

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO.: 4307-01
BILL NO.: SB 955
SUBJECT: Health Department; Social Services Department; State Departments
TYPE: Original
DATE: February 21, 2000

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
General Revenue*	\$0	\$0	\$0
Other funds*	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> State Funds*	\$0	\$0	\$0

***Does not include administrative support costs that would be transferred.**

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Federal*	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds*	\$0	\$0	\$0

***Does not include administrative support costs that would be transferred.**

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Health (DOH)** state that globally, this proposal would create some missional readjustment for the department. However, DOH currently overlaps with the Division of Aging through the Division of Health Standards and Licensure, the Division of Nutritional Health and Services, and the Office of Training and Professional Development. If where appropriate, DOH would be allowed to realign components in the current Division of Aging to better fit within the mission and structure of the divisions currently in DOH, both organizations could missionally benefit from the transfer. The DOH would need, in addition to the Division of Aging staff and dollar transfer, all staff currently located at the department level in Social Services who support the Division of Aging activities, such as administrative, personnel, computer information tech, accounting and budget, etc. Funds to cover all leased facility space necessary to house current Aging staff would also have to be transferred and new leased facilities would have to be secured. In addition, resources need to be made available to conduct an evaluation of the Division of Aging's ability to function and carry out its mission. This evaluation should be both internal and external. During the transfer and implementation, it would take some additional resources and a highly-focused transition team to make this work to everyone's benefit. It is also the understanding of DOH that an audit has been completed on the Division of Aging that outlines several areas of concern and need for correction. Without access to this information, it is not possible at this time to place a specific dollar amount on this note.

Department of Social Services (DOS) officials state there would be a cost savings to the department equivalent to the entire budget of the Division of Aging. DOS states it is expected that the Department of Health would have a cost in the same amount. DOS states that in addition to the savings associated with the Division of Aging's budget, there would be additional administrative savings to the support divisions of DOS in an unknown amount. DOS states that historically transfers of support staff and other resources from one department to another are negotiated at the time of transfer. DOS assumes the Division of Aging budget for FY2000 was inflated by three percent in order to determine the cost savings to DOS in FY2002 and FY2003. DOS states there would be no cost savings in FY2001 because the transfer is not effective until July 1, 2001.

FISCAL IMPACT - State Government

FY 2001
(10 Mo.)

FY 2002

FY 2003

<u>FISCAL IMPACT - State Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
GENERAL REVENUE FUND			
<u>Savings - Department of Social Services</u>			
Transfer of Division of Aging	\$0	\$43,833,608	\$45,148,617
<u>Costs - Department of Health</u>			
Transfer of Division of Aging	<u>\$0</u>	<u>(\$43,833,608)</u>	<u>(\$45,148,617)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND*	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

***Does not include administrative support costs that would be transferred.**

OTHER FUNDS

<u>Savings - Department of Social Services</u>			
Transfer of Division of Aging	\$0	\$3,593,861	\$3,704,677
<u>Costs - Department of Health</u>			
Transfer of Division of Aging	<u>\$0</u>	<u>(\$3,593,861)</u>	<u>(\$3,704,677)</u>
ESTIMATED NET EFFECT ON OTHER FUNDS*	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

***Does not include administrative support costs that would be transferred.**

FEDERAL FUNDS

<u>Savings - Department of Social Services</u>			
Transfer of Division of Aging	\$0	\$49,501,127	\$50,986,161
<u>Costs - Department of Health</u>			
Transfer of Division of Aging	<u>\$0</u>	<u>(\$49,501,127)</u>	<u>(\$50,986,161)</u>

<u>FISCAL IMPACT - State Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
ESTIMATED NET EFFECT ON FEDERAL FUNDS*	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

***Does not include administrative support costs that would be transferred.**

<u>FISCAL IMPACT - Local Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This proposal would create the Department of Health and Aging within chapter 192 to supervise all public health functions and programs. As of July 1, 2001, all of the duties of the Division of Aging, under chapter 660, would be transferred to the new Department. All references to the oversight of the Division of Aging by the Department of Social Services have been transferred to the Department of Health and Aging.

This legislation is not federally mandated, would not duplicate any other program and would require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Health

MPW:LR:OD:005 (9-94)

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Department of Social Services

A handwritten signature in black ink, appearing to read "Jeanne Jarrett". The signature is written in a cursive style with a large initial "J".

Jeanne Jarrett, CPA
Director
February 21, 2000