



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **SB 233** SLS 21RS 416
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: April 20, 2021	8:30 PM	Author: WARD
Dept./Agy.: Coastal Protection		
Subject: LA Coastal Zone Recovery Authority		Analyst: Patrice Thomas

FUNDS/FUNDING OR INCREASE SD EX See Note Page 1 of 2
 Provides for the disposition of funds recovered in settlement of the state and parish coastal zone litigation. (gov sig)

Proposed law creates the LA Coastal Zone Recovery Authority (CZRA) within the Office of the Governor and creates the Coastal Zone Recovery Fund in the state treasury. Proposed law provides that the CZRA will be governed by a board of directors and provides for its membership. Proposed law creates the Coastal Zone Recovery Subcommittee within the Coastal Protection and Restoration Authority board. Proposed law provides that the board will implement any settlement proceeds of the coastal zone lawsuits and approve the use of the funds deposited into the Coastal Zone Recovery Fund and monies in the fund shall be used only for those projects and programs that are consistent with the terms and conditions of any final settlement of the coastal zone lawsuits and consistent with the CPRA's master plan. Proposed law provides that the fund will have four separate accounts: (1) the coastal master plan integrated coastal protection account, which receives 60% of all monies in the Coastal Zone Recovery Fund; (2) the restoration, protection, and remediation account; (3) the resilience account; and (4) land rights account. Proposed law provides a 3% cap on planning assistance and administrative costs.

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	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
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	\$0	\$0
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total						

EXPENDITURE EXPLANATION

Proposed law may increase statutorily dedicated expenditures in the Coastal Protection and Restoration Authority (CPRA) by \$527,868 to provide necessary reports, staff, assistance, and support to the newly created Coastal Zone Recovery Authority (CZRA) and Coastal Zone Recovery Subcommittee of the CPRA's board. CPRA anticipates this measure will require additional positions to administer all appropriations and distributions from the CZRA fund to implement coastal projects. To implement the proposed law, CPRA reports needing five (5) new positions - a Executive Staff Officer (\$62,889 salary and \$31,445 related benefits); a Coastal Resources Scientist Manager/Engineer 6 (\$99,336 salary and \$49,668 related benefits); a Coastal Resources Program Specialist 1 (\$50,378 salary and \$25,189 related benefits); an Attorney 2 (\$72,010 salary and \$36,005 related benefits); and an Accountant 4 (\$67,299 salary and \$33,649 related benefits) for a total cost of \$527,868. In subsequent fiscal years, this fiscal note assumes a 2% market rate adjustment in salaries and related benefits for the five positions (total expenditures of \$538,425 in FY 23, \$549,194 in FY 24, \$560,178 in FY 25, and \$571,381 in FY 26).

Monies deposited into the newly created Coastal Zone Recovery Fund shall be expended for those projects and programs that are consistent with the terms and conditions of any final settlement of the coastal zone lawsuits and consistent with the CPRA's master plan. Such projects are speculative until such time as the size and scope of any potential settlements are finalized and deposited into the fund. Proposed law provides a cap of 3% on expenditures related to planning and administration. To the extent sufficient funds are not deposited to provide for CPRA's expenses identified in the paragraph above within 3% of the total, CPRA may require additional state funds (assumed to be SGF), may be required to reallocate existing resources to this effort, or may be required to downsize its projected support and administrative assumptions.

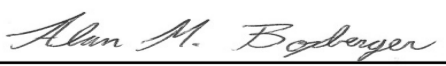
Also, the proposed law will result in an indeterminable, but minimal, increase in SGF expenditures associated with legislative per diem and travel reimbursements within the Legislature as the Senate President and the Speaker of the House, or their designee, are members of the newly created CZRA. The legislative per diem is \$160 plus mileage reimbursement, which is currently \$0.56 per mile. The proposed law requires that CZRA shall meet at least quarterly and members shall serve without compensation, except travel expenses. Therefore, the legislative expenses under this measure are indeterminable

SEE EXPENDITURE IMPACT CONTINUED ON PAGE TWO

REVENUE EXPLANATION

Proposed law creates the Coastal Zone Recovery Fund in the State Treasury. There will be increased statutory dedication revenues in the newly created fund to the extent that any monies are collected from the coastal zone lawsuits and deposited into the fund. The timing, amount, and event of such collections are indeterminable.

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>
<input checked="" 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}


Alan M. Boxberger
 Staff Director



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CONTINUED EXPLANATION from page one:

EXPENDITURE IMPACT CONTINUED FROM PAGE ONE

but anticipated to be minimal. Also, the proposed law creates the Coastal Zone Recovery Subcommittee within the CPRA board and specifies that subcommittee members shall serve without compensation. The proposed law is silent with regard to subcommittee members receiving travel reimbursement. The Legislative Fiscal Office presumes that subcommittee members will be eligible for reimbursement of expenses similar to regular CPRA board members as detailed in the official state Policy and Procedure Manual (PPM49). For informational purposes, the current mileage reimbursement rate is \$0.56 per mile not to exceed a maximum of 99 miles per found trip and/or day.

There will be no impact on expenditures of the Office of the Governor.

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 that 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.

Senate
 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}

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