



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2027 Biennium

Bill#/Title: **HB0310.02 (001): Establish grant program to increase community shelter capacity for homeless population**

Primary Sponsor: Melissa Nikolakakos Status: As Amended in House Committee

☐ 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 Difference</u>	<u>FY 2027 Difference</u>	<u>FY 2028 Difference</u>	<u>FY 2029 Difference</u>
Expenditures				
General Fund (01)	\$892,979	\$1,290,179	\$91,532	\$92,905
Revenues				
General Fund (01)	\$0	\$0	\$0	\$0
Net Impact	<u>(\$892,979)</u>	<u>(\$1,290,179)</u>	<u>(\$91,532)</u>	<u>(\$92,905)</u>
General Fund Balance				

Description of fiscal impact

HB 310, as amended, appropriates \$2 million from the general fund to the Department of Commerce to establish a grant program for homeless shelter capacity. The department estimates it would require \$367,596 over the next two biennia to administer the program.

FISCAL ANALYSIS

Assumptions

Department of Commerce

1. HB 310 appropriates \$2 million from the general fund to the department to be distributed as grants. The appropriation expires at the end of the 2027 Biennium.
2. It is assumed the full \$2 million will be awarded as grants to nonprofit organizations and local governments.
3. Based on the one-to-one match requirement established in Section 1(1), and the limited availability of local funding, it is estimated that the average grant amount will be \$50,000. Assuming the full \$2 million is awarded, the number of grants awarded would be 40.
4. The bill calls for the department to adopt rules addressing the application process, the criteria for awards, and the information to be reported to the department. The department will review applications and accompanying materials and score the applications according to the criteria established in the bill. Before disbursing funds, the department will verify match and enter into a contract with each grantee.
5. Given the match requirement, and the time it takes to establish guidelines, request and receive applications, and draft the contracts, it is estimated that the department would award 40% of the grants in FY 2026 and 60% in FY 2027.
6. The department will track the outcomes of the projects, making sure all requirements of the grant agreement are satisfied, and report to the economic affairs interim committee as required in Section 2(7).

7. While the awards will be made, the contracts finalized, and the funds obligated prior to the expiration of the appropriation at the end of the 2027 Biennium, the projects being funded would likely extend beyond that date into at least the 2029 biennium, requiring the department to continue review, disbursement, oversight and follow-up duties through that timeframe.
8. Based on existing grant programs, the workload required to perform these duties for 40 grant awards would require the equivalent of 0.75 FTE Program Specialist II and associated operating costs such as travel, supplies, and overhead.
9. The resulting administrative expenses would be \$92,979 in FY 2026, \$90,179 in FY 2027, \$91,532 in FY 2028, and \$92,905 in FY 2029.
10. The bill does not include appropriation for administrative costs. It is assumed the administrative costs would be paid from the general fund.

Fiscal Analysis Table

	<u>FY 2026 Difference</u>	<u>FY 2027 Difference</u>	<u>FY 2028 Difference</u>	<u>FY 2029 Difference</u>
<u>Fiscal Impact</u>				
FTE	0.75	0.75	0.75	0.75
TOTAL Fiscal Impact	0.75	0.75	0.75	0.75
<u>Expenditures</u>				
Personal Services	\$70,464	\$70,464	\$71,521	\$72,594
Operating Expenses	\$22,515	\$19,715	\$20,011	\$20,311
Grants	\$800,000	\$1,200,000	\$0	\$0
TOTAL Expenditures	\$892,979	\$1,290,179	\$91,532	\$92,905
<u>Funding of Expenditures</u>				
General Fund (01)	\$892,979	\$1,290,179	\$91,532	\$92,905
TOTAL Funding of Expenditures	\$892,979	\$1,290,179	\$91,532	\$92,905
<u>Revenues</u>				
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures)</u>				
General Fund (01)	(\$892,979)	(\$1,290,179)	(\$91,532)	(\$92,905)


 Sponsor's Initials

 2/18/25
 Date


 Budget Director's Initials

 2/12/2025
 Date