FISCAL NOTE

Bill #: HB0659 **Title:** Exempt public assistance recipients from repayment for case worker errors

Primary Sponsor: Kaufmann, C. **Status:** Second Reading

Sponsor signature Date Chuck Swysgood, Budget Director Date

Fiscal Summary

	FY 2004 Difference	FY 2005 Difference
Expenditures:		
General Fund	$328	$328
Federal Special Revenue	$21,455	$21,455
Other		
Net Impact on General Fund Balance:	($328)	($328)

- ☐ Significant Local Gov. Impact
- ☐ Included in the Executive Budget
- ☐ Dedicated Revenue Form Attached
- ☐ Technical Concerns
- ☐ Significant Long-Term Impacts
- ☐ Needs to be included in HB 2

Fiscal Analysis

ASSUMPTIONS:

1. In the Food Stamp Program, there are three types of overpayment: Intentional Program Violation (IPV) overpayments, inadvertent household error (client caused) overpayments, and administrative (worker caused) overpayments. During FY2002, administrative overpayments accounted for 25.5 percent of the total overpayments. The TANF and Child Care Programs do not segregate the types of overpayment. It is assumed that administrative errors are 25.5% for these programs also.
2. If the State of Montana collects TANF overpayments, the state retains the overpayment and reuses it for TANF eligible expenditures. In SFY 2002 TANF had $143,844 overpayments. The impact in the TANF program due to administrative errors could be up to $36,680 federal funds (25.5%). It is assumed the overpayment amount would be reduced by 50 percent due to this bill, thus impact to the TANF program would be $18,340.
3. For the Early Childhood Development Block grant, the FY 2002 amount of total overpayments was $27,000. Using the food stamp percentage for administrative error (25.5%), it is calculated that over payments were $6,885. Of this estimated total overpayment, $655 was general fund and $6,230 was federal funds. For the amended bill, it is assumed the overpayment amount would be reduced by 50 percent, thus impact to the Child Care program would be $3,115. Of that amount $328 would be general fund.