

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 525** HLS 23RS 845

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: April 20, 2023	10:35 AM	Author: MAGEE
Dept./Agy.: LDH		Analyst: Deborah Vivien
Subject: Dedicates 12% of SGF increase to adult Medicaid waivers		

FUNDS/FUNDING

EG DECREASE GF RV See Note

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Establishes the Community Options Waiver Fund and provides for dedication of revenues and use of monies in the fund

Proposed law creates the Community Options Waiver Fund in the treasury. Proposed law provides in any fiscal year, after deposit to the New Opportunities Waiver Fund, the treasurer is directed to deposit 12% of the total of recurring state general fund revenue as recognized by the Revenue Estimating Conference in excess of the official forecast at the beginning of the current fiscal year, not to exceed \$50 M in any fiscal year. Monies in the fund shall be be appropriated in the ensuing year to fund waiver services (Community Choices Waiver or the Adult Day Health Care Waiver, or any other Medicaid home and community based service for persons with adult-onset disabilities as promulgated by LDH rule). Such funding shall not be used to supplant appropriations from the general fund for waiver services.

EXPENDITURES	2023-24	2024-25	2025-26	2026-27	2027-28	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	SEE BELOW	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
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		\$0	\$0	\$0	\$0	\$0

REVENUES	2023-24	2024-25	2025-26	2026-27	2027-28	5 -YEAR TOTAL
State Gen. Fd.	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	
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						

EXPENDITURE EXPLANATION

The bill indicates that the funds shall be appropriated in the ensuing fiscal year should the forecasts in place trigger the deposit.

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 436 special funds. When unable to absorb additional workload with existing resources, the Treasury anticipates it will be required to add one T.O. position at a total personnel services cost of approximately \$78,000, plus approximately \$2,450 for a one-time purchase of office equipment. These expenditures are assumed to be SGR in this fiscal note.

REVENUE EXPLANATION

This measure dedicates up to \$50 M per year of future general fund revenue growth to specific waiver services, but only under certain conditions. Specifically, the fund would receive 12% of all recurring state general fund revenue recognized by the Revenue Estimating Conference in excess of the official forecast at the beginning of the year, up to a maximum of \$50 M in any fiscal year. Annual fund deposits will not be based on actual collections, only on forecast changes. Estimating annual fund deposits, if any, is indeterminable. **However, to the extent a deposit to the new fund does occur, resources available for state general fund expenditures will be less than they otherwise would be, and a like amount of resources will be made available for the purposes of the new fund created by the bill.**

As an example, the FY 23 general fund revenue forecast was increased during FY 23 at the December 2022 REC meeting by approximately \$925 M. If this forecast remains in place through the fiscal year, this bill would dedicate \$50 M of the increase to the new fund, (12% = \$111M), presumably in the same manner as the New Opportunities Waiver Fund. If so, the treasurer would make the transfers required by this bill at the end of the each fiscal year for appropriation in the ensuing year. Revenue deposits are not guaranteed annually due to general fund forecast fluctuations but are used for recurring waiver expenditures.

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}

Alan M. Boxberger

Alan M. Boxberger
Interim Legislative Fiscal Officer