



**LEGISLATIVE FISCAL OFFICE
Fiscal Note**

Fiscal Note On: **HB 642** HLS 21RS 773
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: April 20, 2021	12:25 PM	Author: SCHEXNAYDER
Dept./Agy.: Treasury		
Subject: Creates the Fiscal Year 2021 Reserve Fund		Analyst: Alan M. Boxberger

FUNDS/FUNDING-GRANTS OR NO IMPACT SD EX See Note Page 1 of 1
 Provides for the disbursement of monies received from the American Rescue Plan Act of 2021

Proposed law creates the American Rescue Plan Act Fund and directs the treasurer to deposit any federal monies allocated to Louisiana pursuant to Coronavirus State Fiscal Recovery Fund of the American Rescue Plan Act of 2021 into the fund. Proposed law creates the American Rescue Plan Act Program for the purpose of administering monies from the fund. Proposed law provides that the program may provide funding for the following purposes: to respond to the public health emergency with respect to COVID-19, including assistance or aid programs; to provide premium pay to certain essential workers or provide grants to eligible employers that have eligible workers who perform essential work; to provide government services to the extent of the reduction in revenue of the state due to COVID-19 relative to revenues collected in the most recent full fiscal year of the state prior to the emergency; and to make necessary investments in water, sewer or broadband infrastructure. Proposed law shall be effective upon signature of the governor or lapse of time for gubernatorial action.

EXPENDITURES	2021-22	2022-23	2023-24	2024-25	2025-26	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	\$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						

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	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total						

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure. Proposed law creates the American Rescue Plan Act Fund and directs the treasurer to deposit any federal monies allocated to Louisiana pursuant to Coronavirus State Fiscal Recovery Fund of the American Rescue Plan (ARP) Act of 2021 into the fund. Louisiana's allocation from the ARP includes \$3,208,887,206 direct aid to the state and \$1,795,920,682 direct aid to LA local governmental entities, for a total of \$5,004,807,888. The LFO assumes only the state allocation will be deposited into the fund, as the local allocations will be distributed directly to local governing authorities. The ARP also creates a Coronavirus Capital Projects Fund. This fund is intended for critical capital projects directly enabling work, education and health monitoring, including remote options, that respond to the COVID pandemic. The Act neither specifies that these funds are to be used for construction nor does it rule construction out. Louisiana's allocation from the Capital Projects Fund is \$179.8 M. The LFO assumes proposed law intends to direct deposit of these monies into the fund as well.


Proposed law provides for the allowable uses of monies in the American Rescue Plan Act Fund, but does not specify an allocation among the allowable purposes. The LFO assumes the allocation plan will occur under a separate legislative instrument.

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 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.

REVENUE EXPLANATION

Proposed law will create no net change to revenue receipts for state or local governing entities. Proposed law creates American Rescue Plan Act Fund and directs the treasurer to deposit any federal monies allocated to Louisiana pursuant to Coronavirus State Fiscal Recovery Fund of the American Rescue Plan (ARP) Act of 2021 into the fund. Absent proposed law these monies may have been appropriated as a Federal (Direct) revenue source. The monies will now be appropriated as a Statutorily Dedicated source.

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>
<input 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}	


Christopher A. Keaton
 Legislative Fiscal Officer