



LEGISLATIVE FISCAL OFFICE  
Fiscal Note

Fiscal Note On: **HB 640** HLS 25RS 1090  
Bill Text Version: **REENGROSSED**  
Opp. Chamb. Action:  
  
Proposed Amd.:  
Sub. Bill For.: HB 621

|  |         |                                |
|--|---------|--------------------------------|
| <b>Date:</b> May 7, 2025                                 | 2:12 PM | <b>Author:</b> BOURRIAQUE      |
| <b>Dept./Agy.:</b> Division of Administration            |         |                                |
| <b>Subject:</b> Office of Louisiana Highway Construction |         | <b>Analyst:</b> Kimberly Fruge |

TRANSPORTATION DEPT RE INCREASE GF EX See Note Page 1 of 1  
Establishes the office of Louisiana Highway Construction

Proposed law creates the Office of Louisiana Highway Construction within the Division of Administration; provides that the office shall be responsible for any nonfederal aid highway that is part of the state highway system; provides for an executive director and staff as necessary; provides for powers, duties, and responsibilities of the office; and provides for duties and responsibilities of the executive director.

| EXPENDITURES   | 2025-26   | 2026-27   | 2027-28   | 2028-29   | 2029-30   | 5 -YEAR TOTAL |
|----------------|-----------|-----------|-----------|-----------|-----------|---------------|
| State Gen. Fd. | INCREASE  | INCREASE  | INCREASE  | INCREASE  | INCREASE  |               |
| 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    | \$0       | \$0       | \$0       | \$0       | \$0       | \$0           |
| Annual Total   |           |           |           |           |           |               |

| REVENUES       | 2025-26   | 2026-27   | 2027-28   | 2028-29   | 2029-30   | 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  | SEE BELOW | SEE BELOW | SEE BELOW | SEE BELOW | SEE BELOW |               |
| Local Funds    | \$0       | \$0       | \$0       | \$0       | \$0       | \$0           |
| Annual Total   |           |           |           |           |           |               |

EXPENDITURE EXPLANATION

Proposed law may result in an indeterminable increase in SGF expenditures for the administration and operation of the Office of Louisiana Highway Construction. Proposed law creates the Office of Louisiana Highway Construction; provides for personnel to support the authority; provides that the office is responsible for the study, planning, engineering, design, construction, operation, maintenance, repair, rehabilitation, and replacement of any nonfederal aid highway that is part of the state highway system.

Any increase in expenditure for the office to take over responsibility of the nonfederal aid highway from the Department of Transportation and Development is indeterminable, but likely significant. To the extent the authority is able to utilize existing funding sources, the increase in SGF expenditures would decrease accordingly.

Proposed law provides for an executive director and staff, but does not provide any specifics to staff levels. The Office of Finance and Support Services (OFSS) estimates an increase of \$221,906 SGF (\$150,000 salary + 66,061 related benefits + \$1,500 travel + \$500 operating services + \$300 supplies + \$3,545 technology costs) for an executive director. The LFO anticipates additional staff will include a combination of professional, administrative, and support staff necessary for the authority to operate, which may lead to increased expenditures. The magnitude of the increase in expenditures will depend on how many new positions are created and the salaries set for the various positions, which is unknown at this time. For informational purposes, OFSS provides the average salary for project management staff, listed below.

| Position Title      | Salary    |
|---------------------|-----------|
| Assistant Directors | \$135,000 |
| Senior Managers     | \$120,000 |
| Project Managers    | \$100,000 |

REVENUE EXPLANATION

Proposed law allows the office to seek federal funds, grants funds, and in-kind donations as well as receive interagency transfers, state general fund allocations, or any other sources of funding allowed under the law. To the extent the office receives federal funds or grants that are not currently awarded to the Department of Transportation and Development, there may be an increase in Federal Funds revenues.

|  |                     |  |   |
|--|---------------------|--|---|
| Senate   | Dual Referral Rules | House  |   |
| <input checked="" type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H} |                     | <input checked="" 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} |   |
|  |                     |  | <div>Patrice Thomas<br/>Deputy Fiscal Officer</div> |