

FISCAL NOTE

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Bill / Resolution No.: _____

Amendment to: Eng. HB 1226

Requested by Legislative Council

Date of Request: 04/02/97

1. Please estimate the fiscal impact (in dollar amounts) of the above measure for state general or special funds, counties, cities, and school districts.

Narrative: See attached page.

2. State fiscal effect in dollar amounts:

	1995-97		1997-99		1999-2001	
	<u>Biennium</u>		<u>Biennium</u>		<u>Biennium</u>	
	General	Special	General	Special	General	Special
	<u>Fund</u>	<u>Funds</u>	<u>Fund</u>	<u>Funds</u>	<u>Fund</u>	<u>Funds</u>
Revenues:						
Expenditures:	(9,598)	(4,220)	2,409,307	(2,536,015)	2,475,855	(3,839,076)

3. What, if any, is the effect of this measure on the appropriation for your agency or department:

a. For rest of 1995-97 biennium:	(13,818)
b. For the 1997-99 biennium:	(126,708)
c. For the 1999-2001 biennium:	(1,363,221)

4. County, City, and School District fiscal effect in dollar amounts:

	1995-97			1997-99			1999-2001		
	<u>Biennium</u>			<u>Biennium</u>			<u>Biennium</u>		
	<u>Counties</u>	<u>Cities</u>	<u>School Districts</u>	<u>Counties</u>	<u>Cities</u>	<u>School Districts</u>	<u>Counties</u>	<u>Cities</u>	<u>School Districts</u>
Revenues:	-0-			605,357			605,357		
Expenditures:									
Grants	-0-			(2,729,808)			(3,413,584)		
Administration	-0-			883,816			1,482,982		
Total Expenditures				(1,845,992)			(1,930,602)		

If additional space is needed, attach a supplemental sheet.

Signed 

Typed Name Mike Schwindt

Date Prepared: April 3, 1997 Department Human Services

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FISCAL NOTE

Bill / Resolution **Eng. HB 1226**

Narrative: Department of Human Services:

We estimate 12.5 FTEs are needed for the centralized receipting/disbursement and new hire reporting functions. DHS estimates the cost of these additional functions would be approximately \$1,179,643.

Based upon a 1994 clerk of court survey, 55% of their time is spent on child support collections and disbursements. Assuming a phase-in process for all child support cases, where all the clerks are on-line by October 1, 1998 we anticipate a total decrease of \$641,819 for the cost of clerks of court in the 1997-1999 biennium.

Effective January 1998, this bill requires the state to pay the county share of the AFDC, unemployed parent, JOBS, JOBS child care and transitional child care grants (\$2,514,040) and the county social service boards to pay the administrative expenses for the statewide rollout of TEEM (\$992,925) with the exception of the initial purchase of hardware and software which is a state responsibility (\$744,356).

The bill also establishes the county share of the AFDC, unemployed parent, JOBS, JOBS child care and transitional child care grants to be at 5.2% for the first 6 months of the biennium. (\$215,768)

This bill also includes an appropriation of \$200,000 in special funds to be paid for the purpose of providing additional child care assistance and employment and training grants.

The elimination of the Early Intervention Program upon passage of this bill would result in a savings of \$13,818 in the 1995-1997 biennium and a savings of \$407,244 in the 1997-1999 biennium.

The department will be able to provide an informal grievance process concerning matters not subject to determination in a judicial proceeding within the appropriation contained in HB 1012.

Based upon the small number of private paternity actions in the state, the department anticipates few reimbursements due to erroneous paternity child support orders. Therefore no fiscal impact is projected.

The department believes the fiscal impact of excluding one motor vehicle with a market value not exceeding \$10,000 in determining eligibility for the TANF program is minimal; therefore the appropriation included in HB 1012 is sufficient.

The department projects the expenditures which would be avoided due to the implementation of a family cap effective June 30, 1998 would be approximately \$159,800 for the 1997-1999 biennium. The department also anticipates providing the families of the effected children additional benefits up to the amount of savings realized, and therefore no fiscal impact is reflected. Furthermore, the family cap will also have an "unknown" impact on child support collection procedures and on medicaid expenditures.

State Treasurer's Office:

HB 1226 would require 1 additional FTE for a Clerk III - General Office to accommodate the centralized receipting/disbursement function for a cost of \$38,707 for the 1997-1999 biennium.

Office of Management and Budget:

HB 1226 would require a \$1,000 one-time cost for the programming of a new hire report and \$400 a biennium to produce a semi-monthly new hire report .

The fiscal note is predicated on assumptions based on HB 1226 as amended and on appropriation bills as introduced. Subsequent house action on HB 1012 would change the fiscal note as follows:

The DHS appropriation request contained in HB 1012 as amended by the senate, contains the necessary FTES for the centralized receipting/disbursement and new hire reporting functions. The appropriation also contains postage costs for IV-D cases but does not contain the additional postage costs required for all child support cases which is estimated to be an additional \$41,031.

Also based upon senate action to the DHS appropriation request contained in HB 1012, effective January 1, 1998 the county share of grants to be paid by the state would be \$2,563,102 and the county social service boards would pay \$1,320,441 for administrative expenditures. These changes would also cause the county share of TANF and child care block grants at 5.2.% to be \$157,977 for the first 6 months of the biennium.

We are unaware of any adjustments to the OMB and State Treasurer's appropriation bills to cover the increased costs.

No other agencies anticipate a fiscal impact resulting from the passage of HB 1226.