

NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE FISCAL NOTE

BILL NUMBER: Senate Bill 709 House Subcommittee Substitute #2

SHORT TITLE: Allow Consolidated Human Services

SPONSOR(S): Senator R. C. Soles

FISCAL IMPACT: Expenditures: Increase () Decrease ()
 Revenues: Increase () Decrease ()
 No Impact ()
 No Estimate Available (X)

FUND AFFECTED: General Fund () Highway Fund () Local Govt. ()
 Other Funds ()

BILL SUMMARY:

This bill would amend G.S. Section 1. Article 3 of Chapter 143B to add Part 1a to allow the consolidation of county departments of social services, public health and mental health services in counties with populations of 425,000 or more (currently Wake and Mecklenburg Counties). Specifically, the bill:

- 1) Provides local boards of commissioners in eligible counties, the authority to consolidate its social services, public health and mental health/developmental disabilities/substance abuse services into one human services agency.
- 2) Requires the Secretaries of Human Resources and Environment, Health and Natural Resources to adopt rules and/or policies to facilitate implementation of the consolidation.
- 3) Provides that a local board of commissioners may consolidate the provision of human services under the direct control of a human services director to be appointed by a county manager.
- 4) Provides boards of county commissioners in eligible counties, the discretion to create consolidated human services boards to replace existing local boards over social services, public health and mental health.
- 5) Specifies the composition, size and powers of a consolidated human services board to be appointed by a local board of county commissioners.
- 6) Makes employees of a consolidated human services agency exempt from the State Personnel Act.
- 7) Allows a consolidated human services board to set fees for human services provided by the county.

9) Requires periodic reporting to specific legislative committees and staff regarding the results of consolidation as well as an identification of cost savings.

EFFECTIVE DATE: July 1, 1996

PRINCIPAL DEPARTMENT(S)/PROGRAM(S) AFFECTED: Department of Human Resources and Department of Environment, Health and Natural Resources.

FISCAL IMPACT

	<u>FY</u> 1996-97	<u>FY</u> 1997-98	<u>FY</u> 1998-99	<u>FY</u> 1999-00	2000-01	<u>FY</u>
REVENUES:						
GENERAL FUND	Unknown	Unknown	Unknown	Unknown		Unkno
HIGHWAY FUND						
HIGHWAY TRUST FUND						
LOCAL						
EXPENDITURES	Unknown	Unknown	Unknown	Unknown		Unkno

POSITIONS: N/A

ASSUMPTIONS AND METHODOLOGY:

No fiscal estimate is available at this time due to the lack of information from eligible counties. For example, the bill is permissive with regard to the creation of a human services board and the configuration of a consolidated human services department. The potential exists for economies of scale in administrative functions if local departments of social services, public health and mental health are consolidated. However, these efficiencies are contingent upon management decisions yet to be made by local boards of commissioners. Thus, the fiscal impact is unknown.

SOURCES OF DATA: Department of Human Resources

TECHNICAL CONSIDERATIONS: None

FISCAL RESEARCH DIVISION

733-4910

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