



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2025 Biennium

### Bill information:

HB0269 - Establish a local disaster resiliency fund (Brewster, Larry )

**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 2023</u> <u>Difference</u>	<u>FY 2024</u> <u>Difference</u>	<u>FY 2025</u> <u>Difference</u>	<u>FY 2026</u> <u>Difference</u>	<u>FY 2027</u> <u>Difference</u>
<b>Expenditures:</b>					
General Fund	\$108,000,000	\$0	\$0	\$0	\$0
State Special Revenue	\$0	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000
Federal Special Revenue	\$0	\$12,000,000	\$12,000,000	\$12,000,000	\$12,000,000
<b>Revenue:</b>					
General Fund	\$0	\$0	\$0	\$0	\$0
State Special Revenue	\$108,000,000	\$0	\$0	\$0	\$0
Federal Special Revenue	\$0	\$12,000,000	\$12,000,000	\$12,000,000	\$12,000,000
<b>Net Impact-General Fund Balance:</b>	<u>(\$108,000,000)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

### Description of fiscal impact:

HB 269 creates a state special revenue account known as the Montana local disaster resiliency fund. It contains a one-time allocation of \$108 million from the general fund to the new account to be transferred by June 30, 2023.

### FISCAL ANALYSIS

#### Assumptions:

1. There is a one-time transfer of \$108 million from the general fund to the new Montana local disaster resiliency fund in FY 2023.
2. It is assumed that interest earnings of approximately \$8 million for the 2027 biennium will be earned by the fund for expenditures in those years.
3. Mitigation grants from the Federal Emergency Management Agency (FEMA) typically required 25% state match and can leverage up to 75% federal matching funds per project.

**Fiscal Note Request – As Introduced**

(continued)

4. It is assumed that \$4 million per year would be spent in FY 2024 and FY 2025. This would leverage up to an additional \$12 million in federal mitigation funding.
5. For each successful federal mitigation grant award the state is awarded 10% for management costs that are added on top of the overall project award. It is assumed that approximately 20% of the state management costs would be incurred for personal services and the rest of the costs would be allocated to operating costs to manage the grants.
6. The remaining \$14.4 million would be allocated for disaster mitigation grants upon successful application and receipt from FEMA.

	<u>FY 2023</u> <u>Difference</u>	<u>FY 2024</u> <u>Difference</u>	<u>FY 2025</u> <u>Difference</u>	<u>FY 2026</u> <u>Difference</u>	<u>FY 2027</u> <u>Difference</u>
<b><u>Fiscal Impact:</u></b>					
FTE	0.00	0.00	0.00	0.00	0.00
<b><u>Expenditures:</u></b>					
Personal Services	\$0	\$320,000	\$320,000	\$320,000	\$320,000
Operating Expenses	\$0	\$1,280,000	\$1,280,000	\$1,280,000	\$1,280,000
Grants	\$0	\$14,400,000	\$14,400,000	\$14,400,000	\$14,400,000
Transfers	\$108,000,000	\$0	\$0	\$0	\$0
<b>TOTAL Expenditures</b>	<u>\$108,000,000</u>	<u>\$16,000,000</u>	<u>\$16,000,000</u>	<u>\$16,000,000</u>	<u>\$16,000,000</u>
<b><u>Funding of Expenditures:</u></b>					
General Fund (01)	\$108,000,000	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$0	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000
Federal Special Revenue (03)	\$0	\$12,000,000	\$12,000,000	\$12,000,000	\$12,000,000
<b>TOTAL Funding of Exp.</b>	<u>\$108,000,000</u>	<u>\$16,000,000</u>	<u>\$16,000,000</u>	<u>\$16,000,000</u>	<u>\$16,000,000</u>
<b><u>Revenues:</u></b>					
General Fund (01)	\$0	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$108,000,000	\$0	\$0	\$4,000,000	\$4,000,000
Federal Special Revenue (03)	\$0	\$12,000,000	\$12,000,000	\$12,000,000	\$12,000,000
<b>TOTAL Revenues</b>	<u>\$108,000,000</u>	<u>\$12,000,000</u>	<u>\$12,000,000</u>	<u>\$16,000,000</u>	<u>\$16,000,000</u>
<b><u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u></b>					
General Fund (01)	(\$108,000,000)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$108,000,000	(\$4,000,000)	(\$4,000,000)	\$0	\$0
Federal Special Revenue (03)	\$0	\$0	\$0	\$0	\$0

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Sponsor's Initials

1-26-23

Date

*MD*

Budget Director's Initials

1-26-23

Date