulgated in accordance with 42 U.S.C. 601 et seq., R.S. 36:474, R.S. 46:231.1.B, R.S. 46:237.

HISTORICAL NOTE: Promulgated by the Department of Social Services, Office of Family Support, LR 26:

§5339. Parenting Skills Education

As a condition of eligibility for KCSP benefits any child under age 19 who is a parent must attend a parenting skills education program provided by the Office of Family Support or provide proof of attendance of this type of training provided by another recognized agency or source. Failure to meet this requirement without good cause shall result in

ineligibility for KCSP. Ineligibility will continue until compliance is demonstrated.

AUTHORITY NOTE: Promulgated in accordance with 42 U.S.C. 601 et seq., R.S. 36:474, R.S. 46:231.1.B, R.S. 46:237.

HISTORICAL NOTE: Promulgated by the Department of Social Services, Office of Family Support, LR 26:

§5341. Drug Screening, Testing, Education and Rehabilitation Program

A. Compliance. All recipients of KCSP benefits, age 18 and over, must satisfactorily comply with the requirements of the drug screening, testing, education and rehabilitation process.

B. Screening and Referral Process. All applicants for and recipients of KCSP age 18 and over will be screened for the use of or dependency on illegal drugs at initial application and redetermination of eligibility using a standardized drug abuse screening test approved by the Department of Health and Hospitals, Office for Addictive Disorders (OAD). An illegal drug is a controlled substance as defined in R.S. 40:961 et seq.- Controlled Dangerous Substance.

1. When the screening process indicates that there is a reason to suspect that a recipient is using or dependent on illegal drugs, or when there is other evidence that a recipient is using or dependent on illegal drugs, the caseworker will refer the recipient to OAD to undergo a formal substance abuse assessment which may include urine testing. The referral will include a copy of the screening form, a copy of the Release of Information Form, and a photograph of the individual for identification purposes.

2. Additionally, if at any time OFS has reasonable cause to suspect that a recipient is using or dependent on illegal drugs based on direct observation or if OFS judges to have reliable information of use or dependency on illegal drugs received from a reliable source, the caseworker will refer the recipient to OAD to undergo a formal substance abuse assessment which may include urine testing. All such referrals will require prior approval by the supervisor of the caseworker.

3. OAD will advise OFS of the results of the formal assessment. If the formal assessment determines that the recipient is not using or dependent on illegal drugs, no further action will be taken unless subsequent screening or other evidence indicates a reasonable suspicion of illegal drug dependency or use. If the formal assessment determines that the recipient is using or dependent on illegal drugs, OAD will determine the extent of the problem and recommend the most appropriate and cost-effective method of education and rehabilitation. The education or rehabilitation plan will be provided by OAD or by a contract provider and may include additional testing and monitoring. The OAD assessment will include a determination of the recipient's ability to participate in activities outside of the rehabilitation program.

C. If inpatient treatment is recommended by OAD and the recipient is unable to arrange for the temporary care of dependent children, OFS and/or OAD will coordinate with the Office of Community Services to arrange for the care of such children.

D. Failure to Cooperate. Failure or refusal of a recipient to participate in drug screening, testing, or participation in the education and rehabilitation program, without good

cause, will result in ineligibility of the recipient until he/she cooperates. Cooperation is defined as participating in the component in which the recipient previously failed to cooperate. This includes drug screening, drug testing, or satisfactory participation for two weeks in an education and rehabilitation program.

E. If after completion of education and rehabilitation, the recipient is subsequently determined to use or be dependent on illegal drugs, the recipient will be ineligible for KCSP benefits until such time that OAD determines that the individual has successfully completed the recommended education and rehabilitation program and is drug free.

AUTHORITY NOTE: Promulgated in accordance with 42 U.S.C. 601 et seq., R.S. 36:474, R.S. 46:231.1.B, R.S. 46:237.

HISTORICAL NOTE: Promulgated by the Department of Social Services, Office of Family Support, LR 26:

§5343. Fleeing Felons and Probation/Parole Violators

A. No cash assistance shall be provided to a person fleeing to avoid prosecution, or custody or confinement after conviction, under the laws of the place from which the individual flees, for a crime, or an attempt to commit a crime, which is a felony under the laws of the state from which the individual flees. This does not apply with respect to the conduct of an individual, for any month beginning after the President of the United States grants a pardon with respect to the conduct.

