



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 622** HLS 21RS 122
 Bill Text Version: **REENGROSSED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: May 21, 2021 2:43 PM	Author: THOMPSON
Dept./Agy.: Executive Office (Office of the Governor)	Analyst: Monique Appeaning
Subject: Rural Development	

RURAL/DEVELOPMENT RE INCREASE GF EX See Note Page 1 of 1
 Provides relative to the office of rural development and the Rural Development Program

Proposed law adds the Governor's Advisory Council on Rural Revitalization, the Office of Broadband and Connectivity, and the Department of Economic Development to present law for agencies and programs that are designed to address rural needs. Proposed law adds "broadband connectivity, water quality and sewer treatment" to the definition of "rural development and revitalization." Proposed law re-establishes the Rural Development Fund. The fund shall be used solely to fund projects developed and coordinated jointly by the Office of Rural Development and the Department of Transportation and Development in rural areas of the state and for the administration and implementation of proposed law. Proposed law provides that the program shall be administered by the Office of Rural Development; adopt rules and regulations governing the use of the fund, any program or funding actions that it implements prior to the initiation of the program or funding action. Proposed law defines regional planning commission districts means the eight (8) regional planning commissions as define in present law. Proposed law provides for the director to employ one regional director in each of the eight (8) districts.

EXPENDITURES	2021-22	2022-23	2023-24	2024-25	2025-26	5 -YEAR TOTAL
State Gen. Fd.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Agy. Self-Gen.	\$0	\$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						
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	\$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	\$0

EXPENDITURE EXPLANATION

Proposed law will result in an increase in SGF expenditures of up to approximately \$1.1 M by the Executive Office (Office of the Governor) to re-establish the Office of Rural Development. The Governor's Office reports that eleven (11) positions are required to support the Office of Rural Development. The positions consist of an Executive Director position with a salary of \$90,000 and related benefits of \$44,815, eight (8) regional director positions each with a salary of \$60,000 and related benefits of \$32,350, one (1) program manager position with a salary of \$50,000 and related benefits of \$28,195, and an administrative assistant position with a salary of \$45,000 and related benefits of \$26,118. Additional needs identified totals \$52,125 provide for travel, supplies, and operating services. Also, professional services is for consultant fees of \$45,000 and \$21,175 for equipment (for annual leasing of equipment). The total is \$1,141,228. The agency projects the same for the out-years expenditures.

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 additional material 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 that 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.

Proposed law provides that each applicant for the position of regional director shall reside in the district in which he seeks employment as a regional director. Any person hired as a regional director shall remain a resident of the district in which he is employed throughout the entirety of his employment.

REVENUE EXPLANATION

Proposed law re-establishes the Rural Development Fund to receive monies from the sale of general obligation bonds of the state - issued pursuant to present law. Proceeds are to be used for the constitutionally permissible purposes of making capital improvements, providing relief from natural catastrophes, or for matching federal funds received for such purposes.

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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