



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2017 Biennium

Bill # HB0634

Title: Fund genetic research grants

Primary Sponsor: Olszewski, Albert

Status: As Introduced

- 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 2015 Difference</u>	<u>FY 2016 Difference</u>	<u>FY 2017 Difference</u>	<u>FY 2018 Difference</u>	<u>FY 2019 Difference</u>
Expenditures:					
General Fund	\$500,000	\$1,000,000	\$1,000,000	\$0	\$0
Revenue:					
General Fund	\$0	\$0	\$0	\$0	\$0
Net Impact-General Fund	<u>(\$500,000)</u>	<u>(\$1,000,000)</u>	<u>(\$1,000,000)</u>	<u>\$0</u>	<u>\$0</u>

Description of fiscal impact: The purpose of this bill is to provide grant funding for Alzheimer's disease research and related conditions.

FISCAL ANALYSIS

Assumptions:

1. The department will contract with a private third party entity with expertise in research grants for the purpose of developing the grant application and the specific criteria that will be used to evaluate and award these grant funds.
2. The private third party entity will work with the department on the review process and the award of grants based on the established criteria.
3. It is unclear how many entities will meet the criteria for application of these funds, or how many grants will be awarded through this process.
4. The department's legal staff will be required to develop and prepare contracts to be signed prior to grant funding awards.
5. The third party entity will monitor the activities of these grants and the development of the reports on outcomes achieved in the studies.
6. The costs of these activities are unknown at this time.

- The department proposes to utilize funding from the grant appropriation to cover the cost of administering these grant activities.

	<u>FY 2015 Difference</u>	<u>FY 2016 Difference</u>	<u>FY 2017 Difference</u>	<u>FY 2018 Difference</u>	<u>FY 2019 Difference</u>
<u>Fiscal Impact:</u>					
<u>Expenditures:</u>					
Operating Expenses	\$500,000	\$1,000,000	\$1,000,000	\$0	\$0
TOTAL Expenditures	<u>\$500,000</u>	<u>\$1,000,000</u>	<u>\$1,000,000</u>	<u>\$0</u>	<u>\$0</u>
<u>Funding of Expenditures:</u>					
General Fund (01)	\$500,000	\$1,000,000	\$1,000,000	\$0	\$0
TOTAL Funding of Ex	<u>\$500,000</u>	<u>\$1,000,000</u>	<u>\$1,000,000</u>	<u>\$0</u>	<u>\$0</u>
<u>Revenues:</u>					
General Fund (01)	\$0	\$0	\$0	\$0	\$0
TOTAL Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>					
General Fund (01)	(\$500,000)	(\$1,000,000)	(\$1,000,000)	\$0	\$0

Technical Notes:

- HB 634 directs the state treasurer to transfer \$500,000 from the public health operations account provided for in 53-2-208 for the purpose of grant funding. Transferring these funds will have an immediate impact on the department’s general fund balance for Fiscal Year 2015. These funds are part of the department’s current base funding. Transferring these funds out of the state special account will result in \$500,000 general fund expenditure and/or result in the department requiring supplemental funding.
- The department does not have the staff expertise to award and manage research grants. This would require contracting with an outside entity to develop a grant application and grant protocols.
- The department would have to certify that the grantees met the matching funds requirement.
- The department will need to contract with this outside entity to administer, manage and oversee grant activities and the follow up reporting requirements.

Sponsor’s Initials

Date

Budget Director’s Initials

Date