



**LEGISLATIVE FISCAL OFFICE
Fiscal Note**

Fiscal Note On: **HB 528** HLS 25RS 648
 Bill Text Version: **ENROLLED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: June 12, 2025	4:07 PM	Author: BOURRIAQUE
Dept./Agy.: Department of Transportation and Development/Governor		Analyst: Kimberly Fruge
Subject: DOTD Reform		

TRANSPORTATION DEPT EN INCREASE SD EX See Note Page 1 of 1
 Reforms the organizational structure for the Department of Transportation and Development including its duties, powers, and responsibilities of officers and employees
 Proposed law adds the Office of Louisiana Highway Construction under the Division of Administration to the list of agencies in the Executive Branch; creates the Office of Transformation and the Office of Project Delivery, removes the Office of Planning and the Office of Engineering and places these responsibilities under other offices in the department; allows the secretary to eliminate positions deemed unnecessary in fulfilling the goals of the Office of Transformation; provides that the assistant secretary shall maximize privatization of services; requires the department to establish a central data management program; requires the department develop an interactive online system to monitor project status statewide.

EXPENDITURES	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	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
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	\$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 will result in a potentially significant increase in Statutory Dedications out of the Transportation Trust Fund - Regular (TTF-R) expenditures within the Department of Transportation and Development (DOTD). Proposed law creates the Office of Transformation and requires the department to maximize the privatization of services and functions. Many potential cost impacts are speculative and dependent on the execution of plans that are not finalized.

Proposed law creates the Office of Transformation and provides for the functions, powers, and duties of the office. The department indicates it may need additional positions to fulfill the roles of the office. The exact impact on expenditures will depend on the number of positions added and the salary of those positions.

Under proposed law, DOTD would be required to maximize the privatization of services and functions. Many studies indicate that certain in-house services tend to be cheaper than third-party consultants, including an independent review of DOTD prepared by the Boston Consulting Group which indicates increased outsourcing may lead to higher costs for the department. Any potential change in expenditures out of the Transportation Trust Fund is indeterminable at this time.


Proposed law allows the secretary to eliminate positions within the department deemed unnecessary in fulfilling the goals of the Office of Transformation. To the extent any positions are eliminated, there will be a decrease in expenditures for personal services out of the TTF. The magnitude of such a decrease is indeterminable at this time.

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