

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5137-06
Bill No.: HCS for HB 1787
Subject: Economic Development Department; National Guard
Type: Original
Date: March 20, 2006

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Federal Funds	(\$360,555)	(\$350,000)	(\$350,000)
Total Estimated Net Effect on <u>All</u> Federal Funds*	(\$360,555)	(\$350,000)	(\$350,000)

* Subject to appropriation

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

In response to a previous version of this proposal, officials from the **Office of the Adjutant General** assumed the proposal would not fiscally impact their agency.

Officials from the **Department of Economic Development - Division of Workforce Development (DWD)** state the accounting staff needed; at the state (1), regional (4), and subcontractor (4) level to perform accounting functions estimated to take approximately four hours per month. The monitoring staff at the state (2) and regional (1) level will need to perform programmatic and financial monitoring on-site annually is estimated to take 40 hours per year per staff. 80 hours of programming is required to enable tracking of participants and costs associated in the State Toolbox system. If current service providers in place are not acceptable for the Guard at Home, 80 hours at the four regional levels will be needed to develop and award the request for proposal (RFP).

DWD estimates the cost of .21 FTE Accountant IIs and .31 FTE Senior Auditor for all three fiscal years to be \$21,439 in FY 2007, \$25,465 in FY 2008 and \$26,102 in FY 2009. DWD also estimates programming costs of \$2,480 and cost associated with developing and awarding the RFP of \$8,075, each in FY 2007. DED assumed the anticipated costs would be paid from Federal Funds.

RS:LR:OD (12/02)

ASSUMPTION (continued)

Oversight assumes DWD will incur the programming and RFP expense in FY 2007, but will be able to administer the program with existing resources.

The Perfected House Committee Substitute for HB 1007 from this year contains an appropriation (Section 7.132) to transfer federal funds to the Guard at Home fund in the amount of \$350,000. Therefore, **Oversight** will show an annual appropriation from federal funds in the amount of \$350,000 for this program. Actual appropriations could vary.

<u>FISCAL IMPACT - State Government</u>	FY 2007	FY 2008	FY 2009
FEDERAL FUNDS			
<u>Costs - Department of Economic Development</u>			
Programming and RFP costs	(\$10,555)	\$0	\$0
<u>Costs - Department of Economic Development</u>			
Guard at Home appropriation	<u>(\$350,000)</u>	<u>(\$350,000)</u>	<u>(\$350,000)</u>
ESTIMATED NET EFFECT TO THE FEDERAL FUNDS*	<u>(\$360,555)</u>	<u>(\$350,000)</u>	<u>(\$350,000)</u>

* **Subject to appropriation.**

<u>FISCAL IMPACT - Local Government</u>	FY 2007	FY 2008	FY 2009
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This substitute establishes the Guard at Home Program to assist the spouse of an active-duty national guardsman or reservist by addressing his or her immediate needs and employment in order to keep the family from falling into poverty while the primary income earner is on active duty and to help returning troops find work in situations where an individual needs to rebuild business clientele or where an individual's job was eliminated while on deployment.

The Department of Economic Development (DED) is required to hire a contractor to administer the program. DED will ensure that the contractor meets certain qualifications specified in the substitute. DED will develop the criteria of the contract based on the following:

- (1) Eligible program participants will be families where:
 - (a) The primary income earner was called to active duty in defense of the United States for more than four months;
 - (b) The primary income is no longer available;
 - (c) The family is experiencing a significant hardship due to financial burdens; and
 - (d) The family has no outside resources available to assist with these hardships; and
- (2) Services may be provided to families in order to alleviate an immediate crisis and to provide economic stability while the primary income is not available due to the active military commitment. The substitute specifies some of the services which may be provided.

The department will report to the President Pro Tem of the Senate and the Speaker of the House of Representatives on the operation and progress of the program by January 1, 2007.

The substitute becomes effective on July 1, 2006, and DED must make every effort to ensure that participating families are being served by August 1, 2006.

The substitute contains an emergency clause.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

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SOURCES OF INFORMATION

Department of Economic Development
Office of the Adjutant General

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, slightly slanted style.

Mickey Wilson, CPA
Director
March 20, 2006