

FISCAL NOTE
Requested by Legislative Council
02/13/2013

Amendment to: HB 1233

- 1 A. **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.*

	2011-2013 Biennium		2013-2015 Biennium		2015-2017 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				\$(21,574,664)		
Expenditures			\$102,512,371	\$(21,574,664)		
Appropriations			\$102,512,371	\$(21,574,664)		

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

	2011-2013 Biennium	2013-2015 Biennium	2015-2017 Biennium
Counties		\$(101,873,674)	
Cities			
School Districts			
Townships			

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

HB1233 provides for the state to reimburse county costs incurred for social service programs delivered by the county at the direction of the Department for 2013-2015 biennium. It also provides for the Department to develop a plan for the administration and funding of social service programs.

- 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.*

HB1233 requires the state to reimburse all costs, in excess of the amount provided by the federal government, for social service programs delivered by the county at the direction of the Department for the 2013-2015 biennium. The Bill also requires the county social service boards to submit a budget to the Department of Human Services in 2013, identifying the reduction in county expenditures including how the reduction will be passed on to property taxpayers. Lastly the Bill provides for the Department of Human Services to develop a plan for restructuring the administration and funding of social service programs into a state administered and funded social service program. The findings, proposed plan and necessary legislative changes must be presented to legislative management before June 1, 2014.

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 reduction in revenues is due to the counties no longer being required to pay the state for any costs related to social service programs. This results in lost revenues from the counties of \$21,935,967 for the 2013-2015 biennium. In addition, there would be an increase in federal funds of \$361,303 for the 2013-2015 biennium related to the availability of federal funds to pay for a portion of the cost of the plan. The impact for the 2015-2017 biennium cannot be determined until a plan is adopted.

- 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 increase in General fund expenditures is due to the state paying all costs, in excess of the amount provided by the federal government, for social service programs delivered by the county at the direction of the Department for 2013-2015. This would result in a General fund increase of \$101,873,674 in the 2013-2015 biennium. The fiscal impact also includes costs of \$1,000,000 of which \$638,697 is general fund and \$361,303 is federal funds for the 2013-2015 biennium for the Department to develop a plan for restructuring the administration and funding of social services into a state administered and funded social services program. The decrease of other funds in the amount of \$21,574,664 includes the decrease of the county share of program costs for family preservation services, foster care and subsidized adoption programs, and service payments for the elderly and disabled programs in the amount of \$21,935,967 offset by the federal fund increase of \$361,303 for a portion of the plan that can be funded with federal funds. There is no impact reflected in the fiscal note for 2015-2017 biennium because the provision requiring the state to pay for the county expenditures expires on 7-31-2015, and future expenditures will be based upon the adopted plan.

- 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.*

For the 2013-2015 biennium, the Department's grant budget would be increased by \$79,937,707, with \$101,873,674 being a general fund increase and \$21,935,967 being a decrease in special funds. Also the Department's operating budget would be increased by \$1,000,000, of which \$638,697 is general fund and \$361,303 is federal funds. The impact for the 2015-2017 biennium cannot be determined because the provision requiring the state to pay for the county expenditures expires on 7-31-2015, and future expenditures will be based upon the adopted plan.

Name: Debra A McDermott

Agency: Human Services

Telephone: 328-3695

Date Prepared: 02/14/2013