

September 2020

Economic Impact Statements for Proposed Rules

The corresponding proposed rule to each of the statements below may be viewed in its entirety in the September 20, 2020 *Louisiana Register*. Each *Louisiana Register* edition is published on the 20th of each month and can be viewed here:

<https://www.doa.la.gov/Pages/osr/reg/regs2020.aspx>

Promulgating Agency	Proposed Rule Title	Estimated Costs and/or Economic Benefits to Directly Affected Persons, Small Businesses or Nongovernmental Groups
Department of Children and Family Services	Supplemental Nutrition Assistance Program (SNAP) Electronic Benefits Issuance System	During the first month of implementation, SNAP recipients may be delayed in receiving their monthly benefits for up to 9 days. After the first month, benefits will be made available to recipients on a regularly set date between the 1st and 23rd of the month.
Department of Economic Development	Enterprise Zone Program	The income of new businesses participating in the program may decrease in comparison to existing approved businesses due to the heightened eligibility criteria and decreased benefits.
Department of Economic Development	Quality Jobs Program	The income of new businesses participating in the program may decrease in comparison to existing approved businesses due to the heightened eligibility criteria and decreased benefits.
Department of Economic Development	Angel Investor Tax Credit Program	The modifications to the Angel Investor Tax Credit program could cause a direct economic impact on small wealth creating Louisiana businesses located in Opportunity Zones designated for the state. Some additional applications could be received and approved over and above the normal level for the program resulting from applying for the opportunity zone enhanced 35% credit. Program credit costs could be greater than what would occur with only a simple program extension baseline.
Board of Elementary and Secondary Education	Bulletin 126—Charter Schools—Reopening of Schools for the 2020-2021 School Year	In the event a charter school chooses to provide virtual education or a hybrid of virtual education and in-person education, families may experience reduced earnings through lost wages as well as increased childcare expenses on those days in which virtual education is offered. According to an April 2020 distance learning survey conducted by the LDE, approximately 34% of students do not have home internet access and 28% do not have access to a school-issued personal tablet or computer; families may incur costs associated with technology purchases and internet access. Additionally, families may experience costs to the extent they need to secure alternative means of school transportation due to limitations on school bus capacity. The amount of these costs will vary by family and are indeterminable at this time.
Board of Elementary and Secondary Education	Bulletin 741—Louisiana Handbook for School Administrators—Diploma Integrity Community Service Diploma Endorsement	To the extent this revision results in more high school students pursuing the Community Service Diploma Endorsement, non-governmental organizations may benefit from an increase in the number of volunteers.
Board of Elementary and Secondary Education	Bulletin 741—Louisiana Handbook for School Administrators—Reopening of Schools for the 2020-2021 School Year	In the event a local school district chooses to provide virtual education or a hybrid of virtual education and in-person education, families may experience reduced earnings through lost wages as well as increased childcare expenses on those days in which virtual education is offered. According to an April 2020 distance learning survey conducted by the LDE, approximately 34% of students do not have home internet access and 28% do not have access to a school-issued personal tablet or computer; families may incur costs associated with technology purchases and internet access. Additionally, families may experience costs to the extent they need to secure alternative means of school transportation due to limitations on school bus capacity. The amount of these costs will vary by family and are indeterminable at this time.

