

FISCAL NOTE

Requested by Legislative Council
12/15/2010

Bill/Resolution No.: HB 1032

1A. State fiscal effect: *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

| | 2009-2011 Biennium | | 2011-2013 Biennium | | 2013-2015 Biennium | |
|----------------|--------------------|-------------|--------------------|-------------|--------------------|-------------|
| | General Fund | Other Funds | General Fund | Other Funds | General Fund | Other Funds |
| Revenues | | | | \$5,540,574 | | |
| Expenditures | | | | \$5,540,574 | | |
| Appropriations | | | | \$5,540,574 | | |

1B. County, city, and school district fiscal effect: *Identify the fiscal effect on the appropriate political subdivision.*

| 2009-2011 Biennium | | | 2011-2013 Biennium | | | 2013-2015 Biennium | | |
|--------------------|--------|------------------|--------------------|--------|------------------|--------------------|--------|------------------|
| Counties | Cities | School Districts | Counties | Cities | School Districts | Counties | Cities | School Districts |
| | | | | | | | | |

2A. Bill and fiscal impact summary: *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

This Bill requires the Department to establish and operate a mental health and substance abuse pilot voucher payment program in 3 human service regions during the biennium beginning 7-1-2011 and ending 6-30-2013.

B. Fiscal impact sections: *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

The Bill requires the Department to establish and operate a pilot voucher payment program to provide mental health and substance abuse services. The program must allow a voucher to be submitted to the beneficiary's provider of choice for payment of services. The Department is to offer the pilot program in 3 human services regions including a primarily urban region, a primarily rural region, and a region including an Indian reservation.

The potential fiscal impact on the Human Service Center in each region with a pilot program is undeterminable.

3. State fiscal effect detail: *For information shown under state fiscal effect in 1A, please:*

A. Revenues: *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

The Bill requires the Department to seek funding from federal, special, or other funding sources. The source of the potential other funds has not yet been identified.

The potential decrease in Human Service Center revenues is undeterminable.

B. Expenditures: *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

The fiscal impact is comprised of:

1 FTE to manage the pilot program and provide education and information to providers and the public - \$124,157
 Operating costs for the FTE including equipment, rent, and IT costs - \$12,370
 Education and information costs, such as printing, postage - \$10,000
 The development of a voucher tracking system - \$474,047
 A contract for outcome analysis of the pilot program - \$120,000

Services for clients - \$4,800,000 (based on 400 clients at a maximum of \$6,000 of services per year)

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

The funding needed to establish the pilot program is not included in the executive budget therefore the Department would need an appropriation of other funds in the amount of \$5,540,574. It is not possible to determine if individuals that would use the voucher system would be existing clients and if they are to what extent they would discontinue utilizing Department resources. Therefore, it is not possible to estimate a possible offset against the staffing and contracts included in the executive budget.

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