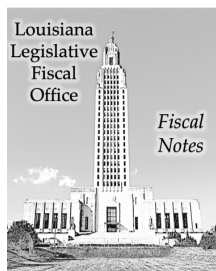




**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



Fiscal Note On: **SB 494** SLS 24RS 1478

Bill Text Version: **ENROLLED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> May 29, 2024	6:31 PM	<b>Author:</b> MIZELL
<b>Dept./Agy.:</b> Department of Economic Development		
<b>Subject:</b> Changes in the Dept. of Economic Development		<b>Analyst:</b> Noah O'Dell

**CONTINUED EXPLANATION from page one:**  
**EXPENDITURE EXPLANATION (continued)**

The bill repeals the positions of Undersecretary and Assistant Secretary as appointed officers of LED. LED has indicated it is currently seeking applicants for 3 similar executive level positions (Chief Business Development Officer, Chief Economic Competitiveness Officer, and Chief Innovation Officer) who would presumably fill responsibilities similar to the Undersecretary and Assistant Secretary, would presumably be authorized to receive additional salary from the state, and will presumably no longer require senate confirmation.

The bill creates an advisory committee, the LED Partnership. The 11 appointed members (9 Governor appointees, 1 each for President and Speaker) of the advisory committee are entitled to reimbursement of expenses according to federal travel expenses, which could increase LED expenditures depending on actual meeting practices. It is not clear whether travel for research, etc., are considered necessary and does not appear to be prohibited by the bill making a cost estimate difficult to substantiate.

The bill removes LSU Technology Transfer Office (TTO) from the administration of Small Business Innovation Research and leaves LEDC as sole administrator along with up to \$30,000 that is currently available to LSU TTO that will instead remain with LED.

The bill eliminates the mandatory Marketing Fund allocations to Marketing Education Retail Alliance (\$675,563), District 2 (\$250,000), and LA Council for Economic Education (\$74,437) and allows for award guidelines to be developed by the LED Secretary for regional or local economic development marketing.

LED reports no expenses from renaming the agency, which may be tempered by use of the LED moniker in recent years.

The bill directs the State Treasurer to invest, in a separate portfolio, federal funds received by LED in accordance with federal guidelines. Net investment income is to be credited to LED to be used as program revenue for associated funding. The Treasury reports an estimated cost of \$2,400 per year for staff to carry out the investments for LED as a separate portfolio. This cost was estimated by the Investments Division and calculated as a percentage of the estimated portfolio size. Investment income, less the Treasury costs of portfolio management, will be made available for LED to spend on the related program.

**REVENUE EXPLANATION (continued)**

The bill directs the State Treasurer to invest, in a separate portfolio, federal funds received by LED in accordance with federal guidelines. This is anticipated to increase the rate of returns (from less than 1% to 4-5%) on these funds until they are distributed for programmatic use.

The bill mandates the agency seek out federal, private, and any source of funding. To the extent the agency is able to secure additional funding, corresponding revenues may increase, though it is assumed that the agency already follows this mandate.

Senate

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

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

Dual Referral Rules

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}

**Deborah Vivien**  
**Chief Economist**