



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2027 Biennium

Bill#/Title: HB0061: Revise inter-entity loan process

Primary Sponsor: Gary Parry

Status: As Introduced

☐ Included in the Executive Budget

☐ Needs to be included in HB 2

☐ Significant Local Gov Impact

☐ Significant Long-Term Impacts

☐ Technical Concerns

☐ Dedicated Revenue Form Attached

FISCAL SUMMARY

| | <u>FY 2026</u> <u>Difference</u> | <u>FY 2027</u> <u>Difference</u> | <u>FY 2028</u> <u>Difference</u> | <u>FY 2029</u> <u>Difference</u> |
|-----------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| Expenditures | | | | |
| General Fund (01) | \$0 | \$0 | \$0 | \$0 |
| Revenues | | | | |
| General Fund (01) | \$0 | \$0 | \$0 | \$0 |
| Net Impact | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| General Fund Balance | <u><u>\$0</u></u> | <u><u>\$0</u></u> | <u><u>\$0</u></u> | <u><u>\$0</u></u> |

Description of fiscal impact

This bill revises the state's inter-entity loan procedures by permitting federal special revenue funds to have a negative fund balance when the agency will be reimbursed for federal expenditures. This bill will eliminate the need for agencies to take out loans at fiscal year-end to satisfy negative cash balances which are reversed after the state's books close. There is no fiscal impact to the state from the changes proposed in this legislation.

FISCAL ANALYSIS

Assumptions

Department of Administration

1. Agencies will continue to bill the grantor entities as allowed by the grant award, and cash will continue to be deposited into the Treasury on a regular basis.
2. Current law requires between 200-300 funds to initiate loans in June/July to satisfy these requirements. Most loans are then reversed shortly after the books close. Time savings from agencies will be spent on other fiscal year-end entries and/or reviews.

GP

Sponsor's Initials

1/7/25

Date

RD

Budget Director's Initials

1/2/2025

Date