B. No cash assistance shall be provided to a person violating a condition of probation or parole imposed under federal or state law. This does not apply with respect to the conduct of an individual, for any month beginning after the President of the United States grants a pardon with respect to the conduct.

AUTHORITY NOTE: Promulgated in accordance with 42 U.S.C. 601 et seq., R.S. 36:474, R.S. 46:231.1.B, R.S. 46:237.

HISTORICAL NOTE: Promulgated by the Department of Social Services, Office of Family Support, LR 26:

§5345. Individuals Convicted of a Felony Involving a Controlled Substance

An individual convicted under federal or state law of any offense which is classified as a felony by the law of the jurisdiction involved and which has as an element the possession, use, or distribution of a controlled substance (as defined in Section 102(6) of the Controlled Substances Act, 21 U.S.C. 802[6]) shall be disqualified from receiving KCSP for a period of one year commencing on the date of conviction if an individual is not incarcerated, or from the date of release from incarceration if the individual is incarcerated. This shall apply to an offense which occurred after August 22, 1996.

AUTHORITY NOTE: Promulgated in accordance with 42 U.S.C. 601 et seq., R.S. 36:474, R.S. 46:231.1.B, R.S. 46:237.

HISTORICAL NOTE: Promulgated by the Department of Social Services, Office of Family Support, LR 26:

Subchapter C. Recovery

§5385. IV-D Recovery of Support Payments

A. When assigned child support payments are received and retained by the KCSP applicant/recipient, responsibility is placed with the IV-D agency (Child Support Enforcement Services) to recover all such payments. The only exception is a direct payment retained by the recipient during the period when the sanction for failure to cooperate is in effect.

B. In providing for this policy the IV-D staff must:

1. document that the recipient has received and retained direct payments, and the amounts;

2. provide a written notice of intent to recover the payments to the recipient including:

a. an explanation of the recipient's responsibility to cooperate by turning over direct payments as a condition of eligibility for KCSP, and a sanction for failure to cooperate as provided at 45 CFR 232.12(d);

b. a detailed list of the direct payments as documented by IV-D, including dates and amounts of payments and description of documentary evidence possessed by IV-D;

c. a proposal for a repayment agreement related to the recipient's income and resources including the KCSP grant and the total amount of retained support;

d. providing the opportunity for the recipient to have an informal meeting to clarify his responsibilities and to resolve any differences regarding repayment.

C. The IV-D Agency (Child Support Enforcement Services) must refer the case to IV-A (KCSP) with evidence of failure to cooperate if the recipient refuses to sign a repayment agreement or signs an agreement but subsequently fails to make a payment. IV-D must also notify IV-A if a recipient later consents to an agreement or if the recipient who defaulted on the agreement begins making regularly scheduled payments.

D. To recover amount due from any period of default, the IV-D Agency (Child Support Enforcement Services) must extend the duration of the agreement.

AUTHORITY NOTE: Promulgated in accordance with 42 U.S.C. 601 et seq., R.S. 36:474, R.S. 46:231.1.B.

HISTORICAL NOTE: Promulgated by the Department of Social Services, Office of Family Support, LR 26:

Interested persons may submit written comments by December 28, 1999 to the following: Vera W. Blakes, Assistant Secretary, Office of Family Support, Post Office Box 94065, Baton Rouge, Louisiana, 70804-9065. She is the person responsible for responding to inquiries regarding this proposed rule.

A public hearing on the proposed rule will be held on December 28, 1999 at the Department of Social Services, A. Z. Young Building, Second Floor Auditorium, 755 Third Street, Baton Rouge, Louisiana beginning at 9:00 a.m. All interested persons will be afforded an opportunity to submit data, views, or arguments, orally or in writing, at said hearing. Individuals with disabilities who require special services should contact the Bureau of Appeals at least seven working days in advance of the hearing. For assistance, call Area Code 225-342-4120 (Voice and TDD).

