

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 645** HLS 22RS 1019

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: April 4, 2022	5:07 PM	Author: MAGEE
Dept./Agy.: LDH		Analyst: Shawn Hotstream
Subject: Community Options Waiver Fund		

FUNDS/FUNDING OR DECREASE GF RV See Note Page 1 of 1
Establishes the Community Options Waiver Fund and provides for dedication of revenues and use of monies in the fund

Proposed law creates the Community Options Waiver Fund in the treasury. Proposed law provides in any fiscal year, after certain deposits, the treasurer is directed to deposit 12% of the total of recurring state general fund revenue as recognized by the Revenue Estimating Conference in excess of the official forecast at the beginning of the current fiscal year, not to exceed \$50 M in any fiscal year. Monies in the fund shall be appropriated to fund waiver services (Community Choices Waiver, the Adult Day Health Care Waiver, or any other Medicaid home and community based waiver for persons with adult-onset disabilities as promulgated by LDH rule. Such funding shall not be used to supplant appropriations from the general fund for waiver services.

EXPENDITURES	2022-23	2023-24	2024-25	2025-26	2026-27	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	\$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

REVENUES	2022-23	2023-24	2024-25	2025-26	2026-27	5 -YEAR TOTAL
State Gen. Fd.	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
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						

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure.

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

This measure dedicates up to \$50 M per year of future revenue growth to specific waiver services under certain conditions. Specifically, the fund would receive 12% of all recurring state general fund revenue recognized by the Revenue Estimating Conference in excess of the official forecast at the beginning of the year, up to a maximum of \$50 M in any fiscal year. Estimating annual fund deposits, if any, is indeterminable. **However, to the extent this does occur, resources available for state general fund expenditures will be less than they otherwise would be, and a like amount of resources will be made available for the purposes of the new fund created by the bill.**

As an example, base revenue forecasts of state general fund revenues have been increased during FY 22 at the January 2022 REC meeting by approximately \$847 M. If this forecast materializes and is reported as actual collections, this bill would dedicate \$50 M of those increases to the new fund. Presumably, the treasurer would make the transfers required by this bill at the end of the each fiscal year. Revenue deposits are not guaranteed annually, but are used for recurring waiver expenditures.

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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