

FISCAL NOTE
Requested by Legislative Council
01/16/2017

Revised
 Bill/Resolution No.: HB 1308

- 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						
Expenditures			\$158,890		\$6,720	
Appropriations			\$158,890		\$6,720	

- 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).*

HB 1308 requires a five panel drug test to be performed for applicants applying for assistance through the Temporary Assistance for Needy Families (TANF) program if an applicant is suspected of drug use.

- 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 estimated fiscal impact for HB 1308 is \$158,890, of which all is general fund, due to the Department of Human Services (Department) incurring costs relating to; drug testing, \$2,880, the creation of new administrative rules, \$2,500, and programming costs for necessary changes to the Department's eligibility determination systems, \$153,510.

The cost of the initial drug test is estimated at \$40 per test, including the cost of a second "confirmation test", as required in the bill for all failed tests. If any of the individuals selected for a urine-based drug test fail they must be referred by the county to an appropriate treatment resource. The cost of the treatment would be at the expense of the applicant, through their third-party coverage including Medicaid. Upon completion of the treatment plan they must be re-tested before eligibility for TANF benefits can be determined. In this analysis it is assumed applicants selected for testing will need to be re-tested as least once.

The Department may see a change in TANF benefits, however the number of applicants who fail or who do not comply with a treatment plan, and the timeframe for which they may be denied benefits, is undeterminable and the spouse or the dependents may still qualify for TANF benefits.

The fiscal impact on the counties for performing Child Protection Services assessments is undeterminable. The effects on the Department's Foster Care grant costs and Human Service Center costs related to additional treatment services are also undeterminable.

Any responsibilities added to the county social services due to the implementation of this bill are not included in the County Social Service Financing formula methodology included in 2017 SB2206.

System costs do not include extra costs to secure computer systems to ensure confidential treatment information is not disclosed. The VISION system changes of \$80,410 wouldn't need to be made if bill wasn't implemented until 1/1/2018.

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.*
- 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.*

In the 17-19 biennium the Department of Human Services would incur additional operating expenditures of \$158,890, of which, all would be general fund, to perform drug tests on TANF applicants who are suspected of potential drug use.

The cost of the initial drug test is estimated at \$40 per test, including the cost of a second "confirmation test". The costs related to the 17-19 biennium include; \$2,880 for drug testing, \$2,500 for the creation of administrative rules, and \$153,510 in programming costs, for necessary changes to the Department's eligibility determination systems.

The fiscal impact on the counties for performing Child Protection Services assessments is undeterminable. The effects on the Department's Foster Care grant costs and Human Service Center costs related to additional treatment services are also undeterminable.

Any responsibilities added to the county social services due to the implementation of this bill are not included in the County Social Service Financing formula methodology included in 2017 SB2206.

System costs do not include extra costs to secure computer systems to ensure confidential treatment information is not disclosed. The VISION system changes of \$80,410 wouldn't need to be made if bill wasn't implemented until 1/1/2018.

For the 19-21 biennium, an increase of \$6,720 in operating expenditures to perform drug testing, of which all would be general fund, is anticipated.

- 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.*

The Department of Human Services would need an appropriation increase of \$158,890, of which, all would be general fund, to the base level budget HB1012 and an increase of \$158,890, of which all is general fund, to the Executive Budget Recommendation HB1072 for the 17-19 biennium. For the 19-21 biennium an appropriation increase of \$6,720, of which all is general fund would be needed for drug testing.

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