

2024 Regular Session

SENATE BILL NO. 64

BY SENATOR REESE

FUNDS/FUNDING. Provides for changes to the Water Sector Program. (gov sig)

1 AN ACT

2 To amend and reenact R.S. 39:100.52(A) and 100.56(D)(1) and (G), to enact R.S.
3 39:100.52(E), 100.56(K)(2)(c), and 100.56(O), and to repeal R.S. 39:100.56(N),
4 relative to the Water Sector Program; to provide relative to the Water Sector Fund;
5 to remove an outdated reference to a previous transfer of funds; to provide relative
6 to Water Sector Program guidance requirements; to require rate studies for grant
7 recipients; to provide relative to adjustments of grant awards; and to provide for
8 related matters.

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. R.S. 39:100.52(A) and 100.56(D)(1) and (G) are hereby amended and
11 reenacted and R.S. 39:100.52(E), 100.56(K)(2)(c), and 100.56(O) are hereby enacted to read
12 as follows:

13 §100.52. Water Sector Fund

14 A. There is hereby created in the state treasury, as a special fund, the Water
15 Sector Fund, hereinafter referred to in this Section as the "fund". ~~The treasurer is~~
16 ~~hereby authorized and directed to transfer three hundred million dollars from the~~
17 ~~Louisiana Rescue Plan Fund into the Water Sector Fund.~~

* * *

E. Any monies deposited into the fund on or after July 1, 2024 shall be used only to provide grant funding for repairs, improvements, and consolidation of community water and sewer systems pursuant to the Water Sector Program as provided in R.S. 39:100.56(O).

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§100.56. Water Sector Program

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D.(1) The division shall promulgate guidance for the administration of the program. The guidance shall include application requirements, application period dates and deadlines for submissions and approval, criteria for ratings, grant requirements, procedures for the consideration of extension requests, and adjustments to grant awards, and a process for ensuring funding for small water and sewer systems and prioritizing critical infrastructure needs. The Administrative Procedure Act, R.S. 49:950 et seq., shall not apply to guidance promulgated pursuant to this Section. The division shall submit the proposed guidance to the commission for review and approval. Any changes to the guidance shall require approval by the commission.

* * *

G.(1) Each grant recipient shall be required to provide matching funds, as provided for in the guidance, unless the commission recommends waiving the match requirement.

(2) A rate study shall be completed on each grant recipient as provided for in the guidance.

* * *

K.(1)

* * *

(2)(a)

* * *

(c) The commission shall not consider a request to adjust a grant award due to an increase in project costs until the grantee has submitted a value

1 engineering review of the project to the division.

2 * * *

3 O.(1) Any monies deposited into the fund on or after July 1, 2024 shall
4 be used only to provide grant funding for repairs, improvements, and
5 consolidation of community water and sewer systems pursuant to the provisions
6 of this Subsection.

7 (2) The commission shall hold a meeting no later than September 1, 2024
8 to submit priorities to the division to utilize in the development of guidance for
9 any new grants awarded pursuant to the Water Sector Program on or after July
10 1, 2024.

11 (3) Upon receipt, the division shall promulgate guidance for the
12 administration of any new grants awarded after July 1, 2024. The guidance
13 shall include application requirements, deadlines for application submissions
14 and approval, criteria for ratings, and a process for prioritizing critical
15 infrastructure needs. The Administrative Procedure Act, R.S. 49:950 et seq.,
16 shall not apply to guidance promulgated pursuant to this Subsection. No later
17 than October 1, 2024, the division shall submit the proposed guidance to the
18 commission for review and approval. Any changes to the guidance shall require
19 approval by the commission.

20 (4)(a) In addition to the guidance provided for in this Subsection, the
21 division shall submit a proposal outlining administrative costs for the program
22 to the commission for review and approval prior to implementing the program.
23 The commission shall review the proposed administrative costs and make a
24 recommendation to the Joint Legislative Committee on the Budget for funding
25 for administrative costs subject to appropriation. The Joint Legislative
26 Committee on the Budget shall review the recommendations submitted by the
27 commission and approve administrative costs for the program.

