

## Senate Subcommittee Report

**Agency:** Office of the Governor

**Bill No.** SB 153

**Bill Sec.** --

**Analyst:** Leopold

**Analysis Pg. No.** Vol. 1, p. 69

**Budget Page No.** 152

Expenditure Summary	Agency Estimate FY 2023	Governor Recommendation FY 2023	Senate Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 29,377,989	\$ 29,377,989	\$ 0
Federal Funds	416,982,673	416,982,673	0
Other Funds	1,845,845	1,845,845	0
<i>Subtotal</i>	<u>\$ 448,206,507</u>	<u>\$ 448,206,507</u>	<u>\$ 0</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Federal Funds	0	0	0
Other Funds	0	0	0
<i>Subtotal</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>TOTAL</b>	<u><b>\$ 448,206,507</b></u>	<u><b>\$ 448,206,507</b></u>	<u><b>\$ 0</b></u>
FTE positions	54.8	54.8	0.0

### Agency Estimate

The **agency** submits a revised estimate of \$448.2 million, including \$29.4 million SGF, and 54.8 FTE positions in FY 2023. This is a decrease of \$10.8 million from all funding sources, or 2.4 percent, including \$86,446 SGF, or 0.3 percent, below the FY 2023 approved amount. The all funds decrease is largely due to decreased expenditures for contractual services in the Office of Recovery as the work of the advisory panel concludes and the office narrows its focus to federal reporting and compliance for the federal State Fiscal Recovery Fund moneys. This decrease is partially offset by increased federal funds for several of the Governor's Grant Programs, including the Crime Victim Assistance Grant and the Family Violence Prevention and Services Act.

The agency's FY 2023 revised estimate includes expenditures of \$385.3 million in federal American Rescue Plan Act (ARPA) moneys. ARPA, which was enacted on March 11, 2021, provided the State a total of \$1.6 billion in discretionary moneys, which must be used for expenditures related to the COVID-19 public health emergency. The 2022 Legislature appropriated the following expenditures in FY 2023 using ARPA funds to be utilized as follows:

- \$233.4 million for higher education, including \$175.0 million for Regents and Universities, and \$58.4 million for private universities and community and technical colleges;

- \$73.1 million in economic development projects, including \$35.0 million for an agricultural production facility;
- \$20.0 million for the Moderate Income Housing Program;
- \$50.0 million for business closure rebates, pursuant to 2022 HB 2136; and
- \$20.0 million for the Rural Housing Revolving Loan Program.

The agency's revised estimate includes 54.8 FTE positions for FY 2023. This is a decrease of 14.0 FTE positions below the FY 2023 approved number of 68.8 due to decreased staffing needs in the Office of Recovery.

### **Governor's Recommendation**

The **Governor** concurs with the agency's revised estimate in FY 2023. The Governor recommends transferring \$220.0 million SGF to the Office of the Governor's new Infrastructure Leveraging Fund (ILF) to finance matching funds for communities for competitive grants through FY 2027. No expenditures from the ILF are reflected in the FY 2023 budget. In addition, the Governor recommends transferring \$50.0 million SGF to the Office of the Governor in FY 2023 to be used as state match for federal funds. These funds will allow state agencies to apply for future grant programs that require state matching funds.

### **Senate Subcommittee Recommendation**

The **Senate Subcommittee** concurs with the Governor's recommendations in FY 2023.

### **Senate Committee Recommendation**

The **Senate Committee** concurs with the Senate Subcommittee recommendation in FY 2023.

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## **House Budget Committee Report**

**Agency:** Office of the Governor

**Bill No.** HB 2274

**Bill Sec.** --

**Analyst:** Leopold

**Analysis Pg. No.** Vol. 1, p. 69

**Budget Page No.** 152

Expenditure Summary	Agency Estimate FY 2023	Governor Recommendation FY 2023	House Budget Committee Adjustments
<b>Operating Expenditures:</b>			
State General Fund	\$ 29,377,989	\$ 29,377,989	\$ 0
Federal Funds	416,982,673	416,982,673	0
Other Funds	1,845,845	1,845,845	0
<i>Subtotal</i>	<u>\$ 448,206,507</u>	<u>\$ 448,206,507</u>	<u>\$ 0</u>
<b>Capital Improvements:</b>			
State General Fund	\$ 0	\$ 0	\$ 0
Federal Funds	0	0	0
Other Funds	0	0	0
<i>Subtotal</i>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>TOTAL</b>	<u><b>\$ 448,206,507</b></u>	<u><b>\$ 448,206,507</b></u>	<u><b>\$ 0</b></u>
FTE positions	54.8	54.8	0.0

