

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: HCR 59 HLS 11RS 1038

Bill Text Version: ORIGINAL

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Table with 2 rows and 2 columns. Row 1: Date: June 13, 2011 6:55 AM, Author: HENRY. Row 2: Dept./Agy.: LSU Health Care Services Division (HCSD), Analyst: Jennifer Katzman. Subject: Legislative approval of new charity hospital business plan.

BUDGETARY CONTROLS OR SEE FISC NOTE GF EX Page 1 of 1
Provides approval for the Medical Center of Louisiana at New Orleans

Proposed law requires the LSU Board of Supervisors and University Medical Center Management Corporation (UMCMC) to submit a plan of expenditure to the legislature relative to the new academic medical center being built to replace the former New Orleans charity hospital. Proposed law further requires that any such plan must be approved by majority vote of each house of the legislature, by mail-in ballot, House Concurrent Resolution, or Senate Concurrent Resolution. Without majority approval, no expenditures in regards to the new hospital may proceed.

Table with 7 columns: EXPENDITURES, 2011-12, 2012-13, 2013-14, 2014-15, 2015-16, 5 -YEAR TOTAL. Rows include State Gen. Fd., Agy. Self-Gen., Ded./Other, Federal Funds, Local Funds, and Annual Total for both EXPENDITURES and REVENUES.

EXPENDITURE EXPLANATION

Currently there is no legal requirement for legislative oversight of the business plan for expenditures relative to the new hospital. Instead, the Joint Legislative Committee on the Budget (JLCB) approves expenditures at each phase of the project as they are needed. This resolution will require further legislative oversight by requiring approval of a business plan by majority vote of both houses of the legislature. As of 5/2/11, the state has secured approximately \$735.9 M (\$300,600,000 from Capital Outlay and \$435,283,776 from the FEMA Arbitration Award) for the cost of building the new hospital. To date, the state has expended a little over \$103 M on the project.

The House and Senate will be responsible for expenditures related to the mail-in ballot required by the Resolution. These costs are projected to be between \$525 and \$1,050 for the House, and approximately \$390 for the Senate depending on the materials included in the business plan. However, if the business plan is presented before the end of the 2011 Legislative Session, these costs may be avoided by hearing and voting on the plan via House Concurrent Resolution or Senate Concurrent Resolution.

REVENUE EXPLANATION

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

Senate Dual Referral Rules House
[ ] 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} [ ] 6.8(F)1 >= \$500,000 Annual Fiscal Cost {S}
[ ] 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H} [ ] 6.8(F)2 >= \$100,000 Annual SGF Cost {H&S}
[ ] 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}
H. Gordon Monk
Legislative Fiscal Officer