

HF776 - 0 - Family Assets for Independence Appropriation

Chief Author: **Jessica Hanson**
 Committee: **Children And Families Finance & Policy**
 Date Completed: **3/5/2025 9:34:13 PM**
 Agency: **Children, Youth and Families**

| State Fiscal Impact | Yes | No |
|---------------------------|-----|----|
| Expenditures | X | |
| Fee/Departmental Earnings | | X |
| Tax Revenue | | X |
| Information Technology | | X |
| Local Fiscal Impact | | X |

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

| State Cost (Savings) | Biennium | | | Biennium | | |
|-----------------------|----------------------|--------------|--------------|--------------|--------------|--------------|
| | Dollars in Thousands | FY2025 | FY2026 | FY2027 | FY2028 | FY2029 |
| General Fund | - | 1,598 | 1,614 | 1,614 | 1,614 | 1,614 |
| Total | - | 1,598 | 1,614 | 1,614 | 1,614 | 1,614 |
| Biennial Total | | | 3,212 | | | 3,228 |

| Full Time Equivalent Positions (FTE) | Biennium | | | Biennium | |
|--------------------------------------|----------|------------|----------|----------|----------|
| | FY2025 | FY2026 | FY2027 | FY2028 | FY2029 |
| General Fund | - | .75 | 1 | 1 | 1 |
| Total | - | .75 | 1 | 1 | 1 |

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Kate Schiller **Date:** 3/5/2025 9:34:13 PM
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State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

| State Cost (Savings) = 1-2 | | Biennium | | | Biennium | |
|--|---|----------|--------------|--------------|--------------|--------------|
| Dollars in Thousands | | FY2025 | FY2026 | FY2027 | FY2028 | FY2029 |
| General Fund | - | 1,598 | 1,614 | 1,614 | 1,614 | 1,614 |
| Total | | - | 1,598 | 1,614 | 1,614 | 1,614 |
| Biennial Total | | | | 3,212 | | 3,228 |
| 1 - Expenditures, Absorbed Costs*, Transfers Out* | | | | | | |
| General Fund | - | 1,598 | 1,614 | 1,614 | 1,614 | 1,614 |
| Total | | - | 1,598 | 1,614 | 1,614 | 1,614 |
| Biennial Total | | | | 3,212 | | 3,228 |
| 2 - Revenues, Transfers In* | | | | | | |
| General Fund | - | - | - | - | - | - |
| Total | | - | - | - | - | - |
| Biennial Total | | | | - | | - |

Bill Description

This bill appropriates \$1.5 million from the general fund each year in FY 2026 and FY 2027 to the Department of Children, Youth, and Families (DCYF) for the Minnesota Family Assets for Independence in Minnesota (FAIM) Initiative. This initiative, as per MS 142F.20, is designed to “provide incentives for low-income families to accrue assets for education, housing, vehicles, emergencies, and economic development purposes.”

Assumptions

DCYF assumes that no portion of the funding appropriated for grants is available for administrative expenses as, under DCYF’s budget structure, administrative expenses and grant expenses are appropriated under separate budget activities.

DCYF assumes that this appropriation is included in the base for FY 2028 and future years.

DCYF estimates that there would be federal funds participation of 32%, which would offset the cost by \$46,035 in FY 2026 and \$53,810 in FY 2027, meaning a net expense of \$97,826 in FY 2026 and \$114,346 in FY 2027.

DCYF estimates that, in addition to the money directly appropriated for grants, implementing this funding would require 1 FTE, a level 14L grant manager. This FTE would have a cost of \$143,861 in FY 2026 and \$168,156 in FY 2027.

FTEs are assumed to begin October 1, 2025, and require an up-front administrative cost of \$17,744, and ongoing monthly administrative costs of \$2,228. Fringe benefits are estimated using the most recent union contracts.

Expenditure and/or Revenue Formula

The grant funding included in this bill is included in the total cost.

Funding would also be needed for a grant manager FTE who would oversee this funding and the grant-making and expenditure process. While this is an existing program, it was funded with one-time resources, so that funding does not continue in the base.

| Fiscal Tracking Summary | | | | | | |
|-------------------------|------|--------------------|-------|-------|-------|-------|
| Fund | BACT | Description | FY26 | FY27 | FY28 | FY29 |
| 1000 | 47 | FAIM grant funding | 1,500 | 1,500 | 1,500 | 1,500 |

| | | | | | | |
|------|------|--------------------------------|--------------|--------------|--------------|--------------|
| 1000 | 14 | Grant manager FTE | 144 | 168 | 168 | 168 |
| 1000 | REV1 | FFP @ 32% | (46) | (54) | (54) | (54) |
| | | Total Net Fiscal Impact | 1,598 | 1,614 | 1,614 | 1,614 |
| | | Full Time Equivalent | 0.75 | 1 | 1 | 1 |

Long-Term Fiscal Considerations

None

Local Fiscal Impact

None

References/Sources

N/A

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