

FISCAL NOTE
HOUSE BILL NO. 1066
LC# 25.8080.01000
01/07/2025
Revised - 01/07/2025

1 - State Fiscal Effect

Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.

| | 2023-2025 Biennium | | 2025-2027 Biennium | | 2027-2029 Biennium | |
|----------------|--------------------|-------------|--------------------|-------------|--------------------|-------------|
| | General Fund | Other Funds | General Fund | Other Funds | General Fund | Other Funds |
| Revenues | | | | | | |
| Expenditures | | | | \$213,038 | \$213,038 | |
| Appropriations | | | | | \$213,038 | |

2 - County, City, School District, and Township Fiscal Effect

Identify the fiscal effect on the appropriate political subdivision.

| | 2023-2025 Biennium | 2025-2027 Biennium | 2027-2029 Biennium |
|------------------|--------------------|--------------------|--------------------|
| Counties | | | |
| Cities | | | |
| School Districts | | | |
| Townships | | | |

3 - Bill and Fiscal Impact Summary

Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).

HB 1066 will increase wage for Senior Community Service Employment Program (SCSEP) participants to provide the ability to utilize existing federal funding and meet grant requirements for SCSEP program.

4 - Fiscal Impact Sections Detail

Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.

Section 1 of HB 1066 would increase the minimum wage paid to SCSEP participants.

Per Federal Regulation:

P.L 109-365 Oct. 17, 2006 OAA 502(c)(6)(B) “(i) except as provided in clause (ii), shall use not less than 75 percent of the grant funds to pay the wages, benefits, and other costs described in subparagraph (A)(i) for eligible

individuals who are employed under projects carried out under this title; or “(ii) that obtains approval for a request described in subparagraph (C) may use not less than 65 percent of the grant funds to pay the wages, benefits, and other costs described in subparagraph (A)(i).

This requires a minimum of 75% of expenses to be used towards participant employment. Currently we are unable to meet this requirement and results in a refund of grant funds. By increasing the wage for these participants we should be able to recruit and retain to meet grant guidelines.

If we are able to reach the goal of 50 participants, costs would increase by an estimated \$213,038. This increase allows us to expend the entire grant award.

5 - Revenues Detail

For information shown under state fiscal effect in 1 or 2, please explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.

Not Applicable.

6 - Expenditures Detail

For information shown under state fiscal effect in 1 or 2, please explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.

HB 1066 increases the minimum wage of SCSEP participants.

Total estimated grant award for biennium is \$964,754 and 75% requirement is \$723,565. Remaining grant funding is used for administration and support costs.

25-27 Budget is based on having 50 active participants, 20 hours per week for 24 months.

Total estimated total of participants being paid at \$7.25/Hour equals \$686,460.

An increase to \$12.00/hr totals \$899,498. This is an expenditure increase of \$213,038.

The 25-27 Budget includes state funds to make up any amounts over the administrative max of 13.5% or estimate of \$130,242. Historically we have exceeded our administrative costs due to the workload of managing the program regardless of how many active participants.

27-29 Budget is based on 50 active participants, 20 hours per week for 24 months.

The estimated total for \$7.25/hour would be equal to 25-27 Budget; \$686,460

The total cost if increased to \$12.00/hour would remain \$899,498. The additional expense would remain the same of \$213,038.

The additional federal funding will be used towards admin and support.

No additional FTE will be required.

7 - Appropriations Detail

For information shown under state fiscal effect in 1 or 2, please explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.

Funding is included in HB 2012 for the 2025-2027 biennium for the Department of Health and Human Services.

For the 2027-2029 biennium, the Department of Health and Human Services would need appropriation authority in the following line items;

Salaries: (Participant Costs) \$686,460 + \$213,038 = \$899,498 total appropriation of which is 100% Federal

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