

N.C. GENERAL ASSEMBLY LEGISLATIVE FISCAL NOTE

Fiscal Research
733-4910

Prepared By: Jim Newlin	Date Prepared: 6/12/90	Bill No.: H 2253	Edition: 1
Approved By: Thomas Covington TOMC	7/2/90		Sponsor: Hardaway
Short Title: Rural Development Assistance Program			

TYPE OF FISCAL IMPACT	COUNTY		FUNDS AFFECTED:					
	State Gov't	Local Gov't	(x) General	() Highway	() Other:	(x) Local		
			State Fis. Impact	FY 91	FY 92	FY 93	FY 94	FY 95
			(IN THOUSANDS)					
No Fiscal Impact	()	()	St. Tot. Req.	47.0	127.6	177.6	333.2	496.
			Receipts/Revenues	-	-	-	-	-
Increase Expenditure	(x)	(x)	Net St. Expend./Rev.	-	-	-	-	-
			No. of Positions	1.5	1.5	1.5	1.5	1.5
Decrease Expenditure	()	()						
			Local Fiscal Impact		FY 93-94	FY 94-95		FY
Increase Revenue	()	()	Local Total Req'ments		155,560	318,895		
Decrease Revenue	()	()	Receipts/Revenues					
			Net Local Expend./Rev.					
No Estimate Avail.	()	()	No. of Positions					

Description of Legislation

1. Summary of Legislation: Creates Economic Development Graduate Scholarship Loan Commission to award 10 grants per year. Directs UNC to create 2-year graduate program in rural economic planning and development. Rural Economic Development Center to study award of grants to pay graduates to work in low-income counties.

2. Effective Date: 7/1/90, Commission (Sec. 3.) 1/1/91.

3. Fund or Tax Affected: General Fund

4. Principal Department/Program Affected: UNC Board of Governors, Rural Economic Development Center

Cost or Revenue Impact on State

		FY	FY	<u>FY</u>	<u>FY</u>	<u>FY</u>
		90-91	91-92	92-93	93-94	94-95
1. Non-Recurring Costs/Revenues	32,000	-	-	-	-	-
2. Recurring Costs/Revenues	15,000	127,600	177,600	333,160	496,495	

3. Fiscal/Revenue Assumptions:

- Scholarship loans shall be at a cost of \$5,000 for a maximum of 20 in any one year.
- In section 6(b), internship costs are calculated at \$8 per hour for 12 weeks plus social security. The assumption is that this would be a State cost.
- UNC would incur administrative and incremental costs of \$50,000 annually.
- Academic costs would be included in regular enrollment funding and are assumed to be within current budgeted enrollment projections. If these were budgeted separately, those costs would be estimated at \$175,000 annually.
- All projections are in current dollars; there are no inflation assumptions.
- Graduates of the program will be paid at the equivalent level of a Community Planner I on the State Salary Plan, and would receive a 5% salary increase after the first year.
- In Section 6(c), matching grants to counties to pay these graduates for 2 years are assumed to be an average of 50% of the costs. We assume this will be a State cost.

Matching Grant Calculations

	<u>93-94</u>	<u>94-95</u>
A. Salary & Benefits	\$31,112	32,667
B. Numbers Employed		
10 1st year	311,120	311,120
10 2nd year	-	<u>326,670</u>
	<u>\$311,120</u>	\$637,790
C. Matching Grant @ 50%	\$155,560	\$318,895

8. State Cost Calculation

	90-91	91-92	92-93	93-94	94-95
Scholarships		50,000	100,000	100,000	100,000
Match. Grants	32,000	-	-	155,560	318,895
Intern. Costs		12,600	12,600	12,600	12,600
Admin. Costs	15,000	15,000	15,000	15,000	15,000
UNC Costs	-	50,000	50,000	50,000	50,000
Total Cost	\$47,000	\$127,600	\$177,600	\$333,160	\$496,495

Cost/Revenue Impact on County or Local Government

	<u>FY</u> 93-94	<u>FY</u> 94-95
1. Non-Recurring Costs/Revenues		
2. Recurring Costs/Revenues	156,560	318,895
3. Fiscal/Revenue Assumptions		

These costs are incurred only by those local governments who voluntarily enter into this matching grant contract. Costs would continue to increase as counties began sustaining the positions after a two-year grant period.

Sources of Data for Fiscal Note

Technical Considerations/Comments



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