Promulgating Agency	Proposed Rule Title	Estimated Costs and/or Economic Benefits to Directly Affected Persons, Small Businesses or Nongovernmental Groups
<p>Board of Elementary and Secondary Education</p>	<p>Bulletin 741 (Nonpublic)—Louisiana Handbook for Nonpublic School Administrators Reopening of Schools for the 2020-2021 School Year</p>	<p>The proposed revisions will result a significant increase in expenditures for nonpublic schools. Some schools may experience disproportionate impacts due available fund balances and their reliance on tuition and other revenues. Federal revenues are available to nonpublic schools for such expenditures through the Coronavirus Aid, Relief and Economic Security (CARES) Act, however amounts will vary by parish.</p> <p>Costs are associated with the following instructional modifications, purchases, and services, and are contingent upon the public health constraints imposed by each phase of the reopening process as established through the Governor’s executive order: the purchase and installation of partitions and costs associated with other facility modifications to implement group size restrictions in classrooms and other school facilities, provide for isolation areas, and address entry and exit points; additional staffing to accommodate static groups, maintain special education services, increased custodial services, as well as the potential need for long-term coverage for substitute teachers; purchase of thermometers and personal protective equipment (PPE) to monitor students and staff for symptoms of COVID-19; purchase of cleaning and disinfecting supplies for daily cleaning of high-touch surfaces and other school spaces; and the purchase of hygienic supplies, including soap, hand sanitizer, disinfectant wipes or spray, paper towels, tissues, and face coverings. Nonpublic schools may incur significant costs associated with transportation due to limits on school bus capacity, including additional fuel for new routes and additional school buses and drivers for expanded fleet size; costs will vary by geography, student characteristics, and whether school buses are district-owned or contracted. Student programming determinations (distance or in-person instruction) may involve costs to the extent additional technology purchases, expanded server capacity, professional development, and assistance to families without internet access are required.</p> <p>The amount of these expenditures is indeterminable at this time and will vary by nonpublic school. Additional unforeseen costs may arise due to the unpredictability of operating during a pandemic, such as school staffing and attendance levels, consumption rate of hygienic supplies, and other factors. Further, it is unclear how schools will interpret provisions in the proposed rules that permit implementation “to the greatest extent possible”; this will likely vary by school.</p> <p>There will be an increase in revenues through the CARES Act. Nonpublic schools are eligible to receive a portion of federal revenues allocated to local education agencies (LEAs) through the CARES Act. According to U.S. Department of Education guidance, nonpublic schools eligible for CARES Act funding include those which are accredited, licensed, or otherwise operating in accordance with state law, and in existence prior to March 13, 2020. Actual amounts will vary by parish according to each school district’s allocations and the percentage of children enrolled in nonpublic schools. LEAs determine the overall number of children who are enrolled in both public and nonpublic schools in the LEA that wish to participate in CARES Act programs. Using the proportion of students who are enrolled in participating nonpublic schools, the LEA determines the amount of funds available for equitable services based on that proportional share of the LEA’s total allocation.</p> <p>Finally, in the event a nonpublic school governing authority chooses to provide virtual education or a hybrid of virtual education and in-person education, families may experience increased childcare costs on those days in which virtual education is offered. The amount of these costs will vary by family and are indeterminable at this time. It is unknown how many nonpublic school students lack home internet access or do not have access to a school-issued personal tablet or computer; families may incur costs associated with technology purchases and internet access. Additionally, families may experience costs to the extent they need to secure alternative means of school transportation due to limitations on school bus capacity. The amount of these costs will vary by family and are indeterminable at this time.</p>

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Office of Student Financial Assistance	Scholarship/Grant Programs 2020 Regular Session of the Louisiana Legislature and TOPS 5.0 Grading Scale: AP Psychology	The proposed rulemaking will benefit students and military veterans by providing them TOPS funding to enable them to pursue postsecondary education and thus gain educational benefits and access to higher paying jobs.
Office of Student Financial Assistance	START Saving Program	There will be an economic benefit to START account owners as the proposed change will allow them to use account funds for tuition at elementary or secondary schools, which is otherwise prohibited by law. This benefit will only be incurred for the 2020 calendar year.
Office of Indian Affairs	American Indian Scholarship	The proposed rule change will have no estimated effect to directly affected persons, small businesses, or non-governmental groups. The proposed rule codifies existing practices and does not increase scholarship awards above baseline levels.
Board of Dentistry	CDC Inspection Violation Expungement; Nitrous Oxide Analgesia	The proposed rule change for expungements of a consent decree of a first time CDC inspection violation(s) will directly affect any dentist who signed a consent decree in the past. The dentists will now be allowed to have a consent decree for first time CDC inspection violation(s) expunged with the board and it will not show on his or her public record with the board.
Department of Health	Act 421 Children's Medicaid Option	Act 421 of the 2019 Regular Session of the Louisiana Legislature directed the department to establish the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA) option within the Medical Assistance Program through which children with disabilities can access Medicaid-funded services regardless of their parents' income. This proposed Rule, in compliance with Act 421, adopts provisions to establish the Act 421 Children's Medicaid Option program as a demonstration waiver under section 1115 of the Social Security Act. This proposed Rule will be beneficial to recipients by allowing qualified children with disabilities to access Medicaid-funded services regardless of their parents' income. Providers will benefit from implementation of this proposed Rule since they will receive reimbursement for the provision of services that were previously not covered for this population. It is anticipated that implementation of this proposed Rule will increase expenditures for Medicaid services by approximately \$14,390,244 for FY 20-21, \$27,990,244 for FY 21-22, and \$27,990,244 for FY 22-23.
Department of Health	Adult Mental Health Services Peer Support Services	This proposed rule, in compliance with an agreement with the United States Department of Justice and Senate Concurrent Resolution 84 of the 2019 Regular Session of the Louisiana Legislature, amends the provisions governing adult mental health services in order to add peer support services as a covered service. This will be beneficial to recipients ages 21 years and older who are in need of this service. This proposed Rule will be beneficial to providers by permitting Medicaid reimbursement for services provided by trained, certified peers. It is anticipated that implementation of this proposed Rule will increase expenditures for behavioral health services by approximately \$6,126,660 for FY 20-21, \$6,432,993 for FY 21-22, and \$6,593,818 for FY 22-23.
Department of Health	Home and Community-Based Services Waivers New Opportunities Waiver Individual and Family Support Payments	This proposed rule amends the provisions governing the New Opportunities Waiver in order to change the complex care service to a supplemental payment and to update skilled nursing provider qualifications to reflect the current licensing requirements. This change is necessary based on Centers for Medicare and Medicaid Services (CMS) guidance and the decision by CMS to not approve Complex Care as a service. It is anticipated that this proposed Rule will be beneficial to providers because of an increase in supplemental payments. It is anticipated that implementation of this proposed Rule will increase expenditures for NOW services by approximately \$823,284 for FY 20-21, \$4,781,268 for FY 21-22, and \$8,556,127 for FY 22-23.

