

FISCAL NOTE

Bill #: HB0344

Title: Ed activities fulfill work reqs for FAIM;
Revise child care prov for family

**Primary
Sponsor:** Norma Bixby

Status: As Introduced

Sponsor signature	Date	Chuck Swysgood, Budget Director	Date
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Fiscal Summary

	<u>FY2002 Difference</u>	<u>FY2003 Difference</u>
Expenditures:		
General fund	\$97,360	\$97,360
Federal Special Revenue	\$144,830	\$144,830
Revenue:		
Federal Special Revenue	\$144,830	\$144,830
Net Impact on General Fund Balance:	(\$97,360)	(\$97,360)

<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 Public Health and Human Services

TANF

1. The State of Montana has a Temporary Assistance for Needy Families (TANF) waiver that allows education activities to count toward the work requirement. The waiver is in effect until 12/31/2003. Until 12/31/2003, educational activities can qualify as work requirements.
2. The state must define its work activities as part of the TANF reporting requirements.

3. After 2003, the work activities must adhere to the TANF regulations to be funded by TANF funds or be funded with general fund, maintenance of effort funds.
4. The federal TANF regulations restrict the education activities to: 1) vocational education; 2) a time limit total of 12 months per participant; and 3) only 30 percent of the individuals engaged in work in a month can be participating in the vocational educational training.
5. A state program funded by additional general fund and categorized as maintenance of effort dollars could be a separate program and the education activities restrictions of the TANF regulations would not apply.
6. For purposes of this proposal, it assumed that the work activities would be scaled back in FY2003 to the limits of the TANF regulations. This will allow for the use of TANF funds and not require an addition of general fund for this program.
7. If federal TANF dollars were used to fund educational activities after 2003 outside the limitations of the TANF regulations, the state would risk not being able to achieve the federal work participation rates. A penalty of up to 21 percent of the adjusted state financial assistance grant, or \$6,971,419 for FY 2004 and \$6,601,819 for FY 2005 would be assessed for not meeting the participation rates.
8. There is no fiscal impact to the TANF Program in the 2003 biennium.

Child Care

1. Legally Unregistered Providers (LUP) for Child Care receive an average rate of \$1,242 per year per child.
2. Approximately 200 LUPs per year were refused participation in the program because they were residing in the same home as the child. Of that number, an estimated 100 would be a relative provider living in the home.
3. The product of \$1,242 annual rate per child times 100 potential LUPs times the TANF average 1.95 children per case equals \$242,190 in additional child care benefits.
4. Funding is comprised of general fund (maintenance of effort –MOE) and federal funds from the child care discretionary and child care matching programs.

FISCAL IMPACT:

	<u>FY2002</u> <u>Difference</u>	<u>FY2003</u> <u>Difference</u>
FTE		
<u>Expenditures:</u>		
Benefits	\$242,190	\$242,190
<u>Funding:</u>		
General Fund (01)	\$97,360	\$97,360
Federal Special Revenue (03)	<u>144,830</u>	<u>144,830</u>
TOTAL	\$242,190	\$242,190
Revenue		
Federal Special Revenue (03)	\$144,830	\$144,830
<u>Net Impact to Fund Balance (Revenue minus expenditure):</u>		
General Fund (01)	(\$97,360)	(\$97,360)