28 (b) Notwithstanding any provision of law to the contrary, the division
29 may enter into consulting services, professional services, and information and

1 technology services contracts for the purpose of the procurement of any goods
2 or services necessary to implement and expedite the distribution of funds as
3 emergency procurements exempt from the provisions of the Louisiana
4 Procurement Code and corresponding rules and regulations. The cost of such
5 contracts shall be considered administrative costs and shall require approval of
6 the Joint Legislative Committee on the Budget.

7 (5) Each grant recipient shall be required to provide matching funds
8 unless the commission recommends waiving the match requirement.

9 (6) The division shall begin accepting applications for available funds,
10 including those appropriated by the legislature, no later than thirty days after
11 promulgation of the guidance. The applications shall include the following, at
12 a minimum:

13 (a) The amount of grant funding requested.

14 (b) The amount and proposed source of funding for the proposed match.

15 (c) Proposals for repairs, improvements, or consolidation with
16 neighboring systems.

17 (d) Assurance the entity will comply with the rate determination of the
18 rate study completed by a third party chosen by the division prior to release of
19 funds for construction and permission to bid.

20 (7) Within forty-five days of the end of the application period, the
21 division shall submit ratings of the proposed projects by the working panel
22 established in Subsection C of this Section and recommendations for funding
23 for the projects to the commission. The working panel's recommendations to the
24 commission shall include recommendations for utilization of existing funding
25 sources including the Drinking Water Revolving Loan Fund, Clean Water State
26 Revolving Fund, and Community Water Enrichment and Other Improvements
27 Fund.

28 (8) The commission shall review the ratings and recommendations
29 submitted by the working panel. The commission shall submit its

1 recommendations for grant awards to the Joint Legislative Committee on the
 2 Budget. The recommendations shall include:

3 (a) Proposed matching funds, unless the commission recommends a
 4 waiver of matching funds or decreased match for any project based on the
 5 determination that the local governing authority or water system is unable to
 6 provide the match.

7 (b) Funding for small water and sewer systems as provided for in the
 8 guidance.

9 (9) The Joint Legislative Committee on the Budget shall review the
 10 recommendations submitted by the commission and have final approval of
 11 funding for projects. No monies shall be expended from the fund without
 12 approval of the Joint Legislative Committee on the Budget.

13 (10) The division shall submit a quarterly status update, including a
 14 construction progress report, for projects that received funding approval to the
 15 commission and the Joint Legislative Committee on the Budget.

16 (11) Each grant recipient that receives funding pursuant to this Section
 17 shall comply with the provisions of R.S. 24:513.

18 Section 2. R.S. 39:100.56(N) is hereby repealed.

19 Section 3. This Act shall become effective upon signature by the governor or, if not
 20 signed by the governor, upon expiration of the time for bills to become law without signature
 21 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
 22 vetoed by the governor and subsequently approved by the legislature, this Act shall become
 23 effective on the day following such approval.

The original instrument and the following digest, which constitutes no part
 of the legislative instrument, were prepared by Curry Lann.

SB 64 Engrossed

DIGEST
 2024 Regular Session

Reese

Present law (R.S. 39:100.52) creates the Water Sector Fund within the state treasury and authorizes the treasurer to transfer \$300,000,000 from the Louisiana Rescue Plan Fund into the Water Sector Fund.

Proposed law removes the outdated reference to a previous transfer of funds.

Present law (R.S. 39:100.56) creates the Water Sector Program and the Water Sector Commission to provide grant funding for repairs, improvements, and consolidation of community water and sewer systems.

Proposed law retains present law.

Present law requires the division of administration to promulgate guidance for the administration of the program that includes application requirements, application period dates and deadlines for submissions and approval, criteria for ratings, and a process for ensuring funding for small water and sewer systems and prioritizing critical infrastructure needs.

