

<b>FISCAL NOTE</b>
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**Bill #:** HB0021

**Title:** Require full recovery of indirect Costs from federal and third-party grants

**Primary Sponsor:** Joe Balyeat

**Status:** As Introduced

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Sponsor signature	Date	Chuck Swysgood, Budget Director	Date
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**Fiscal Summary**

	<u>FY 2003</u> <u>Difference</u>	<u>FY 2004</u> <u>Difference</u>	<u>FY 2005</u> <u>Difference</u>
<b>Expenditures:</b>	0	0	0
<b>Revenue:</b>			
General Fund – SWCAP	1,507,326	1,001,125	589,830
<b>Net Impact on General Fund Balance:</b>	<b>1,507,326</b>	<b>1,001,125</b>	<b>589,830</b>

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<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

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**Fiscal Analysis**

ASSUMPTIONS:

1. Agencies that receive federal funds will recover the use of centralized services paid by the general fund through the Statewide Cost Allocation Plan (SWCAP). Non-federal/non general funded divisions will recover these costs through the State Funds Cost Allocation Plan (SFCAP).
2. State Fund Cost Allocation Plan assessments have historically been paid in full. Statewide Cost Allocation Plan contributions have been approximately \$500,000 per fiscal year for the last three years.

FISCAL IMPACT:

	<u>FY 2003</u> <u>Difference</u>	<u>FY 2004</u> <u>Difference</u>	<u>FY 2005</u> <u>Difference</u>
<u>Revenues:</u>			
General Fund (01)	1,507,326	1,001,125	589,830
<u>Net Impact to Fund Balance (Revenue minus Expenditure):</u>			
General Fund (01)	1,507,326	1,001,125	589,830

TECHNICAL NOTES:

Suggest adding a provision that state agencies can not charge indirect costs on grants from other state agencies, perhaps an "except ..." phrase on page 1, line 23, following program. This will prevent programs like Growth Through Agriculture being charged for its \$600K of grants to other agencies and the Wheat and Barley Commission being charged for its grants to the MUS.