



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2009 Biennium

<b>Bill #</b>	HB0603	<b>Title:</b>	Authorize and fund community-based family literacy
<b>Primary Sponsor:</b>	Small-Eastman, Veronica	<b>Status:</b>	As Introduced

- |   |  |  |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact     | <input type="checkbox"/> Needs to be included in HB 2  | <input type="checkbox"/> Technical Concerns              |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

### FISCAL SUMMARY

	<u>FY 2008 Difference</u>	<u>FY 2009 Difference</u>	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>
<b>Expenditures:</b>				
General Fund	\$1,000,000	\$1,000,000	\$1,025,000	\$1,050,625
<b>Revenue:</b>				
General Fund	\$0	\$0	\$0	\$0
<b>Net Impact-General Fund Balance</b>	<u>(\$1,000,000)</u>	<u>(\$1,000,000)</u>	<u>(\$1,025,000)</u>	<u>(\$1,050,625)</u>

#### Description of fiscal impact:

The bill provides a \$2 million general fund appropriation for the biennium for expansion of head start and early head start programs.

### FISCAL ANALYSIS

#### Assumptions:

##### **Department of Public Health and Human Services**

1. Section 2 of this bill funds the proposed literacy program at \$2,000,000 for the 2009 biennium.
2. Services will be managed and contracted from the Human & Community Services Division of the Department of Public Health and Human Services (DPHHS) by the Early Childhood Services Bureau.
3. Oversight of the program would require a 0.50 FTE, pay band 05 Compliance Specialist, at \$23,413 for FY 2008 and \$23,998 for FY 2009.
4. Operation expense of \$13,010 includes one time office establishment and contracting expenses as well as ongoing expenses as listed in the chart below:

	<b>FY 2008</b>	<b>FY 2009</b>
<b>Personnel Expense</b>	\$ 23,413	\$ 23,998
<b>Operating Expenses</b>		
Office rent	\$ 3,863	\$ 3,960
Parking	\$ 497	\$ 509
Office Equipment	\$ 1,375	
Computer	\$ 1,400	
RFP Advertisement	\$ 1,200	
RFP evaluation	\$ 1,000	
Travel	\$ 2,500	\$ 2,563
Phone and Printing	\$ 1,175	\$ 1,204
<b>Sub Total</b>	\$ 13,010	\$ 8,236
<b>Total Administration</b>	\$ 36,423	\$ 32,234

- Benefit expenditures would be disbursed in contracts established by Request for Proposal (RFP) to assist families in increasing literacy and would be renewable for the second contract year.
- HB 603 establishes a permanent state program to fund community-based family literacy. There is no expiration date in HB 603.
- Inflation from the FY 2009 level of expenditures will increase 2.5% per year.

	<b><u>FY 2008</u></b> <b><u>Difference</u></b>	<b><u>FY 2009</u></b> <b><u>Difference</u></b>	<b><u>FY 2010</u></b> <b><u>Difference</u></b>	<b><u>FY 2011</u></b> <b><u>Difference</u></b>
<b><u>Fiscal Impact:</u></b>				
<b>FTE</b>	0.50	0.50	0.50	0.50
<b><u>Expenditures:</u></b>				
Personal Services	\$23,413	\$23,998	\$24,598	\$25,213
Operating Expenses	\$13,010	\$8,236	\$8,442	\$8,653
Benefits	\$963,577	\$967,766	\$991,960	\$1,016,759
<b>TOTAL Expenditures</b>	<b><u>\$1,000,000</u></b>	<b><u>\$1,000,000</u></b>	<b><u>\$1,025,000</u></b>	<b><u>\$1,050,625</u></b>
<b><u>Funding of Expenditures:</u></b>				
General Fund (01)	\$1,000,000	\$1,000,000	\$1,025,000	\$1,050,625
<b><u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u></b>				
General Fund (01)	(\$1,000,000)	(\$1,000,000)	(\$1,025,000)	(\$1,050,625)

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*Sponsor's Initials*

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*Date*

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*Budget Director's Initials*

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*Date*