



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2025 Biennium

Bill information:

HB0355 - Appropriate funds for local government infrastructure projects (Fitzpatrick, John)

Status: As Introduced

- Significant Local Gov Impact
 Needs to be included in HB 2
 Technical Concerns
 Included in the Executive Budget
 Significant Long-Term Impacts
 Dedicated Revenue Form Attached

FISCAL SUMMARY

	<u>FY 2024</u> <u>Difference</u>	<u>FY 2025</u> <u>Difference</u>	<u>FY 2026</u> <u>Difference</u>	<u>FY 2027</u> <u>Difference</u>
Expenditures:				
General Fund	\$265,818,578	\$380,823	\$386,536	\$392,334
Revenue:				
General Fund	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance:	<u>(\$265,818,578)</u>	<u>(\$380,823)</u>	<u>(\$386,536)</u>	<u>(\$392,334)</u>

Description of fiscal impact: HB 355 appropriates \$265 million from the general fund to the Department of Commerce for disbursement to counties for the purpose of making grants to eligible infrastructure projects.

FISCAL ANALYSIS

Assumptions:

1. Pursuant to Section 6 of the bill, the department will review all recommendations and applications submitted by the county. For the purposes of this fiscal note, it assumed each county will make an average of three requests resulting in 168 applications submitted for review to the department.
2. Section 11 of the bill requires applicants to submit quarterly progress reports to the department. Based on the number of assumed projects, there would be 672 reports submitted each year until the projects are completed.
3. It is assumed for the purposes of the fiscal note, that the department would make a one-time payment to each county in the amount specified by Section 12 of the bill, and each county would in turn disburse funds to the eligible grant recipients.

4. Aside from the initial review of the applications and recommendations, and the review of the quarterly progress reports submitted by the applicants, it is assumed that administration of the grants will be the responsibility of the awarding counties and not the department.
5. Per Section 6 of the bill, counties will accept applications by July 1, 2023. The department would expect to receive the applications and recommendations from the counties sometime in the fall of 2023 and begin receiving quarterly progress reports in the spring of 2024. Projects would be expected to take an average of three years to complete.
6. The initial review of 168 applications, and the review of 672 progress reports each year, would require the equivalent of 0.50 Program Manager FTE, 0.50 Administrative Assistant FTE, and 3.00 Program Specialist FTE, as well as associated operating expenses.

	<u>FY 2024</u> <u>Difference</u>	<u>FY 2025</u> <u>Difference</u>	<u>FY 2026</u> <u>Difference</u>	<u>FY 2027</u> <u>Difference</u>
<u>Fiscal Impact:</u>				
FTE	4.00	4.00	4.00	4.00
<u>Expenditures:</u>				
Personal Services	\$331,738	\$331,738	\$336,714	\$341,765
Operating Expenses	\$62,285	\$49,085	\$49,821	\$50,569
Grants	\$265,424,555	\$0	\$0	\$0
TOTAL Expenditures	<u>\$265,818,578</u>	<u>\$380,823</u>	<u>\$386,535</u>	<u>\$392,334</u>
<u>Funding of Expenditures:</u>				
General Fund (01)	\$265,818,578	\$380,823	\$386,535	\$392,334
TOTAL Funding of Exp.	<u>\$265,818,578</u>	<u>\$380,823</u>	<u>\$386,535</u>	<u>\$392,334</u>
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
TOTAL Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	(\$265,818,578)	(\$380,823)	(\$386,535)	(\$392,334)

Technical Notes:

1. Page 1 Section 2 line 22 uses the term “local government infrastructure facilities” and then page 2 line 9 uses the term “local government infrastructure.” Facilities is only used that one time.
2. Page 1 Section 3 appropriates \$265 million to the Department of Commerce to distribute to the counties as allocated in Section 12. However, the total listed allocations in Section 12 equal \$265,424,555.
3. Page 1 Section 3 appropriates money to the department of commerce to distribute to the counties as allocated in Section 12. It is unclear if the allocation should be disbursed to each county in the form of a one-time payment or when the payment should be made.
4. Page 2 line 12 provides counties are an eligible entity for a grant. Page 2 line 16 provides that the county commission shall solicit and accept applications from eligible entities. It appears county commissions will be

reviewing and recommending for funding county applications for grant funds combined with other eligible entities' applications for funds.

- 5. Page 3 Section 9 line 11 refers to “the state.” It would be more clear to state the Department of Commerce.

NOT SIGNED BY SPONSOR

Sponsor's Initials

Date



Budget Director's Initials

2-2-23

Date