Proposed law further requires the inclusion of grant requirements and procedures for the consideration of extension requests and adjustments to grant awards in the guidance and otherwise retains present law.

Proposed law requires that a rate study be completed on each grant recipient as provided for in the guidance.

Proposed law prohibits the commission from considering a request to adjust a grant award due to an increase in project costs until the grantee has submitted a value engineering review of the project to the division.

Present law requires grant recipients to comply with audits performed by the legislative auditor but provides an exception to present law consequences for noncompliance.

Proposed law repeals the present law exception to consequences for noncompliance and otherwise retains present law.

Proposed law requires that any monies deposited into the fund on or after July 1, 2024 be used only to provide grant funding for repairs, improvements, and consolidation of community water and sewer systems pursuant to the Water Sector Program as provided in proposed law.

Proposed law requires the commission to hold a meeting no later than September 1, 2024 to submit priorities to the division to utilize in the development of guidance for any new grants issued pursuant to the Water Sector Program on or after July 1, 2024.

Proposed law requires the division to promulgate guidance for the administration of any new grants awarded after July 1, 2024. The guidance shall include application requirements, deadlines for application submissions and approval, criteria for ratings, and a process for prioritizing critical infrastructure needs.

Proposed law requires the division to the proposed guidance to the commission for review and approval no later than October 1, 2024. Any changes to the guidance shall require approval by the commission.

Proposed law requires the division to submit a proposal outlining administrative costs for the program to the commission for review and approval prior to implementing the program. The commission shall review the proposed administrative costs and make a recommendation to the Joint Legislative Committee on the Budget for funding for administrative costs subject to appropriation. The Joint Legislative Committee on the Budget shall review the recommendations submitted by the commission and approve administrative costs for the program.

Proposed law authorizes the division to enter into consulting services, professional services, and information and technology services contracts for the purpose of the procurement of any goods or services necessary to implement and expedite the distribution of funds as

emergency procurements exempt from the provisions of the Louisiana Procurement Code and corresponding rules and regulations. The cost of such contracts shall be considered administrative costs and shall require approval of the Joint Legislative Committee on the Budget.

Proposed law requires each grant recipient to provide matching funds unless the commission recommends waiving the match requirement.

Proposed law requires the division to begin accepting applications for available funds, including those appropriated by the legislature, no later than 30 days after promulgation of the guidance.

Proposed law requires the division to submit ratings of the proposed projects by the working panel and recommendations for funding for the projects to the commission within forty-five days of the end of the application period.

Proposed law requires the commission to review the ratings and recommendations submitted by the working panel. The commission shall submit its recommendations for grant awards to the Joint Legislative Committee on the Budget. The Joint Legislative Committee on the Budget shall review the recommendations submitted by the commission and have final approval of funding for projects. No monies shall be expended from the fund without approval of the Joint Legislative Committee on the Budget.

Proposed law requires the division to submit a quarterly status update, including a construction progress report, for projects that received funding approval to the commission and the Joint Legislative Committee on the Budget.

Proposed law requires each grant recipient that receives funding to comply with audit provisions of present law.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Amends R.S. 39:100.52(A) and 100.56(D)(1) and (G); adds R.S. 39:100.52(E), 100.56(K)(2)(c) and 100.56(O); repeals R.S. 39:100.56(N))

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Finance to the original bill

1. Adds provisions pertaining to any monies deposited into the fund on or after July 1, 2024 for repairs, improvements, and consolidation of community water and sewer systems.
2. Adds provisions relative to the development of guidance and the application, ratings, and recommendation process for any new grants awarded pursuant to the Water Sector Program on or after July 1, 2024.
3. Requires each grant recipient to provide matching funds unless the commission recommends waiving the match requirement.
4. Requires the commission to submit recommendations for grant awards to the Joint Legislative Committee on the Budget that has final approval of funding for projects. No monies shall be expended from the fund without approval of the Joint Legislative Committee on the Budget.
5. Repeals the present law exception to consequences for noncompliance with audits performed by the legislative auditor and otherwise retains present law.