Family Impact Statement

I. What effect will this rule have on the stability of the family? Implementation of the Kinship Care Subsidy Program will have a positive impact on the stability of eligible families by enhancing the ability of the caretaker relative to meet the financial needs of eligible children.

II. What effect will this have on the authority and rights of persons regarding the education and supervision of their children? There will be no effect on the authority and rights of persons regarding the education and supervision of their children. Children will, however, be required to meet the school attendance requirements of the program in order to maintain eligibility.

III. What effect will this have on the functioning of the family? The functioning of the family will be positively impacted due to a reduction in the financial strain created by the child's presence in the home.

IV. What effect will this have on family earnings and family budget? There will be no impact on family earnings. There will be a favorable impact on the family budget.

V. What effect will this have on the behavior and personal responsibility of children? In order to maintain eligibility, children will be required to meet school attendance requirements which will have a positive impact on the child's behavior and personal responsibility.

VI. Is the family or local government able to perform the function as contained in this proposed rule? Assistance is provided to families which meet the financial eligibility requirements and are, thus, unable to fully meet the financial needs of eligible children. Assistance which may be provided by local governments is considered in determining eligibility.

Gwendolyn P. Hamilton
Secretary

**FISCAL AND ECONOMIC IMPACT STATEMENT
FOR ADMINISTRATIVE RULES
RULE TITLE: Kinship Care Subsidy
Program—Implementation**

I. ESTIMATED IMPLEMENTATION COSTS (SAVINGS) TO STATE OR LOCAL GOVERNMENT UNITS (Summary)

Implementation costs as a result of the Kinship Care Subsidy Program (KCSP) are estimated to be \$1,892,840 in FY 99/00 and \$5,678,520 in FY 00/01 and 01/02. Projections are based on an estimated number of 4,640 children who will be eligible for this program. Further assumptions are: 1/3 of these eligibles will be new recipients and will receive \$172 per month per child, 1/3 are already FITAP eligible and will receive an additional \$100 per month per child, and 1/3 will have the caretaker relative included in the FITAP grant and will receive an additional \$34 per month. (FITAP is the Family Independence Temporary Assistance Program). KCSP benefits will be paid from the Louisiana Temporary Assistance for Needy Families (TANF) block grant which is federally funded.

There are no costs or savings to local governmental units.

II. ESTIMATED EFFECT ON REVENUE COLLECTIONS OF STATE OR LOCAL GOVERNMENTAL UNITS (Summary)

There is no effect on revenue collection of state or local governmental units.

III. ESTIMATED COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS OR NONGOVERNMENTAL GROUPS (Summary)

Amounts estimated in Section I represent the KCSP subsidy paid to the eligible recipients. There are no costs to these persons. There are no costs or benefits to nongovernmental groups.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

The proposed rule will have no impact on competition and employment.

Vera W. Blakes
Assistant Secretary
9911#073

H. Gordon Monk
Staff Director
Legislative Fiscal Office

NOTICE OF INTENT

**Department of Social Services
Office of Family Support**

Support Enforcement—Income Assignment
(LAC 67:III.2509)

The Department of Social Services, Office of Family Support, proposes to amend the *Louisiana Administrative Code*, Title 67, Part III, Subpart 4, Support Enforcement Services (SES), the child support enforcement program.

Pursuant to R.S. 46:236.3, the agency proposes to amend regulations redefining the types of income available for assignment and increasing the processing fee which the payor of income may include as a deduction to the noncustodial parent's income assignment. The agency neglected to update §2509 at the time of 1997 and 1998 legislative actions.

Title 67

SOCIAL SERVICES

Part III. Office of Family Support

Subpart 4. Support Enforcement Services

Chapter 25. Support Enforcement

Subchapter B. Support Obligation

§2509. Income Assignment

A. In all new or modified child support orders enforced by SES, the court shall order an immediate income assignment unless a written agreement exists between the parties for an alternate arrangement, or the court finds good cause not to require an immediate income assignment. Employers shall remit any amounts withheld through income assignment within seven days.

