



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 751** HLS 22RS 82
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: March 25, 2022 9:26 AM **Author:** BOURRIAQUE
Dept./Agy.: Transportation and Development
Subject: Dedicates funds from ARPA to certain road projects **Analyst:** Alan M. Boxberger

FUNDS/FUNDING-GRANTS OR SEE FISC NOTE SD EX Page 1 of 1
 Dedicates funds from the American Rescue Plan Act to certain road projects

Present law creates the Louisiana Rescue Plan Fund and directs the treasurer to deposit any monies allocated pursuant to the American Rescue Plan Act (ARPA) of 2021 into the fund. **Proposed law** creates the Road Assistance for Parishes Fund and directs the treasurer to deposit \$300 M into the fund from the Louisiana Rescue Plan Fund; creates the Road Assistance for Parishes Program to provide funding for patching and overlay projects for state or local roads in each parish; authorizes members of the legislature who represent the parish to determine whether the parish's allocation is applied to state or local roads; requires all funding to be expended by March 31, 2024, and any remaining balance in the fund on April 1, 2024, to be transferred to the Louisiana Rescue Plan Fund; and provides for the amount of funding allocated for projects in each parish.

EXPENDITURES	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>	<u>5 -YEAR TOTAL</u>
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	\$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>	\$0
Annual Total			\$0	\$0	\$0	\$0

REVENUES	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	<u>2026-27</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	\$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>	\$0
Annual Total			\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

Proposed law creates the Statutorily Dedicated Road Assistance for Parishes Fund and directs the treasurer to deposit into the fund \$300 M from the Louisiana Rescue Plan Fund. The current unallocated balance of monies in the Louisiana Rescue Plan Fund is \$1.384 B.

Proposed law provides that the Road Assistance for Parishes Fund may be utilized for patching and overlay projects for state or local roads in each parish pursuant to a defined parish allocation. Appropriations and allocations from the fund shall not be included in the funding for the Highway Priority Program and shall not supplant, limit or otherwise affect other appropriations or allocations. Monies allocated from the Fund shall be expended by March 21, 2024, and any remaining balances on April 1, 2024, shall be transferred into the Louisiana Rescue Plan Fund. Members of the Louisiana Legislature who represent each parish shall determine whether the parish's allocation is applied to state or local roads.

Proposed law does not explicitly identify the sponsoring state agency responsible for distribution of these funds to parishes, or whether the state or local governing authority shall administer the corresponding projects. The LFO assumes DOTD will be responsible for administering projects on state roads, will serve as a pass-through entity transferring monies to local governing authorities for funds expended on local roads, or may enter into a Cooperative Endeavor Agreement (CEA) to define administrative and project management responsibilities for such projects. Alternatively, if the funds are appropriated through Schedule 20-945 State Aid to Local Government Entities, the Treasury would be responsible for CEAs with the local authorities. DOTD reports that because the source of funds is Federal, the department assumes federal environmental processes may be required, which would constrain the ability to expend the funds before the deadline. If this is necessary, DOTD would be required to obtain a consultant to administer this portion of the projects. The cost for the consultant would be dependent upon the scope of work requiring DOTD's direct administration (state versus local projects).

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 \$73,000, 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 the Road Assistance for Parishes Fund and directs the treasurer to deposit into the Fund \$300 M from the Louisiana Rescue Plan Fund. Any unexpended balances on April 1, 2024, shall be transferred into the Louisiana Rescue Plan Fund.

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| <p><u>Senate</u></p> <p><input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}</p> <p><input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}</p> | <p><u>Dual Referral Rules</u></p> | <p><u>House</u></p> <p><input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}</p> <p><input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}</p> |
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Evan Brasseaux
 Interim Deputy Fiscal Officer