

Fiscal Note Request HB0529, As Amended

(continued)

5. The TANF program will return the state share of these child support collections to the Child Support Enforcement Division to be used to offset the division’s operating expenses. This is the current procedure for child support payments made on TANF cases.
6. If the previous two assumptions are correct, there would be no budgeted fiscal impact to the Child Support Enforcement Division.

Human and Community Services Division:

7. It is assumed that \$100 is a maximum child support pass-through each month no matter how many sources provide the child support payment. Example, if three different sources provide \$50 each to the same recipient, only \$100 of this \$150 will be passed through to the recipient from the Temporary Assistance to Needy Families (TANF) Block grant.
8. The projected cost to the TANF program of the pass through is based on assuming that the child support collections are for current support payments that are received and not for arrearage money that is collected in addition.
9. The following chart displays how many families received child support in FY 2004. The pass-through column contains how much money would have been passed to the client in accordance with this bill. As shown the annual cost to the TANF block grant for the up to \$100 pass-through amount is projected at \$749,002.

Montana Department of Public Health & Human Services
 Child Support Enforcement Division
 SFY2004 Collections of Current Support for TANF Cases
 Documentation for HB 529

Month - SFY 2004	Families/Mo	Collected	Up to \$100 Pass-through	Above \$100 Retained
Jul, 2003	1,035	148,496.44	81,690.57	66,805.87
Aug, 2003	874	122,093.39	68,146.42	53,946.97
Sep, 2003	860	118,631.70	67,254.03	51,377.67
Oct, 2003	822	107,386.93	63,300.71	44,086.22
Nov, 2003	770	90,969.53	57,257.28	33,712.25
Dec, 2003	795	102,355.99	59,779.97	42,576.02
Jan, 2004	757	98,294.96	57,131.51	41,163.45
Feb, 2004	758	91,657.86	56,191.35	35,466.51
Mar, 2004	850	112,116.02	66,016.40	46,099.62
Apr, 2004	789	104,294.79	60,731.82	43,562.97
May, 2004	732	96,109.50	56,027.78	40,081.72
Jun, 2004	727	95,392.28	55,474.21	39,918.07
Total	9,769	1,287,799.39	749,002.05	538,797.34

FISCAL IMPACT:

	<u>FY 2006 Difference</u>	<u>FY 2007 Difference</u>
<u>Expenditures:</u>		
Benefits	\$749,002	\$749,002

Funding of Expenditures:

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Federal Special Revenue (03)	\$749,002	\$749,002
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Net Impact to Fund Balance (Revenue minus Funding of Expenditures):

Federal Special Revenue (03)	(\$749,002)	(\$749,002)
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TECHNICAL NOTES:

1. The bill as written does not specifically state that the child support payments involved are for current support only. If it is intended that DPHHS include not only current child support payments, but also arrears child support payments on collections up to \$100 in the pass through, the fiscal impact to the Human and Community Services Division would be greater than the \$750,000.
2. When a Food Stamp recipient receives more money through child support pass-through payments there will be a reduction in Food Stamp benefits. Those amounts have not been calculated because of complexity and the amount of unknowns pertaining to the recipients of the benefits of this bill.
3. The federal TANF grant is a block grant, meaning the funds are limited and this payment is not an entitlement. If the grant is over-expended the pass-through payments may at some point need to be reduced or eliminated.