

FISCAL NOTE
Requested by Legislative Council
02/13/2013

Amendment to: HB 1385

- 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						
Expenditures			\$595,828		\$175,600	
Appropriations			\$595,828		\$175,600	

- 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			
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).*

HB1385 would require applicants to have drug testing for controlled substances as part of eligibility for the Temporary Assistance for Needy Families (TANF) program.

- 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.*

On average 205 applicants meet all other eligibility requirements and are granted benefits under the TANF program each month, this fiscal note assumes 6% of new applicants will have a history of drug use. This equates to 12 eligible recipients each month that could be deemed as reasonably suspicious, if these individuals are subject to mandatory drug testing at a cost of \$52.50 per test, the estimated costs for the 2013-2015 biennium would be \$15,120, of which all is general fund. On average 1,596 current TANF recipients are granted benefits each month, since 50% of these recipients participant in JOBS, which is an employment and training contract and are already subject to employer drug testing, this fiscal note assumes 6% of the 798 recipients who are not already being tested by an employer will have a history of drug use. This equates to 48 eligible recipients that could be deemed as reasonably suspicious, if these individuals are subject to mandatory drug testing at a cost of \$52.50 per test, the estimated costs for the 2013-2015 biennium would be \$60,480, of which all is general fund. Also there would be an additional general fund cost of \$420,228, for current system changes to Vision; these changes would be required for TANF to accommodate drug testing disqualification and monitoring. If delayed implementation occurs the department will have the opportunity to address these system changes in the new eligibility system that is currently being developed. The department does not anticipate additional costs to include changes for drug testing disqualification and monitoring into the new system. An additional \$100,000 in general fund, is included to pay for legal costs associated with clients appealing drug test eligibility denials and/or challenging the violation of their fourth amendment right to unreasonable search and seizure. The fiscal note presumes no caseload or drug test cost increase for the 2015-2017 biennium so the impact remains at \$75,600 for the drug testing and \$100,000 for legal costs for the 2015-2017 biennium.

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.*

For the 2013-2015 biennium the department expects to expend general fund of \$75,600 for drug tests for individuals applying for the TANF program, \$420,228 for changes to the current Vision system, and \$100,000 for legal costs. For the 2015-2017 biennium the department expects to expend general fund of \$75,600 for drug tests for individuals applying for the TANF program and \$100,000 for legal costs.

- 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.*

The department will need a general fund appropriation increase of \$595,828 for the 2013-2015 biennium and \$175,600 for the 2015-2017 biennium.

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