

## Department of Planning and Budget 2013 Fiscal Impact Statement

1. **Bill Number:** HB1324

**House of Origin**     Introduced     Substitute     Engrossed  
**Second House**     In Committee     Substitute     Enrolled

2. **Patron:**        Morris

3. **Committee:** Counties, Cities and Towns

4. **Title:**         Efficiency Evaluation Fund; established, grants to localities.

5. **Summary:** Creates the Efficiency Evaluation Fund to provide matching grants to localities to pay for evaluations by private consultants to determine ways in which localities may become more efficient.

6. **Budget Amendment Necessary:** Yes, if the fund is to be capitalized. Item 109. See item 8, below.

7. **Fiscal Impact Estimates are preliminary.** See item 8, below.

8. **Fiscal Implications:** A budget amendment to provide general fund support is necessary to capitalize the fund this bill establishes, and to provide funding to DHCD to administer this new program and fund. Under the provisions of the bill, DHCD shall develop and manage a program to provide matching grants to localities to pay a portion of the cost of engaging private consultants to evaluate how the localities may become more efficient. The amount of funding to capitalize the fund is indeterminate.

The bill establishes a special fund in the state treasury, the Efficiency Evaluation Fund, from which the grants will be paid. Capitalization of the fund is subject to appropriation by the General Assembly.

The maximum grant that may be awarded to a single locality is capped at \$100,000. Similarly, no joint grant to multiple localities may exceed \$100,000 multiplied by the number of localities involved. The award from the state must be matched at least one to one by the participating locality or localities.

The department estimates that for every \$1.0 million in grant funds made available through the program, the agency will incur approximately \$30,000 in administrative costs necessary to assure the proper management of various matching grants through the development of program guidelines and ongoing program monitoring.

**9. Specific Agency or Political Subdivisions Affected:** Department of Housing and Community Development, localities.

**10. Technical Amendment Necessary:** No.

**11. Other Comments:** None.

**Date:** 1/16/13

**Document:** G:\tmw\2013 Session\Legislation\HB1324.docx