

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 181** SLS 23RS 306
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action: **w/ SEN COMM AMD**
 Proposed Amd.:
 Sub. Bill For.:

Date: May 7, 2023	1:22 PM	Author: CLOUD
Dept./Agy.: Economic Development		Analyst: Chris Henry
Subject: Expanding Louisiana's Healthcare Workforce Program		

FUNDS/FUNDING OR1 INCREASE GF EX See Note Page 1 of 2
 Creates the Expanding Louisiana's Health Care Workforce Fund. (8/1/23)

Proposed legislation creates the Expanding Louisiana's Health Care Workforce Program in the Department of Economic Development (LED) to be administered by the Louisiana Economic Development Corporation. Provides for the creation of the Expanding Health Care Workforce Commission and its membership. The Commission will award grant funding through a competitive process to licensed health care facilities in Louisiana who collaborate with postsecondary education institutions to expand capacity to recruit, educate, and train nursing and allied health professionals based on guidance established by LED. Creates the Expanding Louisiana's Health Care Workforce Fund in the state treasury to be used solely to provide grant funding for the program.

EXPENDITURES	2023-24	2024-25	2025-26	2026-27	2027-28	5 -YEAR TOTAL
State Gen. Fd.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Agy. Self-Gen.	SEE BELOW	\$0	\$0	\$0	\$0	\$0
Ded./Other	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
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						
REVENUES	2023-24	2024-25	2025-26	2026-27	2027-28	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	<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

EXPENDITURE EXPLANATION

There will be an increase in expenditures for the Department of Economic Development (LED) to administer and provide grants for the new program, however, there is no dedicated, recurring source of revenue for the Expanding Louisiana's Health Care Workforce Fund (Fund) to support it. The LFO assumes administrative costs will be funded with SGF and grants with Statutory Dedications out of the newly created Fund if the legislature provides for a deposit of monies into the Fund.

The grant program's primary applicants are licensed health care facilities in Louisiana, including rural and safety-net health care employers. Each applicant will be required to provide cash or in-kind funding to support their proposal, however this requirement may be waived by the Expanding Health Care Workforce Commission (Commission). LED is required to publish guidance on the program including a prioritization of applications with regional collaboration between health care providers and academic institutions as well as those that train high-demand health care professionals for employment in the region. Applications will be initially reviewed by LED and submitted to the Louisiana Economic Development Corporation for rating and subsequent recommendation to the Commission for final approval consideration.

LED estimates total costs to implement the program at \$424,058 in FY 24, \$340,400 in FY 25, and \$352,139 in FY 26, assumed in this note to be paid out of the SGF. Proposed law requires all administrative costs to initiate the program receive prior approval by the Commission before implementation. The new program will result in an increase in expenditures and personnel at LED to create guidance, review applications, prioritize regional health care workforce needs, and execute grants. LED estimates the program will require three (3) authorized positions along with one-time costs of \$100,000 for the creation of an additional module in the FastLane platform (\$80,000) and outreach efforts (\$20,000) to promote the new program, however, these costs could change depending on the total funding amount for grants. Two (2) Program Administrators would be needed to administer the program at a total cost of \$204,058 (\$68,019 Salary, \$34,010 Benefits per position) and one (1) Attorney 3 to ensure compliance with applicable laws and rules compensated at \$120,000 (\$80,000 Salary, \$40,000 Benefits) beginning in FY 24. In subsequent fiscal years, an average compensation increase of 3.5% for market rate adjustments is factored annually. There is a \$5,000 recurring cost for professional services to continue updates to FastLane and the LED website.

Continued on page two

REVENUE EXPLANATION

Proposed law creates the Expanding Louisiana's Health Care Workforce Fund but does not provide for a recurring source of revenue for the fund. Monies deposited into the fund will be contingent upon transfers into the fund by the legislature.

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

Alan M. Boxberger
Alan M. Boxberger
Interim Legislative Fiscal Officer



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **SB 181** SLS 23RS 306
Bill Text Version: **ORIGINAL**
Opp. Chamb. Action: **w/ SEN COMM AMD**
Proposed Amd.:
Sub. Bill For.:

Date: May 7, 2023	1:22 PM	Author: CLOUD
Dept./Agy.: Economic Development		
Subject: Expanding Louisiana's Healthcare Workforce Program		Analyst: Chris Henry

CONTINUED EXPLANATION from page one:

Page 2 of 2

Expenditure Explanation continued

Creating a new statutory 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 additional material 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 that it will be required to add one T.O. position at a total personnel services cost of approximately \$78,000 plus approximately \$2,450 for a one-time purchase of new office equipment. These expenditures are assumed to be SGR in this fiscal note.

Senate
 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}

Alan M. Boxberger
Alan M. Boxberger
Interim Legislative Fiscal Officer