

FISCAL NOTE
Requested by Legislative Council
04/24/2015

Amendment to: SB 2206

- 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.*

	2013-2015 Biennium		2015-2017 Biennium		2017-2019 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				\$(18,837,178)		\$(26,497,735)
Expenditures			\$23,212,165	\$(18,837,178)	\$31,065,711	\$(26,497,735)
Appropriations					\$31,065,711	\$(26,497,735)

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

	2013-2015 Biennium	2015-2017 Biennium	2017-2019 Biennium
Counties		\$(23,212,165)	\$(31,065,711)
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).*

SB2206 requires the Department; to assume responsibility from the County Social Service Boards for costs of certain social service programs, and to provide for a legislative management social services finance committee assisted by a county social services finance working group.

- 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.*

Section 1 of SB2206 requires county social service boards to submit their 2016 budget using the budget submitted in 2014 as a starting point and subtracting the reduction in the county’s social services funding responsibility for 2014, derived from transferring the county social service costs from the county social service boards to the Department of Human Services, and applying to the resulting amount the percentage salary and benefits increase provided by legislative appropriations for state employees for taxable year 2015. The 2017 budget may not exceed an amount determined using the 2015 budget as a starting point and applying to that amount the percentage salary and benefits increase provided by legislative appropriations for state employees for 2016.

The \$19,312,165 of transferred costs would include the county portion of foster care and subsidized adoption assistance payments, medical assistance payments for therapeutic foster care services, service payments for the elderly and disabled (SPED), county administrative costs for providing family preservation services, computer processing costs for the technical eligibility system, and the costs of electronic benefit transfers for the supplemental nutrition assistance program (SNAP)

The Bill also requires the county share of the human service budget be funded entirely from the county’s property tax levy for that purpose. The Bill does not allow the county to use funds from any other source to supplement the human services budget with the exception that the county may make use of the identifiable amount of other sources the county has used to supplement its human services budget for 2015, and any funds received from the human services grant program.

The Department of Human Services will be required to develop a process to review requests from county social service boards for any increases in staff needed as a result of significantly increased caseloads for state funded human service programs. The review process shall include reviews of countywide caseload information and consideration of multicounty sharing of staff.

Section 6 of SB2206 establishes a human services grant program to counties who have historically utilized the emergency human services mill levy set forth in chapter 50-03 and which is adjacent to or part of an Indian reservation, of which contains Indian trust land within the service area of a federally recognized Indian tribe and is occupied by enrolled members of the tribe or which includes the state hospital. \$3,900,000 is included in the Bill for the grant program and limits the use of the funds to \$1.9 million in the first year of the biennium and \$2.0 million in the second year.

Section 12 of SB2206 requires a Legislative Management interim county social services finance committee responsible for developing a transition plan for potentially transferring the costs of operating social services programs from county property tax levies to state general funds. In addition a county social services finance working group will be established with required state and county officials to make recommendations to and seek direction from the county social services finance committee. Any proposed transition plan must include a timeline for the major milestones of the transition plan, considerations for the transition, estimated costs, requirements of a property tax reduction for the amount of the budgeted savings brought about by the transfer of county social services costs to the state, elimination of the county social services levy, and potential legislation to implement recommended changes.

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 decrease in other revenue represents the county funds the Department will not receive due to transferring certain social service programs from the county social service boards to the Department. The revenue received from the county would decrease by \$18,837,178 in the 15-17 biennium and \$26,497,735 in the 17-19 biennium. The counties would have a property tax savings of \$23,212,165 and \$31,065,711 in the 15-17 and 17-19 biennium's, respectively.

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.*

In the 15-17 Biennium the Department would have an increase in General Fund expenditures of \$23,212,165 and a decrease in other fund expenditures of (\$18,837,178) for a net increase of \$4,374,987, which includes \$3,900,000 for a human service grant program. In the 2017-2019 biennium the Department would have an increase in General Fund expenditures of \$31,065,711 and a decrease in other fund expenditures of (\$26,497,735) for a net increase of \$4,567,976, which includes \$3,900,000 for a human service grant program. The counties would have a decrease of expenditures of \$18,837,178 and \$26,497,735 for the 15-17 and 17-19 biennium's, respectively.

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 or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

Appropriation for the 15-17 biennium will not need to be added since it has already been included in SB2012, which is the Department's appropriation bill. The Department's 17-19 budget would need a General Fund appropriation of \$31,065,711 and a decrease in other fund appropriation of (\$26,497,735).

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