Promulgating Agency	Proposed Rule Title	Estimated Costs and/or Economic Benefits to Directly Affected Persons, Small Businesses or Nongovernmental Groups
Department of Health	Hospital Licensing Standards	This proposed Rule amends the provisions governing hospital licensing standards in order to clarify the definition of licensed hospitals that are primarily engaged in providing inpatient hospital services and to identify those that are not subject to the primarily engaged provisions of the Louisiana Administrative Code. This rule revision allows certain hospitals to continue to be paid at a rate consistent with those who are considered to be primarily engaged by federal definition, as long they have remained in compliance with the federal requirements of primarily engaged. It is anticipated that implementation of this proposed rule will not result in costs to the State or to hospital providers for FY 20-21, FY 21-22 and FY 22-23, but will be beneficial by providing accurate, clearly identified licensing requirements.
Department of Health	Hospital Provider Fee Assessment	In compliance with House Concurrent Resolution 2 of the 2020 First Extraordinary Session of the Louisiana Legislature, this proposed rule amends the provisions governing hospital provider fees in order to calculate, levy and collect an assessment for each assessed hospital. This rule temporarily suspends the assessment associated with a subset of hospitals that have less than 50 beds that otherwise would be subject to the provider assessment. It is anticipated that implementation of this proposed rule will reduce federal revenue collections and dedicated revenue collections by approximately \$64,509,830 for FY 20-21 and \$0 for FY 21-22 and FY 22-23.
Department of Health	Inpatient Hospital Services Non-Rural, Non-State Hospitals Reimbursement Rate Adjustment	This proposed rule, in compliance with House Concurrent Resolution 2 of the 2020 First Extraordinary Session of the Louisiana Legislature, amends the provisions governing the reimbursement methodology for inpatient hospital services in order to adjust the reimbursement rates. Inpatient hospital providers will benefit from implementation of this proposed Rule as it increases reimbursement rates. It is anticipated that implementation of this proposed Rule will increase expenditures for inpatient hospital services by approximately \$8,209,070 for FY 20-21, \$33,504,830 for FY 21-22, and \$33,504,830 for FY 22-23.
Department of Health	Nursing Facilities Optional State Assessment	This proposed rule amends the provisions governing nursing facility reimbursements in order to remove the requirements of the May 20, 2020 Rule for the optional state assessment item from the Louisiana Administrative Code due to the decision by the U.S. Department of Health and Human Services, Centers for Medicare and Medicaid Services to delay implementation of the patient driven payment model. This proposed Rule will have no impact on small businesses. It is anticipated that implementation of this proposed rule will not result in costs to nursing facilities in FY 20-21, FY 21-22 and FY 22-23, but will be beneficial by reassuring that current practices are in compliance with federal law.
Department of Health	Nursing Facilities Reimbursement Methodology	This proposed rule amends the provisions governing the reimbursement methodology for nursing facilities in order to increase the allowable square footage for calculating payments when a Medicaid participating nursing facility has at least 15 percent of its licensed beds in private rooms. This proposed Rule will have no impact on small businesses. It is anticipated that implementation of this proposed rule will increase programmatic expenditures for nursing facility services by approximately \$5,204,140 for FY 20-21, \$5,677,244 for FY 21-22 and \$5,677,244 for FY 22-23, and may be beneficial to some nursing facilities that qualify for a higher per diem rate.

