



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: SB 189 SLS 20RS 187
Bill Text Version: ENGROSSED
Opp. Chamb. Action: w/ HSE COMM AMD
Proposed Amd.:
Sub. Bill For.:

Date: May 26, 2020 6:53 AM Author: WHITE, B
Dept./Agy.: Statewide Analyst: Alan M. Boxberger
Subject: Provides for the Coronavirus Local Recovery Allocation Fund

FUNDS/FUNDING EG1 SEE FISC NOTE SD EX See Note Page 1 of 2
Provides for the creation, transfer, dedication, deposit, and use of certain funds in the state treasury. (7/1/20)

Proposed law provides for the creation of the Coronavirus Local Recovery Allocation Fund to be created as a special fund in the state treasury; provides for the dedication of certain revenues and for the deposit of and use of monies in the fund; provides for the powers and duties of the Governor's Office of Homeland Security and Emergency Preparedness; provides with respect to the powers and duties of the legislative auditor; and provides with respect to the allocation and disbursement of monies in the fund.

Table with 7 columns: EXPENDITURES/REVENUES, 2020-21, 2021-22, 2022-23, 2023-24, 2024-25, 5-YEAR TOTAL. Rows include State Gen. Fd., Agy. Self-Gen., Ded./Other, Federal Funds, Local Funds, and Annual Total.

EXPENDITURE EXPLANATION

Proposed law will create a significant expenditure and workload increase for the Governor's Office of Homeland Security and Emergency Preparedness, workload increases for the Louisiana Legislative Auditor and the La Department of Treasury, and a potential workload decrease for the Division of Administration. Proposed law provides for the creation of the Coronavirus Local Recovery Allocation Fund to be created as a special fund in the state treasury and provides for the dedication of certain revenues and for the deposit of, allocation of, and use of monies in the fund.

Governor's Office of Homeland Security and Emergency Preparedness (GOHSEP)

GOHSEP reports that the provisions enumerated in proposed law would require the agency to fund and fill 7 Other Charges positions to administer distribution of CARES Act monies within the timeframe prescribed in the federal law (December 30, 2020). GOHSEP reports that it will use a combination of state staff for the local government program and contract staff for the small business program.

GOHSEP provided the following cost estimates for FY 21 (all of these expenditures would be budgeted in the Other Charges expenditure category due to the federal means of finance):

- Salaries \$281,450 (for 7 Other Charges Positions - 1 Supervisor and 6 Grant Specialists)
Related Benefits \$195,197 (for 7 Other Charges Positions - including retirement, group insurance and Medicare)
Operating Services \$1,400 (including printing, telephone, rental, postage and maintenance)
Supplies \$1,925 (office supplies)

SEE EXPENDITURE EXPLANATION CONTINUED ON PAGE TWO

REVENUE EXPLANATION

Proposed law directs the state treasurer to deposit in and credit to the newly created statutorily dedicated Coronavirus Local Recovery Allocation Fund (CLRAF) a sum of \$811,178,704. The source of the deposit is federal monies allocated to Louisiana pursuant to Section 5001 of the Coronavirus Aid, Relief, and Economic Security (CARES) Act, P.L. 115-136.

- Senate Dual Referral Rules House
[X] 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H} [] 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
[] 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H} [] 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Evan Brasseaux
Evan Brasseaux
Staff Director



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: SB 189 SLS 20RS 187
Bill Text Version: ENGROSSED
Opp. Chamb. Action: w/ HSE COMM AMD
Proposed Amd.:
Sub. Bill For.:

Date: May 26, 2020 6:53 AM Author: WHITE, B
Dept./Agy.: Statewide Analyst: Alan M. Boxberger
Subject: Provides for the Coronavirus Local Recovery Allocation Fund

CONTINUED EXPLANATION from page one:

EXPENDITURE EXPLANATION CONTINUED FROM PAGE ONE

Travel \$2,500
Acquisitions \$25,550 (including office furniture, computers, printers and fax)
Professional Services \$15,000,000 (contract support/supplemental staffing for 98,833 hours at \$150/hour and \$175,000 for contract upgrades to the emergency grant management system)

GOHSEP delineated activities between local governmental and small business payments. Its cost assumptions are included below.

Local Government Program

- Estimated number of entities - 650 (including parishes, municipalities, sheriffs, school systems, various districts)
- Three payments per entity
- Three hours to process/review for each payment
- Required state staff - 6 Grant Specialists and 1 Supervisor (7/1/20 - 12/31/20)

Small Business Program

- Estimated number of eligible businesses - 50,000 (SBA has paid over 50k advances for Economic Injury Disaster Loans)
- One payment per business
- Two hours processing/review for each payment.
- Administered by contract, supplemental staffing via professional services contract.

GOHSEP reports that it anticipates the program will require a 90-day startup period before implementation.

NOTE: Proposed law directs GOHSEP to develop a funding allocation for each parish as follows: 1) 30% of funds allocated according to the population of each parish as a proportion of the total state population and 2) 70% shall be allocated according to the number of cases reported by the Louisiana Department of Health on May 30, 2020, based on the number of confirmed cases of COVID-19 within a parish as a proportion of the statewide total.

Division of Administration (DOA)

DOA reports that it planned to utilize existing personnel resources to administer the local government program absent proposed law. During public testimony at the House Appropriations Committee, the commissioner of administration reported that he anticipates the first payments to local governing entities will begin in mid-June.

Louisiana Legislative Auditor (LLA)

LLA reports that it will absorb any additional workload with existing staff and budgetary resources. Proposed law requires that within fifteen days GOHSEP forward to the LLA documentation of all parish or political subdivision expenditures deemed eligible for reimbursement.

Department of Treasury

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.

Joint Legislative Committee on the Budget (JLCB)

JLCB shall receive a monthly report from the director of GOHSEP in conjunction with the director of the office of community development detailing the amounts requested by parish, the amounts reimbursed, the percentage of allocated funds remaining by parish, and the average time for disbursing funds to each parish.

Senate Dual Referral Rules House
[X] 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H} [] 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
[] 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H} [] 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Evan Brasseaux
Evan Brasseaux
Staff Director