



**LEGISLATIVE FISCAL OFFICE
Fiscal Note**

Fiscal Note On: **SB 325** SLS 22RS 513
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: April 22, 2022	11:27 AM	Author: CARTER, GARY
Dept./Agy.: Statewide		
Subject: Home Ownership and Personal Equity (HOPE) Fund		Analyst: Monique Appeaning

FUNDS/FUNDING OR INCREASE SD EX See Note Page 1 of 1
 Provides for the creation, transfer, dedication, deposit and use of the HOPE Fund. (gov sig)

Proposed law creates the Home Ownership and Personal Equity (HOPE) Fund in the state treasury as a special fund. Proposed law authorizes and directs the state treasurer to deposit and credit the HOPE fund \$10 M of the federal monies allocated to Louisiana pursuant to the Coronavirus State Fiscal Recovery Fund of the American Rescue Plan of 2021 (ARP). Monies in the HOPE Fund shall be invested in the same manner as monies in the State General Fund. Interest earned on the investment of monies in the HOPE Fund shall be deposited and credited to the HOPE Fund. Proposed law provides for monies in the fund shall be used to provide grants for financial and educational assistance on homeownership for Louisiana residents who are currently receiving affordable housing or other federal, state, or local rental assistance. The grants shall be administered by the Office of Community Development.

EXPENDITURES	2022-23	2023-24	2024-25	2025-26	2026-27	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	INCREASE	INCREASE	INCREASE	SEE BELOW	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total					\$0	\$0

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

EXPENDITURE EXPLANATION

Proposed law will result in expenditure and workload increases in the Division of Administration - Office of Community Development (DOA) to administer the HOPE Fund for grants for financial and educational assistance on homeownership for Louisiana residents who are currently receiving affordable housing or other federal, state, or local rental assistance. DOA assumes that 10% (or \$1 M) of the fund will be set-aside for the administration of the program. The DOA estimates it needs two (2) positions, Community Development Specialists 2 and other expenditures detailed below to administer this program.

Expenditure Details for the Home Ownership and Personal Equity (HOPE) Fund

\$ 180,804 (two positions at an annual salary of \$58,571 and related benefits of \$31,831 for each position)
 \$ 10,750 (travel, supplies, and operating services)
 \$ 3,850 (equipment)
 \$ 780,000 (prof. services for a 3rd party for program management, outreach, communications and database services)
 \$ 9,024,596 (other charges for grants to eligible citizens)
 \$10,000,000

NOTE: The Legislative Fiscal Office anticipates the timeframe for expenditure of funds per ARPA guidelines and is reflected above. Recipients must obligate the funds by December 31, 2023, and spend them by December 31, 2026.

Proposed law creates within the state treasury a marginal workload increase for the Department of Treasury, which can generally be absorbed with existing resources. However, to the extent other legislative instruments create additional workload, 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 may need 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

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

<p><u>Senate</u></p> <p><input checked="" 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>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>	<p><i>Evan Brasseaux</i></p> <hr/> <p>Evan Brasseaux Interim Deputy Fiscal Officer</p>
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