

(Prepare in triplicate)

REVISED
FISCAL NOTE

Prepared in regard to:

HOUSE BILL NO. 1061

(List bill or resolution and number, if available, or subject)

Amendment to: Section 50-24.1-03

(List bill or resolution and number)

Requested by: Legislative Council

Date of receipt: December 26 19 78

In the following space note the fiscal effect in dollars of the legislative proposal. If additional space is needed, attach a supplementary sheet. (Please type)

(SEE ATTACHED)

Signed Mike Schwandt

Typed Name Mike Schwandt

Date Prepared: 1-11-79

Department Social Service Board

Section 1. Computation of Increased Cost to Rental Due to Expected Collocation.

HB 1061 mandates the collocation of Area Social Service Centers and Mental Health and Retardation Centers by June 30, 1981. It does not mandate the inclusion of County Social Service Boards in the collocation effort, although it does extend fiscal incentives to those counties' offices (principally those in the eight major cities of the state) which desire to collocate in the combined centers.

To assess the fiscal impact of HB 1061 with respect to collocation, familiarization with present agency housing arrangements in the respective planning regions of the state is necessary.

Region I - Williston

Mental Health and Retardation Services and Area Social Services combined and co-located with Vocational Rehabilitation Services and Williams County Social Service Board at Northwest Human Resources Center.

Note: Co-location fully effected.

Region II - Minot

Area Social Service Center, Mental Health and Retardation Center, Vocational Rehabilitation and County Social Services are all housed under separate arrangements.

Note: Co-location of Mental Health and County Social Services with VR-ASSC may be feasible with construction commenced in spring of 1979 and completion by January, 1980.

Region III - Devils Lake

Mental Health and Retardation Services and Area Social Services combined and co-located with Vocational Rehabilitation Services at Lake Region Human Services Center. Ramsey County Social Service Board housed under separate arrangements.

Note: Expansion of Center may be feasible to accommodate co-location of County Social Services.

Region IV - Grand Forks

Area Social Services and Vocational Rehabilitation Services co-located. Mental Health and Retardation Center and Grand Forks County Social Service Board housed under separate arrangements.

Note: Expansion of VR-ASSC to accommodate Mental Health and County Social Services may be feasible but total relocation of agencies may be necessary.

Region V - Fargo

Area Social Services and Vocational Rehabilitation Services co-located. Mental Health and Retardation Services and Cass County Social Service Board housed under separate arrangements.

Note: Expansion of VR-ASSC to accommodate Mental Health and County Social Services not feasible. Total relocation may be necessary.

Region VI - Jamestown

Area Social Services, Mental Health and Retardation Services, Vocational Rehabilitation Services and Stutsman County Social Services all housed under separate arrangements.

Note: Co-location within existing or expanded occupied facility not feasible. Total relocation of agencies may be necessary.

Region VII - Bismarck

Area Social Services, Vocational Rehabilitation Services, and Burleigh County Social Services co-located. Mental Health and Retardation Services and Morton County Social Services housed under separate arrangements.

Note: It may be feasible to effect co-location of related agency service components as well as administrative functions in each of the two structures presently occupied by Mental Health and Social and Rehabilitation Services.

Region VIII - Dickinson

Mental Health and Retardation Services and Area Social Services combined and co-located with Vocational Rehabilitation Services at Badlands Human Services Center. Stark County Social Services housed under separate arrangements.

Note: Expansion of Badlands Human Services Center to accommodate County Social Services may be feasible.

With the exception of the Minot combined center, which may be completed and occupied during 18 months of the 1979-81 biennium, it is anticipated that co-location could not be expected until, at a maximum, the last six months of the upcoming biennium.

Projections of fiscal impact in bringing about co-location are replete with conjecture due to the numerous known and unknown variables, such as the rate of inflation, lease commitments, landlord ability and willingness to undertake facility expansion, et cetera.

For the Mental Health Centers and Area Offices which budget on a biennial basis, the additional funds required were estimated as cost after collocation reduced by the budgeted amounts for space had co-location not occurred. For the counties that are paying rent and do not budget on a biennial basis and are already collocated, a 5 percent annual inflation factor was applied. Due to the increasing cost of construction and what cost per square foot is in most recently constructed buildings, an estimate of \$7.50 annual cost per square foot was applied for new or expanded buildings required because of collocation. The cost of collocation incentive was estimated as one-half of non-federal cost of estimated cost of rent during collocation for 1979-1981 biennium. The non-federal percent was based on fiscal year 1978 federal and state reimbursement percent for administrative costs deducted from 100 percent by county.

Section 2. Computation of Fiscal Impact of Charging to Title XIX
Clinic Service Provided by Mental Health and Retardation
Centers and Human Service Centers to Title XIX Recipients.

We took 1979-1981 budget for centers times 10.563% (estimated percent of center clients presently on Title XIX based on April, 1978, study which showed that 10.563% of new admissions to centers during month with available social security numbers were presently on Title XIX.) The cost of clinic services in mental health and retardation centers estimated to be charged to Title XIX were shown as a saving to health department. The cost of clinic services in human service centers to be charged to Title XIX were shown as a savings to Title XX.

See additional sheet for fiscal impact. The fiscal impact is the additional cost over the present budget figures for 1979-1981 biennium by sources of funds.

Section 1. Additional Costs Required Due
to Collocation of Mental Health and Retardation Centers,
Area Social Service Centers and County Social
Service Boards For Fiscal Note for House Bill 1061

1979-1981 Biennium

	<u>Total</u>	<u>Federal</u>	<u>State</u>
Fiscal Impact on Social Service Board			
Area Social Service Centers	58 366	39 691	18 675
County Social Service Board			
Collocation Incentive.....	40 424	-	40 424
TOTAL	\$98 790	\$39 691	\$59 099
Fiscal Impact on Health Department	\$114 061	-	\$114 061
Fiscal Impact on Both Agencies	\$212 851	\$39 691	\$173 160

Section 2. Additional Costs of Charging to Title XIX
Clinic Services Provided by Mental Health and Retardation
Centers and Human Service Centers to Title
XIX Recipients For Fiscal Note for House Bill 1061

1979-1981 Biennium

	<u>Total</u>	<u>Federal</u>	<u>State</u>	<u>Local</u>
Fiscal Impact on Social Service Board				
Title XIX	1 534 367	922 135	612 232	
Title XX	(487 722)	(365 792)	(121 930)	
TOTAL	\$1 046 645	\$556 343	\$490 302	
Fiscal Impact on Health Department	\$(1 046 645)	\$(723 222)	\$(209 774)	\$(113 649)
Fiscal Impact on Both Agencies	-	\$(166 879)	\$ 280 528	\$(113 649)