

EXHIBIT

5

DATE

Feb. 6, 2013

HB

9

C&A Grants Program (fiscal speaking notes)

- Analysis on page F-22
- The estimated fund balance on page F-23
- A full list of both funded and not-funded grants is found in the C&A appendix
- The executive proposal in HB 9 provides an appropriation of \$533,976 for grants
- The grants budget would leave a significant fund balance as seen on F-23
- One decision point you will have in this program is whether or not to increase grant amounts
- As seen in the comment on page F-23, the fiscal division recommends providing a small positive estimated fund balance at the end of the biennium
 - (turn to bill) Language in HB 9, Sec. 4, provides that if interest earnings fall short, the grants (except for the special projects category of \$4,500 or less) will be reduced on a pro rata basis
 - This condition can be problematic for the grant recipients if interest earnings are lower than anticipated, so we try to avoid the situation by providing a positive fund balance
 - This case is unusual and none of the other programs that you have worked with have a pro rata reduction methodology in their programs
- If you as a subcommittee choose not to make changes to the grant amounts, the additional funds will flow into the fund balance and would be available for grants in the 2017 biennium