



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **SB 352** SLS 16RS 488
Bill Text Version: **ORIGINAL**
Opp. Chamb. Action:

Proposed Amd.:
Sub. Bill For.:

Date: April 15, 2016	2:00 PM	Author: RISER
Dept./Agy.: Attorney General		
Subject: LA False Claims Act		Analyst: Matthew LaBruyere

FUNDS/FUNDING OR SEE FISC NOTE SD EX See Note Page 1 of 1
Provides for the Louisiana False Claims Act. (8/1/16)

Proposed law creates the Louisiana False Claims Act which combats and prevents fraud and abuse committed by any person against state government and negates the adverse effects such activities have on the state's fiscal integrity and monetary resources.

EXPENDITURES	2016-17	2017-18	2018-19	2019-20	2020-21	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	\$0	\$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	2016-17	2017-18	2018-19	2019-20	2020-21	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	\$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						

EXPENDITURE EXPLANATION

The proposed legislation may result in an increase in state general fund or statutorily dedicated expenditures within the Attorney General’s (AG) Office as a result of creating the LA False Claims Act. The exact increase is indeterminable since it is unknown how many cases will be pursued by the Attorney General as a result of this legislation. The Attorney General’s Office indicates that at the current time, any increases in workload can be absorbed with existing personnel and resources. However, the office also states that in future years, additional personnel may be needed.

To the extent additional personnel are needed as a result of increased workload, the cost of each additional attorney would be \$124,143 and the cost for each secretary would be \$72,707. The salary and related benefits for 1 attorney is \$98,393 (\$65,000 salary + \$33,393 related benefits). Operating expenses which include travel, supplies and operating services is \$18,150 and acquisitions total \$7,600. The total cost of 1 attorney is \$124,143 in the first year and an annual cost of \$116,543. To the extent a secretary is also needed, the first year cost would be \$72,707 (\$56,857 salary and benefits + \$10,950 operating expenses + \$4,900 acquisitions) with a recurring annual cost of \$67,807.

NOTE: Damages recovered would be deposited into the Legal Support Fund up to the statutory cap or Medical Assistance Programs Fraud Detection Fund. In the event sufficient funding is not available in the funds, state general fund would be needed to fund positions.

REVENUE EXPLANATION

The proposed legislation may result in an increase in statutorily dedicated revenue as a result of recovering funds that were wrongfully taken from the state through fraud or abuse. The exact increase is indeterminable since it is unknown how many cases will be pursued by the Attorney General (AG), how many claims will be settled or won through judgment and how much in damages will be recovered. To the extent damages are recovered, the monies would be deposited into the Department of Justice Legal Support Fund. In the event the claim is related to medical assistance programs, the AG may deposit the damages into the Medical Assistance Programs Fraud Detection Fund.

Senate

Dual Referral Rules

House

☐ 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}

☐ 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

☐ 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}

☐ 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Evan Brasseaux

Evan Brasseaux
Staff Director