

FISCAL NOTE

Bill #: SB0339

Title: Revise funding of public assistance,
foster care and protective services

Primary

Sponsor: Dale Berry

Status: As Introduced

Sponsor Signature

Date

Chuck Swysgood, Budget Director

Date

Fiscal Summary

	<u>FY2002</u> <u>Difference</u>	<u>FY2003</u> <u>Difference</u>
Expenditures:		
General Fund	15,596,191	15,518,457
State Special Revenue	(15,167,615)	(15,545,703)
Revenue:		
General Fund	13,333,103	13,333,103
State Special Revenue	(15,167,615)	(15,545,703)
Net Impact on General Fund Balance:	(\$2,263,088)	(\$2,185,354)

<u>Yes</u>	<u>No</u>		<u>Yes</u>	<u>No</u>	
	X	Significant Local Gov. Impact	X		Technical Concerns
	X	Included in the Executive Budget	X		Significant Long-Term Impacts
	X	Dedicated Revenue Form Attached	X		Family Impact Form Attached

Fiscal Analysis

ASSUMPTIONS:

Department of Health and Human Services

1. All assumed counties would pay to the state general fund an amount set at the average of the last five years 9-mill levy (1995-1999) or the amount of the 9-mill levy paid in FY 2000, whichever is lower. Payments from this source are estimated at \$7,272,336 per year.

2. All non-assumed counties would pay to the state general fund an amount of the average of the last five years billed expenses (1995-1999) or the billed amount for FY 2000, whichever is lower. Payments from this source are estimated at \$6,060,767 per year.
3. Department of Health and Human Services (PHHS) would be released from those historical debts owed from the counties to the state. The counties have debts totaling \$382,520 in public assistance costs and \$89,927 in foster care costs. These are one time costs in FY 2002 and are a cumulative number for both assumed and non-assumed counties.
4. All monies paid by the counties would be paid to the Department of Revenue. The PHHS expenditures would be appropriated from the general fund.
5. The non-assumed counties have expenditures that do not get recorded on the state's accounting system. These costs include rent, communications and equipment. On passage of this bill, these expenditures will be the responsibility of the state, for a total annual increase of about \$72,501.

Department of Revenue

6. This legislation repeals 53-2-813, MCA, providing for the 9-mill levy for public assistance in the 13 state assumed counties. Under current law, revenue generated by the 9 mills goes into a state special revenue account.
7. The combined reduction in revenue from the 9-mill levy and non-levy revenue in the state assumed counties is \$6,717,000 in FY 2002 and \$6,862,000 in FY 2003.
8. Under current law, money is scheduled for transfer from the state general fund to the state special revenue account under the HB 20 reimbursement program. The proposed legislation would eliminate those proposed transfers, which total \$116,372 in FY 2002 and \$99,747 in FY 2003.
9. For the purposes of this fiscal note it is assumed that the Department of Revenue will not be responsible for calculating, for each county, the county mill levy for public assistance. (see technical note)

FISCAL IMPACT:

Department of Health and Human Services

	FY2002 Difference	FY2003 Difference
<u>Expenditures:</u>		
G) Historical debt write-off	472,447	0
H) Operational costs assumed by DPHHS	<u>72,501</u>	<u>72,501</u>
TOTAL	\$544,948	\$72,501

Funding:

General Fund (01)	\$15,712,563	\$15,618,204
State Special Revenue (02)	(\$15,167,615)	(\$15,545,703)

Revenues:

County Reimbursements (02)	(\$8,450,615)	(\$8,683,703)
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Net Impact:

General Fund	(\$15,712,563)	(\$15,618,204)
State Special Revenue (02)	\$6,717,000	\$6,862,000

Department of Revenue

	<u>FY2002 Difference</u>	<u>FY2003 Difference</u>
<u>Expenditures:</u>		
Transfers	(\$116,372)	(\$99,747)
<u>Funding:</u>		
General Fund (01)	(\$116,372)	(\$99,747)
<u>Revenues:</u>		
County Payments (01)	\$13,333,103	\$13,333,103
State Special Revenue (02)	(\$6,717,000)	(\$6,862,000)
<u>Net Impact to Fund Balance (Revenue minus Expenditure):</u>		
General Fund (01)	\$13,449,475	\$13,432,850
State Special Revenue (02)	(\$6,717,000)	(\$6,862,000)

TECHNICAL NOTES:

Department of Health and Human Services

1. The bill does not address the mechanism of payment by assumed counties. An amendment to clarify this is currently being drafted.

Department of Revenue

1. As written, the proposal has the Department of Revenue calculating the number of mills to be imposed by the counties for public assistance. This may be an unintended consequence of the small changes made in the proposal (subsection 7 of section 7) to current law language in 15-10-420. The small change deleted the reference to the 9-mill levy and inserted language referring to the county mill levy for public assistance. The insertion of reference to the county mill levy should be deleted.