B. In any case in which SES is providing services, if not previously subject to income assignment, the order shall become subject to withholding, if arrearages occur, without the need for a judicial or administrative hearing. Orders enforced by SES will be subject to withholding without advance notice to the obligor. The payor of income is notified to withhold an amount for current support plus an additional amount, determined by SES toward any arrears owed. The amount subject to be withheld cannot exceed the percentage of disposable income as defined in R.S. 13:3881 or the federal wage garnishment.

C. The forms of income available for assignment include any singular or periodic payment to an individual regardless of source, including but not limited to, wages, salary, interest, commission, independent contractor compensation, disability income, unemployment compensation, worker's compensation, bonuses, judgments, settlements, annuity and retirement benefits, and any other payments made by any person, private entity, federal, or state government, any unit of local government, school district, or any entity created by public act.

D. The payor of income may deduct a \$5 processing fee from the noncustodial parent's income each pay period during which the income assignment order is in effect. If the payor of income discharges, disciplines, or otherwise penalizes a person ordered to pay support because of the

duty to withhold income, the payor of income may be liable for the accumulated amount or be subjected to other sanctions.

AUTHORITY NOTE: Promulgated in accordance with R.S. 46:236.3 and 45 CFR 303.100, P.L. 104-193.

HISTORICAL NOTE: Promulgated by the Department of Health and Human Resources, Office of Family Security, LR 11:1083 (November 1985), amended by the Department of Social Services, Office of Eligibility Determinations, LR 15:809 (October 1989), LR 16:33 (January 1990), amended by the Office of Family Support LR 23:748 (June 1997), LR 26:

All interested persons may submit written comments through December 28, 1999, to: Vera W. Blakes, Assistant Secretary, Office of Family Support, P.O. Box 94065, Baton Rouge, Louisiana, 70804-9065.

A public hearing will be held on the proposed rule on December 28, 1999, at the Department of Social Services, A.Z. Young Building, Second Floor Auditorium, 755 Third Street, Baton Rouge, Louisiana, 70802, beginning at 9:00 a.m. All interested persons will be afforded an opportunity to submit data, views, or arguments, orally or in writing, at said hearing. Individuals with disabilities who require special services should contact the Bureau of Appeals at least seven working days in advance of the hearing. For assistance, call Area Code 225-342-4120 (Voice and TDD).

Family Impact Statement

1. What effect will this rule have on the stability of the family? The proposed rule will not directly affect the stability of the family but may enhance the collection of child support. An improved financial situation should have a positive effect on family stability.

2. What effect will this have on the authority and rights of persons regarding the education and supervision of their children? The proposed rule will not affect the authority and rights of persons regarding the education and supervision of their children.

3. What effect will this have on the functioning of the family? The changes in the income assignment procedure could result in an increase in child support collections for some families. If a significant increase occurs for a family, it could relieve financial stress and enhance that family's quality of life.

4. What effect will this have on family earnings and family budget? This rule will not directly affect the family earnings but could improve a family's financial situation if the rule results in the collection of child support.

5. What effect will this have on the behavior and personal responsibility of children? This rule should not affect the behavior or personal responsibility of children.

6. Is the family or local government able to perform the function as contained in this proposed rule? Based on state law, this rule allows state government to include additional sources or forms of income for assignment and gives a slight increase in the processing fee for payors of income; neither the family nor local government could perform these actions.

Gwendolyn P. Hamilton
Secretary

FISCAL AND ECONOMIC IMPACT STATEMENT FOR ADMINISTRATIVE RULES

RULE TITLE: Support Enforcement Services- Income—Assignment

I. ESTIMATED IMPLEMENTATION COSTS (SAVINGS) TO STATE OR LOCAL GOVERNMENT UNITS (Summary)

The only cost of implementation is the minimal cost of printing policy revisions and publishing the rulemaking. No savings to the state is anticipated, and there are no anticipated costs or savings to local governmental units.

II. ESTIMATED EFFECT ON REVENUE COLLECTIONS OF STATE OR LOCAL GOVERNMENTAL UNITS (Summary)

There is no estimated effect on revenue collections of the state or local governmental units.

