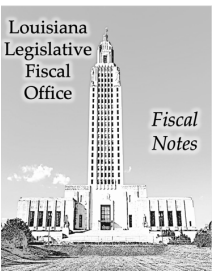


LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 229** SLS 21RS 389
 Bill Text Version: **ENROLLED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: June 7, 2021	1:14 PM	Author: HENSGENS
Dept./Agy.: Treasury		
Subject: Creates the H.E.R.O. Fund		Analyst: Alan M. Boxberger

FUNDS/FUNDING EN NO IMPACT SD EX See Note Page 1 of 1

Provides for the creation, dedication, use, and investment of the Healthcare Employment Reinvestment Opportunity (H.E.R.O.) Fund. (8/1/21)

Proposed law creates the Healthcare Employment Reinvestment Opportunity (H.E.R.O.) Fund as a special fund in the treasury and provides that monies in the fund shall consist of legislative appropriations, grants and donations. Proposed law provides that unexpended and unencumbered monies in the fund shall remain in the fund at the end of the fiscal year and interest earned on the investment of monies shall be credited to the fund. Proposed law provides that monies in the fund shall be used to support the nursing and allied health professions. Proposed law provides that, subject to legislative appropriation and approval of the Board of Regents, the Louisiana Health Works Commission (LHWC) is authorized and directed to determine how monies in the fund are to be allocated and expended through a multiyear plan for specified purposes. LHWC shall submit a plan to the Board of Regents by October 1st of each year, who shall in turn submit a comprehensive annual report to specified legislative committees no later than 60 days after the end of the state fiscal year in which monies were appropriated. Proposed law shall be effective 8/1/21 and shall terminate on 7/1/26, whereupon any fund balances shall be transferred to the State General Fund.

EXPENDITURES	2021-22	2022-23	2023-24	2024-25	2025-26	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total						
REVENUES	2021-22	2022-23	2023-24	2024-25	2025-26	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	SEE BELOW	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total	\$0	\$0	\$0	\$0		\$0

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure. Proposed law creates the Healthcare Employment Reinvestment Opportunity (H.E.R.O.) Fund, but does not provide a recurring source of revenues. Proposed law provides that monies in the fund shall be used to support the nursing and allied health professions.


Proposed law will create an indeterminable workload increase for the Louisiana Health Works Commission (LHWC), subject to legislative appropriation and approval of the Board of Regents, to determine how monies in the fund are to be allocated and expended through a multiyear plan for specified purposes. The workload will be commensurate with the amount of monies that may be appropriated into the H.E.R.O. Fund, but this amount is currently speculative and indeterminable. To the extent the LHWC may not be able to absorb this planning process into existing staff and budgetary resources, it may require additional resources. The Board of Regents will be required to submit a comprehensive annual report to specified legislative committees, which will also create an indeterminable workload increase.

Creating a new statutory dedication within the state treasury will result in a marginal workload increase for the Department of Treasury, which can generally be absorbed within existing resources. However, to the extent other legislative instruments create new statutory dedications, there may be material additional costs associated with the aggregate effort to administer these funds. The Treasury performs fund accounting, financial reporting, banking and custodial functions for 404 special funds. When unable to absorb additional workload with existing resources, the Treasury anticipates it will be required to add one T.O. position at a total personnel services cost of approximately \$71,000, plus approximately \$2,450 for a one-time purchase of office equipment. These expenditures are assumed to be SGF in this fiscal note.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure. Proposed law creates the Healthcare Employment Reinvestment Opportunity (H.E.R.O.) Fund but does not provide a recurring source of revenues. Monies deposited into the fund will be contingent upon receipt of grants, donations, or appropriations into the fund by the legislature. Any balances in the fund as of 7/1/26 are to be transferred into the State General Fund by the treasurer.

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|---|----------------------------|--|
| <u>Senate</u> | <u>Dual Referral Rules</u> | <u>House</u> |
| <input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H} | | <input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S} |
| <input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H} | | <input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S} |


Christopher A. Keaton
Legislative Fiscal Officer