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DIGEST

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SB 189 Engrossed

2020 Regular Session

White

Proposed law creates the Coronavirus Local Recovery Allocation Fund as a special fund in the state treasury and deposits into the fund \$811,178,700 from the federal coronavirus relief fund for states and local entities established in the Coronavirus Aid, Relief, and Economic Security (CARES) Act.

Further provides that of the monies deposited into the fund, \$200,000,000 is to be used to fund a small business grants program. Requires \$25,000,000 of that sum be awarded to women and minority-owned businesses.

Provides that the remainder of the funds in the Coronavirus Local Recovery Allocation Fund be used to reimburse local governments for COVID-19 related expenses incurred between March 1, 2020 and September 30, 2020.

Requires the Governor's Office of Homeland Security and Emergency Preparedness (GOHSEP) to develop an allocation of remaining fund monies by parish, based on the following:

1. 30% of the funds are to be allocated according to the population of each parish as a proportion of the total state population, using the latest federal decennial census figures for the calculation.
2. The remaining 70% of the funds are to be allocated using the number of cases of COVID-19 reported in a parish by the Louisiana Department of Health on May 30, 2020, as a proportion of the statewide total.

GOHSEP must submit the allocation to the Joint Legislative Committee on the Budget (JLCB) no later than May 31, 2020 and the committee must approve the allocation at its June 2020 meeting.

Proposed law further establishes prerequisites for distribution of monies to a political subdivision.

1. The parish governing authority must designate a parish liaison to be the sole intermediary for that parish for reimbursement from the Coronavirus Local Recovery Allocation Fund.
2. The parish liaison must submit to the division of administration collected documentation of actual expenditures incurred by the parish and other political subdivisions within the parish.
3. GOHSEP reviews the submitted documentation and forwards documentation deemed eligible for reimbursement to the legislative auditor for verification.

Proposed law provides a mechanism by which the legislative auditor may request more documentation on any submitted expenditure prior to issuing a finding on its validity.

Proposed law provides that any claim for reimbursement submitted after September 30, 2020 is ineligible for reimbursement from this fund.

Requires GOHSEP to disburse funds for approved claims within fourteen days of receiving the legislative auditor's verification of the expenditure.

Requires the director of GOHSEP and the executive director of the office of community development to jointly submit a report to JLCB no later than the 15<sup>th</sup> of each month detailing the amounts requested for reimbursement pursuant to proposed law, the amounts actually reimbursed, the percentage of allocated funds remaining by parish, and the average time for disbursing funds to each parish.

Further requires JLCB to meet in October of 2020 to review the amount of monies remaining in the fund. Authorizes JLCB to reallocate remaining funds at the October meeting, if necessary.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Adds R.S. 39:100.36 and 100.37)

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Appropriations to the engrossed bill:

1. Delete provisions relative to the 2020 Capital Project Fund.
2. Create the Coronavirus Local Recovery Allocation Fund in the state treasury and provide for the deposit and use of the funds.
3. Establishes protocols for distribution of monies from the fund to political subdivisions.