**EXPENDITURE EXPLANATION**

Proposed law may result in a significant increase in expenditures to create the Small Business Innovation and Retention Fund which will provide financial assistance to certain Louisiana businesses. Proposed law creates a workload increase for the LED to administer the Small Business Innovation Retention Fund and to provide for the disbursement of up to $1M from the SBIR fund to selected applicants in the form of grants for FY 23. Proposed law will increase the expenditures for the LED for one position to implement the requirements of this bill to establish criteria for grant eligibility, provide for an application process, and select eligible Louisiana business applicants to receive monies from the fund. This same position will support the needs outlined in House Bill 795. Proposed law provides up to $100,000 per year be allocated to the department for as long as the department administers grants from the fund. For purposes of this fiscal note, the Legislative Fiscal Office assumes that the source is SGF for out years beginning FY 24.

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**

Proposed law creates the Small Business Innovation Retention Fund and is subject to appropriation and the provisions of proposed law. Monies deposited into the fund will be contingent upon transfers, donations, or appropriations into the fund by the legislature. Proposed law provides for up to $1,105,000 to be disbursed from the fund for FY 23. For purposes of this fiscal note, the Legislative Fiscal Office assumes that the source is SGF for out years beginning FY 24.

NOTE: House Bill 406 authorizes and directs the state treasurer to transfer $1,105,000 from the Louisiana Rescue Plan Fund into the Small Business Innovation Retention Fund contingent upon the Act that originated as House Bill 786 of this 2022 Regular Session of the Legislature becomes law.