

FISCAL NOTE

Bill #: HB0038

Title: Purchase state surplus vehicles for participants in state TANF-funded programs

Primary Sponsor: Trudi Schmidt

Status: Second Reading - Revised

| | | | |
|-------------------|------|---------------------------------|------|
| Sponsor Signature | Date | Chuck Swysgood, Budget Director | Date |
|-------------------|------|---------------------------------|------|

Fiscal Summary

| | <u>FY2002 Difference</u> | <u>FY2003 Difference</u> |
|--|------------------------------|------------------------------|
| Expenditures: | | |
| Federal Special Revenue | \$87,500 | \$87,500 |
| Net Impact on General Fund Balance: | \$0 | \$0 |

| <u>Yes</u> | <u>No</u> | | <u>Yes</u> | <u>No</u> | |
|------------|-----------|----------------------------------|------------|-----------|-------------------------------|
| | X | Significant Local Gov. Impact | | X | Technical Concerns |
| | X | Included in the Executive Budget | | X | Significant Long-Term Impacts |
| | X | Dedicated Revenue Form Attached | | X | Family Impact Form Attached |

Fiscal Analysis

ASSUMPTIONS:

1. A dependable vehicle will cost about \$3,500.
2. It is estimated that the Department of Administration (DOA) would surplus, on the average, 25 cars in this price range per year. Cost is estimated at \$3,500 to include the 8% DOA handling fee.
3. A non-profit organization would administer this program (this already occurs in one region).
4. The Department will purchase 25 cars per year for the 2003 biennium. These vehicles will then be given to the local non-profit organizations for resale to participants in the Families Achieving Independence in Montana (FAIM) program. The loan repayment amounts made by the FAIM participants would sustain the program in the future.

5. Funding for the initial purchases will be financed by the Temporary Assistance to Needy Families (TANF) federal block grant.
6. These vehicles would be available to participants in all regions of the state.
7. The executive budget new proposal number 201 for the second phase of the FAIM program has a component in it for vehicle ownership that is similar to this proposal.

FISCAL IMPACT:

| | <u>FY2002 Difference</u> | <u>FY2003 Difference</u> |
|------------------------------|------------------------------|------------------------------|
| <u>Expenditures:</u> | | |
| Benefits | \$87,500 | \$87,500 |
| <u>Funding:</u> | | |
| Federal Special Revenue (03) | \$87,500 | \$87,500 |

TECHNICAL NOTES:

In this version of the bill, state surplus vehicles available for this program are limited to those from the Department of Transportation. Since surplus state vehicles come from numerous state agencies, this amendment would reduce the number of vehicles that could be made available for this program