III. ESTIMATED COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS OR NONGOVERNMENTAL GROUPS (Summary)

Noncustodial parents who are subject to income assignment are charged an additional \$2.00 processing fee. There is no cost or benefit to any nongovernmental groups.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

There is no estimated impact on competition and employment.

Vera W. Blakes
Assistant Secretary
9911#056

H. Gordon Monk
Staff Director
Legislative Fiscal Office

NOTICE OF INTENT

Department of Wildlife and Fisheries Wildlife and Fisheries Commission

Crab Trap Marking (LAC 76:VII.345)

The Wildlife and Fisheries Commission hereby advertises its intent to amend the following rule on the marking of crab traps.

Title 76

WILDLIFE AND FISHERIES

Part VII. Fish and Other Aquatic Life

Chapter 3. Saltwater Sports and Commercial Fishing §345. Crab Trap Marking

A. Each crab trap shall be marked with a 1/2-inch stainless steel self-locking tag attached to the center of the trap ceiling, or a durable plastic bait-box cover. Said tags shall be supplied by the fishermen and shall have the commercial fisherman's license number (not the commercial gear license) or the recreational crab trap gear license number legibly embossed or engraved thereon.

B. For the purposes of R.S. 56:8(28.1) which specifies that a serviceable trap must be "legally marked with a float", each trap shall be attached by a 1/4 inch minimum diameter, non-floating line to a solid float six inches minimum diameter, or equivalent. Crab traps attached to a trotline must also have such a float and line attached to at least one end. For the purposes of R.S. 56:332.G, a common float is defined as a 1 gallon or larger all-white plastic bleach bottle.

AUTHORITY NOTE: Promulgated in accordance with R.S. 56:8(28.1), R.S. 56:332.D and R.S. 56:332.G.

HISTORICAL NOTE: Promulgated by the Department of Wildlife and Fisheries, Wildlife and Fisheries Commission, LR 18:199 (February 1992), amended LR 26:

The Secretary of the Department of Wildlife and Fisheries is authorized to take any and all necessary steps on behalf of the Commission to promulgate and effectuate this Notice of Intent and the final Rule, including, but not limited to, the filing of the fiscal and economic impact statements, the filing of the Notice of Intent and final Rule and the preparation of reports and correspondence to other agencies of government.

Interested persons may submit written comments of the proposed rule to Mr. Mark Schexnayder, Crustacean Programs Manager, Marine Fisheries Division, Department of Wildlife and Fisheries, Box 98000, Baton Rouge, LA 70898, no later than 4:30 p.m., Wednesday, January 5, 2000.

In accordance with Act 1183 of 1999, the Department of Wildlife and Fisheries/Wildlife and Fisheries Commission hereby issues its Family Impact Statement in connection with the preceding Notice of Intent: This Notice of Intent will have no impact on the six criteria set out at R.S. 49:972(B).

Bill A. Busbice, Jr.
Chairman

**FISCAL AND ECONOMIC IMPACT STATEMENT
FOR ADMINISTRATIVE RULES
RULE TITLE: Crab Trap Marking**

I. ESTIMATED IMPLEMENTATION COSTS (SAVINGS) TO STATE OR LOCAL GOVERNMENT UNITS (Summary)

The proposed rule will have no implementation costs. Enforcement of the proposed rule will be carried out using existing staff. Enforcement agents presently enforce commercial fishing regulations as part of their duties.

II. ESTIMATED EFFECT ON REVENUE COLLECTIONS OF STATE OR LOCAL GOVERNMENTAL UNITS (Summary)

The proposed rule should have no effect on revenue collections of State and Local governmental units.

III. ESTIMATED COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS OR NONGOVERNMENTAL GROUPS (Summary)

The proposed rule establishes an alternative method to mark crab traps and defines what is legal float for a crab trap. It should benefit crab fishers since they will be able to recover crab traps that may have lost their floats and eases the burden of some fishermen by not having to mark their traps twice. No cost increase is anticipated to occur as a result of the proposed action, since all fishermen mark their traps with floats anyway.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

The proposed rule will have no effect on competition and employment in the private or public sector.

James L. Patton
Undersecretary
9911#019

Robert E. Hosse
General Government Section Director
Legislative Fiscal Office