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The **agency** submits a revised estimate of \$448.2 million, including \$29.4 million SGF, and 54.8 FTE positions in FY 2023. This is a decrease of \$10.8 million from all funding sources, or 2.4 percent, including \$86,446 SGF, or 0.3 percent, below the FY 2023 approved amount. The all funds decrease is largely due to decreased expenditures for contractual services in the Office of Recovery as the work of the advisory panel concludes and the office narrows its focus to federal reporting and compliance for the federal State Fiscal Recovery Fund moneys. This decrease is partially offset by increased federal funds for several of the Governor's Grant Programs, including the Crime Victim Assistance Grant and the Family Violence Prevention and Services Act.

The agency's FY 2023 revised estimate includes expenditures of \$385.3 million in federal American Rescue Plan Act (ARPA) moneys. ARPA, which was enacted on March 11, 2021, provided the State a total of \$1.6 billion in discretionary moneys, which must be used for expenditures related to the COVID-19 public health emergency. The 2022 Legislature appropriated the following expenditures in FY 2023 using ARPA funds to be utilized as follows:

- \$233.4 million for higher education, including \$175.0 million for Regents and Universities, and \$58.4 million for private universities and community and technical colleges;
- \$73.1 million in economic development projects, including \$35.0 million for an agricultural production facility;
- \$20.0 million for the Moderate Income Housing Program;
- \$50.0 million for business closure rebates, pursuant to 2022 HB 2136; and

- \$20.0 million for the Rural Housing Revolving Loan Program.

The agency's revised estimate includes 54.8 FTE positions for FY 2023. This is a decrease of 14.0 FTE positions below the FY 2023 approved number of 68.8 due to decreased staffing needs in the Office of Recovery.

### **Governor's Recommendation**

The **Governor** concurs with the agency's revised estimate in FY 2023. The Governor recommends transferring \$220.0 million SGF to the Office of the Governor's new Infrastructure Leveraging Fund (ILF) to finance matching funds for communities for competitive grants through FY 2027. No expenditures from the ILF are reflected in the FY 2023 budget. In addition, the Governor recommends transferring \$50.0 million SGF to the Office of the Governor in FY 2023 to be used as state match for federal funds. These funds will allow state agencies to apply for future grant programs that require state matching funds.

### **House Budget Committee Recommendation**

The **Budget Committee** concurs with the Governor's recommendation in FY 2023 with the following adjustments:

1. Delete the transfer of \$50.0 million from the SGF to the Office of the Governor in FY 2023 to be used as state match for agencies applying for federal grant programs that require state matching funds.
2. Add language requiring any expenditures from the Governor's Infrastructure Leveraging Fund be approved by the State Finance Council prior to being released in FY 2023. The State Finance Council would review applications as they are received. The Infrastructure Leveraging Fund will finance matching funds for communities for the federal Bipartisan Infrastructure Law for formula and competitive grant programs. Potential projects for Bipartisan Infrastructure Law include additional broadband initiatives, energy programs, cybersecurity, water systems, and other competitive grants. Add language allowing the State Finance Council to meet during the legislative session on this matter.

### **House Committee Recommendation**

The Committee concurs with the Governor's recommendation in FY 2023 with the following adjustments:

1. Delete language at the end of subcommittee recommendation number 2, allowing the State Finance Council to meet during the legislative session on this matter.
2. Add language stating that any funds transferred to state agencies from the American Rescue Plan - State fiscal relief federal fund (ARPA discretionary funds) as recommended by the SPARK executive Committee and authorized by the State Finance Council, that have not previously been expended or legally obligated through a signed agreement, shall not be expended or encumbered. In addition, add language stating that actions taken by the State Finance Council to allocate or distribute ARPA discretionary funds, including future actions, are declared null and

void and that any agency receiving ARPA discretionary funds will provide House Appropriations a report detailing the amount of any unencumbered funds, and the recipient of any encumbered or awarded funds, by April 14<sup>th</sup>, 2023.