

FISCAL NOTE
Requested by Legislative Council
12/26/2018

Bill/Resolution No.: SB 2124

- 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.*

	2017-2019 Biennium		2019-2021 Biennium		2021-2023 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures	\$26,000,000	\$134,700,000		\$182,300,000		\$182,300,000
Appropriations	\$26,000,000	\$134,700,000		\$182,300,000		\$182,300,000

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

	2017-2019 Biennium	2019-2021 Biennium	2021-2023 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).*

This bill requires the administration of a statewide program for state funding of staffing and administrative costs related to the administration of human services through the creation of human service zones under a new payment methodology.

- 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.*

SB 2124 continues the state funding responsibility from the human service zones to the State for the administration of human services as defined in Section 115; repeals chapter 50-03, and sections 50-06-20.1, 50-06.2-05 relating to the county human service funds, and human services grant program, and county human services program funding - tax levy authority.

2017-2019 SB 2206 will expire June 30, 2019 requiring Section 115 of SB 2124 to provide a change in the payment methodology used by the Department of Human Services (Department) to reimburse human service zones for the administration of human services for calendar years after December 31, 2019.

The base level SB 2012 does not contain the new payment methodology in the 2019-2021 budget for human service zone financing, therefore special funding appropriation of \$182,300,000 to accommodate the change in payment methodology proposed in SB 2124 would need to be added to SB 2012.

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.*

A temporary payment methodology in Engrossed SB 2206 transitioned funding responsibility for county social services from the county to the State in the appropriation amount of \$160,700,000. Engrossed SB 2206 will expire on June 30th, 2019. Section 8 of Engrossed SB 2206 required the Department to administer a state-wide program and develop a plan for permanent implementation.

Section 48 of the SB 2124 requires the creation of human service zones in order to provide optimum service, reduce program costs, and benefit recipients of human services with this state. Section 115 of SB 2124 provides a change in the payment methodology used by the Department to administer the statewide program for the administration of human services. The Department requests for special fund appropriation in SB 2012 of \$182,300,000 to implement the statewide program and new payment methodology.

Section 124 of SB 2124 the Department requests the authorization of up to two hundred and twenty-eight full time equivalents. Any authorizations added to the Department under this section would be position transfers from the human service zones.

In 2021-2023 biennium without consideration of inflationary increases or efficiencies resulting from the implemented 2019-2021 biennium statewide program, the Department estimates a need special fund appropriation of \$182,300,000 and authorization of two hundred twenty-eight full time equivalents to continue to administer the statewide program for state funding of staffing and administrative costs relating to the administration of human services.

- 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.*

2017-2019 biennium engrossed SB 2206 appropriated special funds of \$134,700,000 and general funds of \$26,000,000 for a combined appropriation of \$160,700,000.

In 2019-2021 biennium the department requests special fund appropriation authority of \$182,300,000 to administer a statewide program for state funding of staffing and administrative costs relating to the administration of human services.

In 2021-2023 biennium without consideration of inflationary increases or efficiencies resulting from the implemented 2019-2021 biennium statewide program, the Department requests special fund appropriation of \$182,300,000 to continue to administer the statewide program for state funding of staffing and administrative costs relating to the administration of human services.

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