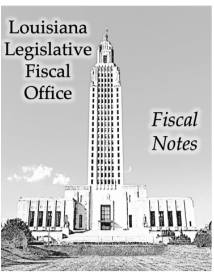


LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 64** SLS 24RS 78
 Bill Text Version: **ENGROSSED**
 Opp. Chamb. Action: **w/ HSE FLOOR AMD**
 Proposed Amd.:
 Sub. Bill For.:

Date: May 23, 2024 9:54 AM	Author: REESE
Dept./Agy.: Division of Administration	
Subject: Water Sector Program	Analyst: Tanesha Morgan

FUNDS/FUNDING EGF +\$1,523,090 GF EX See Note Page 1 of 1
 Provides for changes to the Water Sector Program. (gov sig)

The bill provides several changes to the Water Sector Program, including mandating that funds deposited into the Water Sector Fund after July 1, 2024, be used solely for grants for repairs, improvements, and consolidation of community water and sewer systems. It establishes a detailed process for developing guidance, applications, ratings, and recommendations for new grants awarded after July 1, 2024, involving the Water Sector Commission, the Division of Administration, and the JLCB. The bill also requires grant recipients to provide matching funds unless waived by the commission and stipulates that the JLCB has final approval over grant awards and expenditures from the fund.

EXPENDITURES	2024-25	2025-26	2026-27	2027-28	2028-29	5 -YEAR TOTAL
State Gen. Fd.	\$1,523,090	\$1,523,090	\$1,523,090	\$1,523,090	\$1,523,090	\$7,615,450
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$1,523,090	\$1,523,090	\$1,523,090	\$1,523,090	\$1,523,090	\$7,615,450
Annual Total						
REVENUES	2024-25	2025-26	2026-27	2027-28	2028-29	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$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	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

Proposed law is anticipated to increase annual SGF expenditures at the Division of Administration by \$1.5 M, associated with three positions for program administration and professional services contracts for required recipient rate studies.

The initial Water Sector Program was temporary and funded by one-time ARPA monies using existing staff and resources. To continue the program long-term, DOA indicates they will require personnel costs for three (3) permanent full-time staff, operating and equipment costs associated with the three new full-time employees, contracted services costs for two (2) contractors to conduct required recipient rate studies, and potential costs to develop and maintain an online system for applications, grants management, and payments if such a system is implemented. Currently, administration costs for the Water Sector Program are being paid from the ARPA funding. However, any future ongoing program costs would need another source of funding, assumed to be state general fund in this note, to cover the permanent personnel, contractual services, operating expenditures, and potential system development required to institutionalize the Water Sector Program beyond its original temporary status funded by ARPA.

DOA's preliminarily budget estimate is as follows:


- \$1,200,000 (professional services contracts for required recipient rate studies)
- \$129,668 (2 Community Development Program Specialists @ \$64,834 each)
- \$74,235 (1 Community Development Program Manager @ \$74,235)
- \$112,812 (Related benefits @ 45%)
- \$5,475 (Equipment)
- \$900 (Operating Service)
- \$1,523,090 Annual Expenses

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}


Patrice Thomas
 Deputy Fiscal Officer