

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2013-14		FY 2014-15	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	18,889		18,889	
CASH FUNDS				
FEDERAL FUNDS	750,000		750,000	
OTHER FUNDS				
TOTAL FUNDS	768,889		768,889	

Any Fiscal Notes received from state agencies and political subdivisions are attached following the Legislative Fiscal Analyst Estimate.

This bill establishes a grant program with \$750,000 from federal Temporary Assistance for Needy Families (TANF) funding in FY 14 and FY 15. The grants would be awarded to non-profits that provide new or innovative after-school programs and additional academic programming in geographic areas that serve a high concentration of students who qualify for the free lunch or free milk programs. The bill creates the Educational Success Fund. The fund and the program would be administered by the Children and Family Services Division within the Department of Health and Human Services. The bill authorizes \$25,000 for administration of the program. Grant recipients are required to submit an annual report to the Department and to the Clerk of the Legislature.

Use of TANF funds must meet at least one of the four purposes of the program. Those purposes are:

- assisting needy families so that children can be cared for in their own homes
- reducing the dependency of needy parents by promoting job preparation, work and marriage
- preventing out-of-wedlock pregnancies
- encouraging the formation and maintenance of two-parent families

In this fiscal note, it is assumed this program meets one of the purposes of TANF, as this is modeled after programs in other states that use TANF funds for similar programs.

HHS indicates on their fiscal note, that the \$25,000 for administration is not adequate to cover the cost for a half-time program specialist that is needed to oversee this program. The Home Visitation Program a similar grant program employs a full-time program manager. The Home Visitation Program has a combined state and federal budget that is twice the level of funding in this bill. Based on the comparability of the work, the need for a half-time program specialist appears to be reasonable. State General Funds would be required to cover the estimated additional costs of \$18,889 above what is authorized from TANF funds in the bill. Additional TANF funds could also be used, if authorized.

The amount from TANF funds for the grant program would draw down the balance. The projected balance at the end of FFY 16 is \$21.9 million. With this bill, the projected balance would be \$19.4 million.

Technical Note: The bill transfers federal funds into a cash fund. Federal funds should be appropriated and not placed into a cash fund.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: 555	AM:	AGENCY/POLT. SUB: HHS	
REVIEWED BY: Elton Larson		DATE: 2/5/2013	PHONE: 471-4173
COMMENTS: Concur with HHS analysis			

