

FISCAL NOTE
Requested by Legislative Council
04/12/2017

Amendment to: SB 2206

- 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.*

	2015-2017 Biennium		2017-2019 Biennium		2019-2021 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				\$209,059		
Expenditures			\$159,290,941	\$209,059	\$159,000,000	
Appropriations			\$161,000,000		\$159,000,000	

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

	2015-2017 Biennium	2017-2019 Biennium	2019-2021 Biennium
Counties			
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).*

Engrossed SB 2206 transitions the funding responsibility for county social services from the counties to the State. Section 8 of Engrossed SB 2206 requires the Department of Human Service (Department) to administer a state-wide pilot program and develop a plan for permanent implementation.

- 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.*

Engrossed SB 2206 transitions funding responsibility for county social services from the counties to the State; suspends chapter 50-03 an section 50-06-20.1 and 50-06.2-05 relating to the county human services funds, the human service grant program, and county human services levy authority; and repeals section 57-20-07.2 relating to the state-paid property tax relief credit.

Section 8 of Engrossed SB 2206 requires the Department to administer a state-wide pilot program and develop a plan for permanent implementation.

Section 4 of Engrossed SB 2206 requires a change in the payment methodology used by the Department to reimburse the counties for economic assistance and social service programs for the calendar years after December 31, 2017.

Section 17 of Engrossed SB 2206 contains general fund appropriation of \$135,000,000 and included in Engrossed HB 1012 is \$26,000,000 of general fund appropriation for a combined general fund appropriation of \$161,000,000. The estimated cost for the state-paid economic assistance and social service pilot program using the methodology contained in the bill is \$159,000,000.

The Department will need to hire a consultant to analyze the current county service delivery system and to recommend potential service delivery efficiencies to be used in the development of an implementation plan. It is anticipated that the cost of a consultant would be approximately \$500,000, of which \$290,941 is general fund and \$209,059 is federal funds.

The 19-21 biennium amounts reflected above provide funding for the new payment method with no inflationary increases or other formula changes for both CY 2020 and CY 2021.

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.*

It is anticipated the Department will be reimbursed approximately \$209,059 in federal funds for the cost of a consultant.

- 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.*

Engrossed SB 2206 transitions funding responsibility for county social services from the counties to the State; suspends chapter 50-03 and section 50-06-20.1 and 50-06.2-05 relating to the county human services funds, the human service grant program, and county human services levy authority; and repeals section 57-20-07.2 relating to the state-paid property tax relief credit.

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The Department will need to hire a consultant to analyze the current county service delivery system and to recommend potential service delivery efficiencies to be used in the development of an implementation plan. It is anticipated that the cost of a consultant would be approximately \$500,000, of which \$290,941 is general fund and \$209,059 is federal funds.

The 19-21 biennium amounts reflected above provide funding for the new payment method with no inflationary increases or other formula changes for both CY 2020 and CY 2021.

- 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 or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

Section 17 of Engrossed SB 2206 contains a general fund grant appropriation of \$135,000,000 and included in Engrossed HB 1012 is \$26,000,000 of general fund appropriation for a combined general fund grant appropriation of \$161,000,000. The estimated cost for the state-paid economic assistance and social service pilot program using the methodology contained in the bill is \$159,000,000.

The Department will need operating appropriation authority in the 2017-2019 biennium in the amount of \$500,000, of which \$290,941 is general fund and \$209,059 is federal funds to hire a consultant.

For the 2019-2021 biennium without consideration of inflationary increases or other formula changes, the Department would need general fund authority respectively of \$159,000,000 to continue the new payment methodology.

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