



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2025 Biennium

Bill information:

HB0269 - Establish a local disaster resiliency fund (Brewster, Larry)

Status: As Introduced - Revised

- 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 2023</u> <u>Difference</u>	<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	\$108,000,000	\$0	\$0	\$0	\$0
State Special Revenue	\$0	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000
Federal Special Revenue	\$0	\$12,000,000	\$12,000,000	\$12,000,000	\$12,000,000
Revenue:					
General Fund	\$0	\$0	\$0	\$0	\$0
State Special Revenue	\$108,000,000	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000
Federal Special Revenue	\$0	\$12,000,000	\$12,000,000	\$12,000,000	\$12,000,000
Net Impact-General Fund Balance	<u><u>(\$108,000,000)</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

Description of fiscal impact:

HB 269 creates a state special revenue account known as the Montana local disaster resiliency fund. It contains a one-time allocation of \$108 million from the general fund to the new account to be transferred by June 30, 2023.

FISCAL ANALYSIS

Assumptions:

1. There is a one-time transfer of \$108 million from the general fund to the new Montana local disaster resiliency fund in FY 2023.
2. It is assumed that interest earnings of approximately \$8 million for the 2027 biennium will be earned by the fund for expenditures in those years.
3. Mitigation grants from the Federal Emergency Management Agency (FEMA) typically required 25% state match and can leverage up to 75% federal matching funds per project.

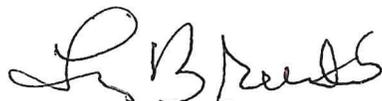
4. It is assumed that \$4 million per year would be spent in FY 2024 and FY 2025. This would leverage up to an additional \$12 million in federal mitigation funding.
5. For each successful federal mitigation grant award the state is awarded 10% for management costs that are added on top of the overall project award. It is assumed that approximately 20% of the state management costs would be incurred for personal services and the rest of the costs would be allocated to operating costs to manage the grants.
6. The remaining \$14.4 million would be allocated for disaster mitigation grants upon successful application and receipt from FEMA.

	<u>FY 2023</u> <u>Difference</u>	<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	0.00	0.00	0.00	0.00	0.00
<u>Expenditures:</u>					
Personal Services	\$0	\$320,000	\$320,000	\$320,000	\$320,000
Operating Expenses	\$0	\$1,280,000	\$1,280,000	\$1,280,000	\$1,280,000
Grants	\$0	\$14,400,000	\$14,400,000	\$14,400,000	\$14,400,000
Transfers	\$108,000,000	\$0	\$0	\$0	\$0
TOTAL Expenditures	\$108,000,000	\$16,000,000	\$16,000,000	\$16,000,000	\$16,000,000

<u>Funding of Expenditures:</u>					
General Fund (01)	\$108,000,000	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$0	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000
Federal Special Revenue (03)	\$0	\$12,000,000	\$12,000,000	\$12,000,000	\$12,000,000
TOTAL Funding of Exp.	\$108,000,000	\$16,000,000	\$16,000,000	\$16,000,000	\$16,000,000

<u>Revenues:</u>					
General Fund (01)	\$0	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$108,000,000	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000
Federal Special Revenue (03)	\$0	\$12,000,000	\$12,000,000	\$12,000,000	\$12,000,000
TOTAL Revenues	\$108,000,000	\$16,000,000	\$16,000,000	\$16,000,000	\$16,000,000

<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>					
General Fund (01)	(\$108,000,000)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$108,000,000	\$0	\$0	\$0	\$0
Federal Special Revenue (03)	\$0	\$0	\$0	\$0	\$0


Sponsor's Initials

Date


Budget Director's Initials

Date

1-30-23