

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 549** HLS 13RS 809

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.: **REVISED**

Date: May 2, 2013	5:00 PM	Author: LEGER
Dept./Agy.: DHH		Analyst: Jennifer Katzman
Subject: Creation of the Louisiana MediFund		

RESEARCH & DEVELOPMENT OR INCREASE SD EX See Note Page 1 of 1
Establishes the MediFund for statewide advancement of biosciences and medical centers of excellence

Proposed law creates the Louisiana MediFund in the state treasury for the advancement of biosciences and medical centers of excellence. Proposed law also provides for board membership and activities under the Dept. of Health & Hospitals (DHH). Funding for the MediFund may come from state appropriation, federal funds, public or private donations, gifts, or grants from individuals, corporations, nonprofit organizations, or other business entities. Proposed legislation also repeals R.S. 51:2201-2205 relative to the Dedicated Research Investment Fund.

Proposed legislation further indicates that the goals of the MediFund are to create regional and national medical centers of excellence to promote destination health care, contribute to improvement of health outcomes, support research & clinical partnerships, and facilitate a process for funding programs. Programmatic funding shall be based on a tiered system of awards known as planning or program grants to public or not-for-profit entities only. Proposed law terminates on

EXPENDITURES	2013-14	2014-15	2015-16	2016-17	2017-18	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	INCREASE	INCREASE	
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	2013-14	2014-15	2015-16	2016-17	2017-18	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Federal Funds	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total						

EXPENDITURE EXPLANATION

There is an anticipated increase in Statutory Dedications expenditures as a result of the proposed legislation due to the creation of the MediFund, which will be used to issue grants to public or not-for-profit entities for strategic research & clinical partnerships, improving health outcomes, and promoting Louisiana as a destination source for health care. However, any level of annual expenditures is unknown & will depend on the funding deposited in the MediFund & how grants are awarded.

Proposed law states that the board of the MediFund consist of 11 members that shall serve without compensation except for reimbursement of travel expenses. Estimated costs per meeting for travel expenses are \$1,550. Depending on the number of meetings per year that the board schedules, these costs may increase. Since the proposed legislation is silent as to whether DHH will fund the board's travel expenses from its operating budget or if these costs will be reimbursed from the MediFund's revenues, it is assumed that the MediFund will reimburse for any travel expenditures.

The LFO also anticipates a minimum workload increase associated with the creation and reporting requirements of this single fund in the treasury. However, the treasurer has noted that if the number of special and administrative funds increase significantly during the 2013 Regular Session, this may cause a significant workload increase necessitating the hiring of an additional State Treasury Fiscal Analyst (\$53,886 starting salary & related benefits funded with SGR).

REVENUE EXPLANATION

The impact on revenues as a result of the proposed legislation is unknown. The proposed legislation states that funding for the MediFund may come from state appropriation, federal funds, public or private donations, gifts, or grants from individuals, corporations, nonprofit organizations, or other business entities. As such, MediFund activities are subject to state appropriation and availability of private and Federal funding. There is currently no state funding budgeted for the MediFund in FY 14, and the availability of Federal and private funding is unknown.

Note: There are currently no existing funds within the Dedicated Research Investment Fund which is being repealed by this legislation.

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>
<input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}		<input type="checkbox"/> 6.8(F) >= \$500,000 Annual Fiscal Cost {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}

John D. Carpenter
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Legislative Fiscal Officer