



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2023 Biennium

Bill # HB0642

Title: Establish a farm-to-school grant program at OPI

Primary Sponsor: Bishop, Laurie

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 2022</u> <u>Difference</u>	<u>FY 2023</u> <u>Difference</u>	<u>FY 2024</u> <u>Difference</u>	<u>FY 2025</u> <u>Difference</u>
Expenditures:				
General Fund	\$100,000	\$100,000	\$0	\$0
State Special Revenue	\$100,000*	\$100,000*	\$0	\$0
Revenue:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$100,000*	\$100,000*	\$0	\$0
Net Impact-General Fund Balance:	<u>(\$100,000)</u>	<u>(\$100,000)</u>	<u>\$0</u>	<u>\$0</u>

Description of fiscal impact: HB 642 appropriates \$100,000 from the state general fund. Section 6 (3)(a) of the bill requires the appropriation to be deposited in a newly created state special revenue fund for a pilot Farm to School Grant Program to be administered by the Office of Public Instruction to increase the buying power of Montana schools for purchasing locally produced food and for operating education programs to increase student understanding of and connection to agriculture, food, and gardening to help bridge the rural-urban divide in Montana. The bill also allows the state special revenue account to accept gifts, grants, and donations. The amount of the donations is unknown. The state special revenue appropriation will need to allow for these funds as well.*

FISCAL ANALYSIS

Assumptions:

Office of Public Instruction

1. A state special revenue account is established to allow gifts, grants, or donations and to receive legislative appropriations to be used to administer and fund a new pilot Farm to School Grant Program created in HB 642.



2. This bill appropriates \$100,000 general fund for each year of the 2023 biennium for the pilot program. In accordance with Section 6 (3)(a), the general fund appropriation must be deposited in the new state special revenue fund.
3. The amount of money that will be donated to this fund is unknown. Appropriation authority will be required to expend the state special revenue including grants, gifts, and donations.
4. The OPI will not devote resources to this project beyond the 10% allowance for administrative expense.

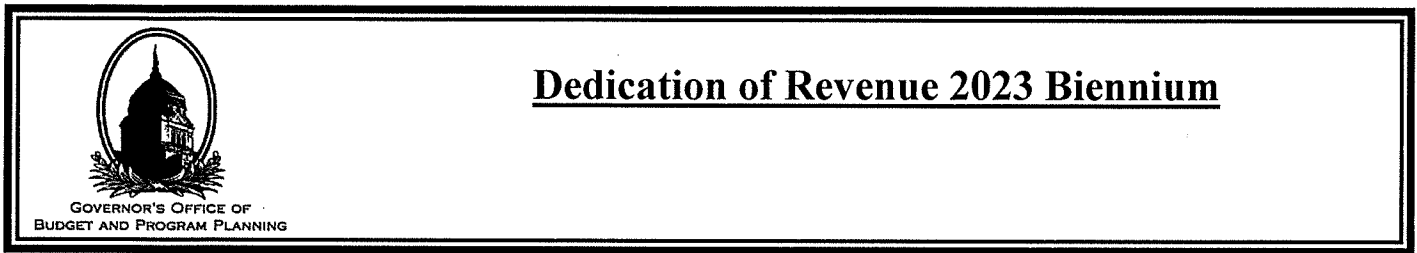
Secretary of State

5. This bill will have minimal cost for postage and administrative duties. The Office of the Secretary of State does not receive general fund monies for office operations but has agreed to absorb those costs in its existing operating budget.

	<u>FY 2022</u> <u>Difference</u>	<u>FY 2023</u> <u>Difference</u>	<u>FY 2024</u> <u>Difference</u>	<u>FY 2025</u> <u>Difference</u>
<u>Fiscal Impact:</u>				
<u>Expenditures:</u>				
Local Assistance (Grants)	\$90,000*	\$90,000*	\$0	\$0
Operating Expenses	\$10,000	\$10,000	\$0	\$0
Transfers	\$100,000	\$100,000	\$0	\$0
TOTAL Expenditures	<u>\$110,000</u>	<u>\$110,000</u>	<u>\$0</u>	<u>\$0</u>
<u>Funding of Expenditures:</u>				
General Fund (01)	\$100,000	\$100,000	\$0	\$0
State Special Revenue (02)	\$100,000*	\$100,000*	\$0	\$0
TOTAL Funding of Exp.	<u>\$100,000</u>	<u>\$100,000</u>	<u>\$0</u>	<u>\$0</u>
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$100,000*	\$100,000*	\$0	\$0
TOTAL Revenues	<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)	(\$100,000)	(\$100,000)	\$0	\$0
State Special Revenue (02)	\$0	\$0	\$0	\$0

* The Amount of grants, gifts, and donations is unknown.

	<u>3-23-21</u>		<u>3-22-21</u>
Sponsor's Initials	Date	Budget Director's Initials	Date



Dedication of Revenue 2023 Biennium

17-1-507, MCA.

- a) **Are there persons or entities that benefit from this dedicated revenue that do not pay? (please explain)**

Yes, all benefactors are public K-12 school districts. The state general fund is the source of revenue as well as any gifts, grants, or donations.

- b) **What special information or other advantages exist as a result of using a state special revenue fund that could not be obtained if the revenue were allocated to the general fund?**

Tracking of the dedicated funds is made easier by creating a state special revenue fund.

- c) **Is the source of revenue relevant to current use of the funds and adequate to fund the program activity that is intended? Yes / No (if no, explain)**

Yes, the source of revenue for the 2023 biennium is the state general fund with the bill dedicating the funds for the specific purpose of the farm to food grant program for public K-12 school districts. Adequacy of the funding is unknown because this would be a pilot program.

- d) **Does the need for this state special revenue provision still exist? ___ Yes ___ No (Explain)**

Yes, to retain the dedicated funds.

- e) **Does the dedicated revenue affect the legislature's ability to scrutinize budgets, control expenditures, or establish priorities for state spending? (Please Explain)**

No, this state special revenue fund can be scrutinized by the legislative review process.

- f) **Does the dedicated revenue fulfill a continuing, legislatively recognized need? (Please Explain)**

No, this dedicated revenue is for the 2023 biennium only as identified in HB 642.

- g) **How does the dedicated revenue provision result in accounting/auditing efficiencies or inefficiencies in your agency? (Please Explain. Also, if the program/activity were general funded, could you adequately account for the program/activity?)**

The dedicated revenue provision would result in easy identification of the funds for this specific farm to food grant program. It would also be available to the agency for receipt of gifts, grants, or donations made to the program. Leaving the funds in the general fund would make it more difficult to receive gifts, grants, or donations and identify the addition revenue.