



OFFICE OF LEGISLATIVE AUDITOR
Fiscal Note

Fiscal Note On: **HB 339** HLS 16RS 899
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: March 23, 2016 3:56 PM	Author: SCHRODER
Dept./Agy.: Health Education Authority of Louisiana	Analyst: David Greer
Subject: Transfer of Assets	

BOARDS/COMMISSIONS OR -\$380,000 SG EX See Note Page 1 of 1
 Abolishes the Health Education Authority of Louisiana (HEAL)

Purpose of the Bill: Repeals law that establishes and provides authority of the Health Education Authority of Louisiana (HEAL) and transfers all assets of HEAL to to the Louisiana Public Facilities Authority (LPFA) to be used to promote medical, health, and educational activities.

EXPENDITURES	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.	(\$380,000)	(\$380,000)	(\$380,000)	(\$380,000)	(\$380,000)	(\$1,900,000)
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	(\$380,000)	(\$380,000)	(\$380,000)	(\$380,000)	(\$380,000)	(\$1,900,000)

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.	(\$290,456)	(\$297,910)	(\$305,587)	(\$313,495)	(\$321,640)	(\$1,529,088)
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	(\$290,456)	(\$297,910)	(\$305,587)	(\$313,495)	(\$321,640)	(\$1,529,088)

EXPENDITURE EXPLANATION

Agency Self-Generated expenditures will decrease as a result of this measure. The June 30, 2015 audit report of HEAL indicates expenditures of \$383,229 for the fiscal year. Because the bill repeals the law that provides the authority of HEAL, a public body within the Department of Health and Hospitals, these self-generated expenditures will no longer be made by a public body. However, expenditures will be made by the LPFA, a public trust with the State of Louisiana as the sole beneficiary, to administer the assets of HEAL.

REVENUE EXPLANATION

Agency Self-Generated revenue will decrease as a result of this measure. The June 30, 2015 audit report of HEAL indicates total revenue of \$276,694 for that fiscal year. The audit report further discloses that lease agreement payments of \$234,195 from APCOA LaSalle Parking Company, LLC are to increase by 3% each year. HEAL also received \$42,499 in interest income in fiscal year 2015. Assuming that HEAL is replaced by LPFA in the lease agreement, the lease revenue will be paid to LPFA, a public trust.

According to the audit report, at June 30, 2015, HEAL had \$1,809,264 in investments that would now go to LPFA. In addition, upon termination of the current lease agreement (12/31/2030), the parking facility (1,353 parking spaces) will revert to HEAL. If LPFA is inserted for HEAL in the agreement, the parking facility would be transferred to LPFA. At June 30, 2015, there was also \$10,965,355 in outstanding bonds and interest for the parking facility and in accordance with a servitude agreement between HEAL and the Tulane Education Fund, Tulane is paying the debt service throughout the life of the bond in exchange for use of the facility.

Senate Dual Referral Rules House

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| <input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} | <input 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} |

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