Promulgating Agency	Proposed Rule Title	Estimated Costs and/or Economic Benefits to Directly Affected Persons, Small Businesses or Nongovernmental Groups
Department of Health	Outpatient Hospital Services Non-Rural, Non-State Hospitals Reimbursement Rate Adjustment	This proposed rule, in compliance with House Concurrent Resolution 2 of the 2020 First Extraordinary Session of the Louisiana Legislature, amends the provisions governing the reimbursement methodology for outpatient hospital services in order to adjust the reimbursement rates. Outpatient hospital providers will benefit from implementation of this proposed Rule as it increases reimbursement rates. It is anticipated that implementation of this proposed Rule will increase expenditures for outpatient hospital services by approximately \$606,254 for FY 20-21, \$2,262,047 for FY 21-22, and \$2,262,047 for FY 22-23.
Gaming Control Board	Inspections of Facilities	The proposed rule change may result in a minimal increase in cost to riverboat licensees that conduct their gaming operations in an onshore facility. In order to obtain a valid certificate of compliance issued by the Gaming Control Board for its facility, riverboat licensees may have to remedy any discrepancies to satisfy the applicable provisions of the National Fire Protection Association Life Safety Code and the International Building Code as adopted in the state of Louisiana, pass inspection with the state fire marshal, satisfy local and state building codes and laws, and be issued a certificate of occupancy.
Office of Motor Vehicles	Child Support Non-Payment Suspension	Since suspension and reinstatement of driver's license for non-payment of child support shall remain the same, the proposed rule is not anticipated to have any estimated cost or economic benefit to persons affected. Small businesses and non-governmental groups shall not be affected by the proposed rule.
Office of Motor Vehicles	Rulemaking Petitions	The proposed rule is not anticipated to impact costs or economic benefits for directly affected persons or non-governmental groups.
Office of Alcohol and Tobacco Control	CBD Product Public Safety Regulations	<p>The proposed rules will require firms to pay permit and label registration fees that are indeterminable in the aggregate, as it is unknown how many firms will sell CBD products and to what extent they will sell them. Any fees paid by firms will be equivalent to those outlined in Part II above. Furthermore, the proposed rules include financial penalties up to \$3,000 for firms committing violations while selling CBD products. The extent of payments derived from financial penalties is speculative, as the extent and number of violations firms may commit are unknown.</p> <p>The proposed rule outline requirements for firms selling CBD products. To the extent firms do not already comply with the rules being promulgated, they may incur expenses associated with achieving compliance. The extent of the expenditures firms may incur with achieving compliance is indeterminable and dependent upon the number of firms who are non-compliant, as well the respective cost of remediating their non-compliance.</p>
Office of Alcohol and Tobacco Control	Direct Delivery of Alcohol Public Safety Regulations	The proposed rules will require firms to pay permit fees that are indeterminable in the aggregate, as it is unknown how many firms engage in alcohol delivery and which permits they will acquire. Any fees paid by firms will be equivalent to those outlined in Part II above. Furthermore, the proposed rules outline requirements for firms delivering alcohol, such as recordkeeping, age verification, maintenance of insurance, and limitations on the types of alcohol eligible for delivery. To the extent firms do not already comply with the rules being promulgated, they may incur expenses associated with achieving compliance. The extent of the expenditures firms may incur with achieving compliance is indeterminable and dependent upon the number of firms who are non-compliant, as well the respective cost of remediating their non-compliance.

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<p align="center">Department of Transportation and Development</p>	<p align="center">Transportation Network Companies</p>	<p>Transportation Network Companies (TNC) will be required to acquire a permit from DOTD before operating a company in the state of Louisiana and to comply with certain requirements and responsibilities regarding monitoring of its drivers' criminal backgrounds and insurance coverage. These activities may result in a marginal workload impact for private business. In accordance with local ordinance, a TNC may be required to remit fees of up to 1% of the gross trip fare for each intrastate prearranged ride to the local governing authority.</p>
<p align="center">Board of Trustees of the Louisiana State Employees' Retirement System</p>	<p align="center">DROP Program</p>	<p>Implementation of the proposed change will allow retirees to delay receiving required minimum distributions from their retirement account by a year and half, which may result in the retiree having a lower income tax liability during that period,</p>