Louisiana Legislative	LEGISLAT	IVE FISCAL OFFIC Fiscal Note	CE						
Fiscal Office		Fi	iscal Note On:	HB	982 HLS	22RS	1941		
Fiscal Office Fiscal Notes	Bill Text Version: ORIGINAL								
	Opp. Chamb. Action: Proposed Amd.:								
Date: April 18, 2022	1:08 PM	Author: DUPLESSIS							
Dept./Agy.:LDH									

Subject: Future of Louisiana Program

Analyst: Shawn Hotstream

FUNDS/FUNDING

OR -\$140,000,000 GF RV See Note

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Establishes the Future of Louisiana Program and provides for the administration of, distributions from, and qualifications for such program

Proposed law creates the Future of Louisiana Program in the Louisiana Department of Health. Proposed law creates the Future of Louisiana fund in the state treasury. Proposed law requires the program to provide each beneficiary of the program (Louisiana babies whose birth is eligible for or covered under Medicaid) with a lump sum payment beginning January 1, 2025. The secretary of LDH shall submit to the state treasurer a certification of the number of babies born alive in Louisiana (immediate prior year), and the treasurer shall transfer \$3,500 for each certified baby born.

Proposed law provides that the qualifying beneficiary shall be entitled to a lump sum distribution of all monies held for him in the fund (including interest). Distribution of the funds to qualifying individuals requires an application to LDH. LDH is required to promulgate rules relative to the claims process, eligibility, fraud control, and appeals.

Proposed law creates the future of Louisiana Committee to advise the legislature about the Future Program.

Proposed law terminates on January 1, 2043.

EXPENDITURES	2022-23	2023-24	2024-25	2025-26	2026-27	5 -YEAR TOTAL
State Gen. Fd.	\$0	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	\$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
REVENUES	2022-23	<u>2023-24</u>	2024-25	2025-26	2026-27	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	(\$140,000,000)	(\$140,000,000)	(\$140,000,000)	(\$420,000,000)
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$140,000,000	\$140,000,000	\$140,000,000	\$420,000,000
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 \$0	\$0

## **EXPENDITURE EXPLANATION**

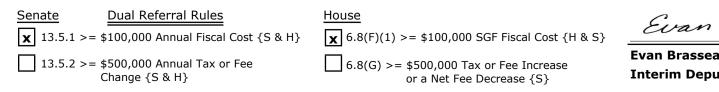
Proposed law provides for a lump sum distribution of \$3,500 plus any interest earnings to eligible individuals beginning on their 18th birthday. Lump sum payments will be authorized at a minimum 18 years from the start of the program (January 1, 2025).

Proposed law provides for a Future of Louisiana Committee, with 7 members eligible for per legislative per diem, and shall meet at least once a year through 2034. The first meeting of the committee shall be no later than July 1, 2023.

## **REVENUE EXPLANATION**

Proposed law allocates approximately \$140 M a year in State General Fund to a new fund (the Future of Louisiana Fund) to provide a lump sum payment for distribution to eligible individuals 1) that were born on/after July 1, 2024, and 2) whose birth was eligible for or covered by Medicaid. This measure begins allocating \$3,500 in SGF for each eligible beginning in FY 24/25, and authorizes a principle (\$3,500) and interest distribution from the treasury beginning on the eligible's 18th birthday.

Based on an estimated 40,000 births a year requiring a \$3,500 SGF deposit in to the new fund, approximately \$140 M in State General Funds will be reallocated from state expenditure annually. Lump sum payments will be authorized at a minimum 18 years from the start of the program (January 1, 2025).



Evan Brasseaus

Evan Brasseaux **Interim Deputy Fiscal Officer**