

# OFFICE OF FISCAL ANALYSIS

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sSB-338

## AN ACT CONCERNING THE USE OF COMMUNITY INVESTMENT ACCOUNT FUNDS FOR COMBATTING INVASIVE SPECIES.

### **OFA Fiscal Note**

#### **State Impact:**

Agency Affected	Fund-Effect	FY 19 \$	FY 20 \$
Auditors	GF - Cost	69,460	69,460
State Comptroller - Fringe Benefits <sup>1</sup>	GF - Cost	23,418	23,418

Note: GF=General Fund

#### **Municipal Impact:**

Municipalities	Effect	FY 19 \$	FY 20 \$
Various Municipalities	Potential Revenue Loss	See Below	See Below

### **Explanation**

The bill requires the Department of Energy and Environmental Protection (DEEP) to provide Community Investment Act (CIA) grant funding to lake authorities or associations for controlling invasive species.<sup>2</sup> Currently, DEEP uses its portion of CIA funds for grants to municipalities to purchase open space.

The bill results in a potential revenue loss to municipalities as it expands the pool of CIA grant recipients. The revenue loss is

<sup>1</sup>The fringe benefit costs for most state employees are budgeted centrally in accounts administered by the Comptroller. The estimated active employee fringe benefit cost associated with most personnel changes is 36.33% of payroll in FY 19 and FY 20.

<sup>2</sup> Under the bill, grants to lake authorities from CIA funds cannot exceed one-third, and \$25,000 of the reasonable costs for the authority's or association's invasive species control measures or project.

dependent upon the grant funding received by lake authorities that otherwise would have gone to municipalities to purchase open space.

The available cash balance in DEEP's subaccount of the CIA, is \$4,360,832.

The bill also requires the Auditors of Public Accounts to conduct a forensic accounting of CIA expenditures for the last two fiscal years before DEEP can distribute funds to a lake authority or association. The Auditors would need to hire an Auditor 2 position at \$64,460 plus fringes of \$23,418 and \$5,000 for training expenses to conduct the audit and issue a report by January 1, 2019.

### ***The Out Years***

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation and the resources of the CIA.