

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 674** HLS 21RS 1072

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

| | | |
|--|---------|-----------------------------------|
| Date: April 28, 2021 | 6:26 PM | Author: CARTER, GARY |
| Dept./Agy.: Treasury | | |
| Subject: Dedicates funds to Faith-Based Communities Outreach Fund | | Analyst: Alan M. Boxberger |

FUNDS/FUNDING

OR SEE FISC NOTE SD EX See Note

Page 1 of 2

Dedicates funds from the American Rescue Plan Act of 2021 to the Faith-Based Communities Outreach Fund

Proposed law creates the Faith-Based Communities Outreach Fund and provides that monies in the fund may only be used to provide grants to faith-based organizations impacted by COVID-19. Proposed law directs the state treasurer to deposit \$50 million of federal monies allocated to Louisiana pursuant to the Coronavirus State Fiscal Recovery Fund of the American Rescue Plan Act of 2021 into the fund. Proposed law provides that grants from the fund shall be administered by the Office of the Governor.

| EXPENDITURES | <u>2021-22</u> | <u>2022-23</u> | <u>2023-24</u> | <u>2024-25</u> | <u>2025-26</u> | <u>5 -YEAR TOTAL</u> |
|---------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------------|
| State Gen. Fd. | SEE BELOW | SEE BELOW | SEE BELOW | SEE BELOW | \$0 | \$0 |
| Agy. Self-Gen. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Ded./Other | SEE BELOW | SEE BELOW | SEE BELOW | SEE BELOW | \$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> | \$0 |
| Annual Total | | | | | \$0 | \$0 |
| REVENUES | <u>2021-22</u> | <u>2022-23</u> | <u>2023-24</u> | <u>2024-25</u> | <u>2025-26</u> | <u>5 -YEAR TOTAL</u> |
| 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 | \$0 | \$0 |
| Federal Funds | SEE BELOW | SEE BELOW | SEE BELOW | SEE BELOW | \$0 | \$0 |
| Local Funds | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | \$0 |
| Annual Total | | | | | \$0 | \$0 |

EXPENDITURE EXPLANATION

Proposed law will transfer \$50 million from the state's allotment of the American Rescue Plan (ARP) Act of 2021 into the Faith-Based Communities Outreach Fund. Monies in the Fund may be expended to provide grants to faith-based organizations impacted by COVID-19. The grants shall be administered by the Office of the Governor.

The Executive Office reports that it assumes four additional positions will be required to implement the program prescribed in this measure to provide support to the Office of Community Programs, which will oversee administration of grants. The positions would consist of: one (1) Executive Director (\$134,815 salary and related benefits), two (2) program manager positions (\$156,390 salaries and related benefits), and one (1) administrative assistant (\$71,118 salary and related benefits). The Executive Office estimates annual operating costs at \$21,500 (travel, supplies and operating services), professional services at \$45,000 for consultant fees (trainers, screening tool, data, research), and \$5,520 for computer and communications equipment. An additional \$2,180 in one-time expenditures is estimated in FY 22 for office furniture.

For purposes of this Fiscal Note, the LFO assumes the positions would be hired as job appointments through December 31, 2024. Using the assumed costs illustrated above, total administrative costs would total approximately \$436,523 in FY 22,

EXPENDITURE EXPLANATION CONTINUED ON PAGE TWO

REVENUE EXPLANATION

Proposed law will create no net change to revenue receipts for state or local governing entities. Proposed law directs the treasurer to deposit \$50 million of monies received from the Coronavirus State Fiscal Recovery Fund of the American Rescue Plan (ARP) Act of 2021 into the Faith-Based Communities Outreach 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.

Senate

Dual Referral Rules

House

13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}

6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Christopher A. Keaton
Legislative Fiscal Officer

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CONTINUED EXPLANATION from page one:

EXPENDITURE EXPLANATION CONTINUED FROM PAGE ONE

\$434,343 in FYs 23 and 24, and \$217,172 in FY 25 (1/2 year as ARP funds expire on 12/31/24), for a total administrative cost of approximately \$1.5 M over the course of the program. This would equate to approximately 3% of the \$50 M total. The balance of approximately \$48.5 M would be distributed as grants to faith-based organization by or before 12/31/24.

Under the American Rescue Plan (ARP) Act of 2021, Louisiana will receive direct state aid in the amount of \$3.2 billion. The ARP Act provides for allowable uses of state aid as follows:

- 1) To respond to the COVID-19 public health emergency, or its negative economic impacts, including by providing assistance to households, small businesses, and nonprofits, or aid to impacted industries, such as tourism, travel, and hospitality;
- 2) Respond to workers performing essential work during the COVID-19 pandemic by providing premium pay to eligible workers of the State, territorial or Tribal government performing essential work or by providing grants to eligible employers that have eligible workers;
- 3) Provide government services, to the extent COVID-19 caused a reduction of revenues collected in the most recent full fiscal year of the State, territorial, or Tribal government
- 4) Make necessary investments in water, sewer, or broadband infrastructure.

States are still awaiting guidance from the U.S. Treasury for specifics regarding eligible uses of state aid appropriated through the ARP Act. Expenditure of state aid dollars from the ARP Act will remain available through 12/31/24.

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.

Senate Dual Referral Rules


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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