

FISCAL NOTE
Requested by Legislative Council
04/19/2013

Amendment to: HB 1233

- 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.*

	2011-2013 Biennium		2013-2015 Biennium		2015-2017 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				\$(19,586,455)		\$(21,790,994)
Expenditures			\$21,180,735	\$(19,586,455)	\$21,790,994	\$(21,790,994)
Appropriations					\$21,790,994	\$(21,790,994)

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

	2011-2013 Biennium	2013-2015 Biennium	2015-2017 Biennium
Counties		\$(20,542,038)	\$(21,790,994)
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).*

Re-engrossed HB1233 provides for the state to take over the financial responsibility for family preservation services, the foster care and subsidized adoption programs, and service payments to the elderly and disabled.

- 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.*

HB1233 requires the state to take over all costs, in excess of the amount provided by the federal government, for foster care, subsidized adoption programs, and service payments to the elderly and disabled. It is also presumed that the Bill intends for the state to take over all costs for family preservation services since the county portion of those services has been removed from section 50-03-08. Currently the counties are billed a portion of the program costs not funded by the federal government for family preservation services, foster care, subsidized adoption programs, and service payments to the elderly and disabled. The Bill also requires the county social service boards submit a budget to the Department of Human Services in 2013 identifying the total savings to the county. In addition the maximum mill levy for human services was reduced from 20% to 15%. Lastly the Bill requires the Department of Human Services and county representatives to develop a plan for the phased restructuring of the administration and funding of all state and county social service programs. The plan must provide for the phased unification of all state and county social services programs into a state-administered and state-funded social services program. The findings, proposed plan, and necessary legislative changes must be presented to legislative management by September 1, 2014.

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.*

The reduction in revenues is due to the counties no longer being required to pay the state for up to 25% of the costs of family preservation programs, foster care and subsidized adoption programs, and service payments to the elderly and disabled. This results in lost revenues from the county of \$19,947,758, however the department will be able to access \$361,303 of federal funds for the costs of the plan for a net decrease in other funds for the 2013-2015 biennium of \$19,586,455 and \$21,790,994 in the 2015-2017 biennium.

- 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.*

The increase in general fund expenditures is due to the state picking up all costs, in excess of the amount provided by the federal government, for family preservation services, foster care and subsidized adoption programs, and service payments to the elderly and disabled. Costs included in these programs include room and board for children placed in foster care homes and facilities, treatment costs, intensive-in-home services, parent aid, prime-time day care, respite care, wraparound case management, safety permanency, subsidy payments to adoptive parents of special needs children, and service payments for the elderly and disabled, this would result in a general fund grant increase of \$20,542,038. The department will need general funds of \$638,697 for the costs of the plan for a total general fund increase of \$21,180,735. For the 2015-2017 biennium the Department of Human Services will need a general fund appropriation increase of \$21,790,994 to cover the grant costs previously paid by the counties. The decrease of other funds in the amount of \$19,586,455 includes a decrease of 19,947,758 for the county share of program costs for family preservation services, foster care and subsidized adoption programs, and service payments for the elderly and disabled offset by \$361,303 of federal funds available for the costs of the plan.

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

For the 2013-2015 biennium, the general fund appropriation needed by the Department of Human Services is included in this bill. For the 2015-2017 biennium, the Department would need a general fund appropriation of \$21,790,994 to cover the grant costs previously paid by the counties, with a corresponding decrease in special funds of the same amount.

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