

FISCAL NOTE
Requested by Legislative Council
01/18/2011

Bill/Resolution No.: HB 1333

1A. 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.*

	2009-2011 Biennium		2011-2013 Biennium		2013-2015 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				(\$15,309,777)		(\$16,725,117)
Expenditures			\$16,327,692	(\$15,309,777)	\$16,725,117	(\$16,725,117)
Appropriations			\$16,327,692	(\$15,309,777)	\$16,725,117	(\$16,725,117)

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

2009-2011 Biennium			2011-2013 Biennium			2013-2015 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
			(\$15,430,092)			(\$16,725,117)		

2A. 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 provides for the state to take over responsibility for family preservation services, intensive in-home services, foster care & subsidized adoption non-federal costs. The Bill also provides for the Department to study the administration & funding of state & county social service programs.

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.*

This Bill requires the state to take over all costs, in excess of the amount provided by the federal government, for the foster care and subsidized adoption programs.

It is also presumed that the Bill intended for the state to take over all costs for family preservation services and intensive in-home 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 intensive in-home, foster care and subsidized adoption programs. The amount billed to the counties is not to exceed twenty-five percent.

The Bill also requires the county social service boards to submit a budget to the Department of Human Services by December 31, 2011, identifying the reduction in county expenditures for the foster care subsidized adoption and other family preservation services and including a recommendation on how the reduction will be passed on to property taxpayers.

Lastly the Bill provides for the Department of Human Services to study and develop a plan for restructuring the administration and funding of all state and county social service programs into a state administered and funded social service program. The findings, proposed plan and necessary legislative changes must be presented to legislative management before June 1, 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.*

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, intensive in-home, foster care and subsidized adoption programs. This results in lost revenues of \$15,430,092 for the 2011-2013 biennium and \$16,725,117 in the 2013 - 2015 biennium.

In addition, there would be an increase in federal funds of \$120,315 for the 2011-2013 biennium related to the availability of federal funds to pay for a portion of the cost of the study.

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. 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 and subsidy payments to adoptive parents of special needs children. This would result in a General fund increase of \$15,998,007 for these grant costs in the 2011 - 2013 biennium and an anticipated increase of \$16,725,117 for the 2013 - 2015 biennium.

The fiscal impact also includes costs of \$450,000 of which \$329,685 is general fund and \$120,315 is federal funds for the 2011-2013 biennium for the Department to study and develop a plan for restructuring the administration and funding of all state and county social services program into a state administered and funded social services program.

The decrease of other funds in the amount of \$15,309,777 includes the decrease of the county share of programs for intensive in-home, foster care and subsidized adoption programs in the amount of \$15,430,092 offset by the federal fund increase of \$120,315 for a portion of the study that can be funded with federal funds.

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 2011 - 2013 biennium, the Department would need a general fund appropriation of \$16,327,692; \$15,998,007 to cover costs previously paid by counties and \$329,685 for the study. The other funds appropriation contained in SB 2012 could be reduced by \$15,309,777; \$15,430,092 of the decrease is related to the counties no longer paying for any of the costs related to family preservation, intensive in-home, foster care and subsidized adoption programs and an increase in federal funds of \$120,315 for the study.

For the 2013 - 2015 the Department would need a general fund appropriation of \$16,725,117 to cover the costs previously paid by the counties for family preservation, intensive in-home, foster care and subsidized adoption programs. There would be a corresponding decrease in special funds appropriation of the same amount.

Name:	Debra A. McDermott	Agency:	Dept of Human Services
Phone Number:	328-3695	Date Prepared:	01/21/2011