### EXPENDITURE EXPLANATION

Although not an appropriation instrument, the proposed legislation directs the state treasurer to deposit $150 M from the state general fund (SGF) into the newly created SMART fund, beginning in July 1, 2026 (FY 27) and at the beginning of each fiscal year. SGF expenditures will decrease by $150 M as a result of the proposed legislation; the anticipated impact by agency will vary based on legislative appropriations. Public postsecondary education institutions will experience increases in statutory dedications expenditures to the extent they are recipients of grant awards through the SMART fund; however, actual amounts by institution will vary by award and are indeterminable.

The Board of Regents (BOR) may utilize up to 3% of SMART funds for costs associated with administering the program (equivalent to $4.5 M out of the $150 M). The BOR estimates costs at $854,800 to include the following: $553,800 for at least six (6) positions, including one Program Administrator ($85,000 salary and $35,700 related benefits), one Auditor ($60,000 salary and $25,200 related benefits), three Program and Grants Coordinators (each $60,000 salary and $25,200 related benefits), and one Fiscal Administrator ($65,000 salary and $27,300 related benefits). Other costs may include $200,000 for professional services such as legal and auditing, $76,000 for operational services, such as travel, supplies, and technology purchases, and $25,000 for other charges expenditures such as statewide costs and other agency expenses.

### REVENUE EXPLANATION

**Proposed law** directs the state treasurer to deposit $150 M from the state general fund into the newly created SMART fund, beginning in July 1, 2026 (FY 27) and at the beginning of each fiscal year. Monies in the SMART fund shall be subject to appropriation by the legislature and shall be available exclusively for the use by the Board of Regents for purposes of the SMART program.