

Program Budget Comparison

The following table summarizes the total legislative budget for the program by year, type of expenditure, and source of funding.

Program Budget Comparison								
Budget Item	Base Fiscal 2008	Approp. Fiscal 2009	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 08-09	Biennium Fiscal 10-11	Biennium Change	Biennium % Change
FTE	453.81	453.81	460.31	465.31	453.81	465.31	11.50	2.53%
Personal Services	20,996,536	22,962,650	22,294,503	22,692,654	43,959,186	44,987,157	1,027,971	2.34%
Operating Expenses	6,546,411	5,948,093	7,106,350	7,181,051	12,494,504	14,287,401	1,792,897	14.35%
Equipment & Intangible Assets	90,587	44,506	90,587	90,587	135,093	181,174	46,081	34.11%
Capital Outlay	0	175,067	0	0	175,067	0	(175,067)	(100.00%)
Grants	18,982,880	19,992,513	21,344,880	21,342,956	38,975,393	42,687,836	3,712,443	9.53%
Benefits & Claims	161,658,613	186,264,135	184,449,601	192,666,735	347,922,748	377,116,336	29,193,588	8.39%
Transfers	0	0	0	0	0	0	0	n/a
Total Costs	\$208,275,027	\$235,386,964	\$235,285,921	\$243,973,983	\$443,661,991	\$479,259,904	\$35,597,913	8.02%
General Fund	30,521,552	31,497,583	31,295,322	31,521,955	62,019,135	62,817,277	798,142	1.29%
State Special	1,211,152	1,401,037	1,367,763	1,525,279	2,612,189	2,893,042	280,853	10.75%
Federal Special	176,542,323	202,488,344	202,622,836	210,926,749	379,030,667	413,549,585	34,518,918	9.11%
Total Funds	\$208,275,027	\$235,386,964	\$235,285,921	\$243,973,983	\$443,661,991	\$479,259,904	\$35,597,913	8.02%

Program Description

Mission statement: The mission of the Human and Community Services Division (HCSD) of the Montana Department of Public Health and Human Services is to support the strengths of families and communities by promoting employment and providing the assistance necessary to help families and individuals meet basic needs and work their way out of poverty.

The Human and Community Services Division is comprised of four bureaus: 1) Public Assistance; 2) Early Childhood Services; 3) Intergovernmental Human Services; and 4) Fiscal Services.

The Public Assistance Bureau:

- Administers Montana's Temporary Assistance to Needy Families (TANF) program, including the WoRC contracts for TANF work activity case management
- Administers the state Refugee Assistance program
- Determines eligibility for all Medicaid coverage groups
- Determines eligibility for Supplemental Nutrition Assistance Program (SNAP - formerly known as the Food Stamp Program), and administers contracts for SNAP employment and training services and nutrition education services

The Early Childhood Services Bureau:

- Manages the funds which pay for child care for TANF participants and low-income working families
- Contracts with 12 resource and referral agencies to administer child care eligibility, provider recruitment, and technical assistance
- Administers the Child and Adult Care Food Program, which provides reimbursement to child care providers for the cost of meals served to eligible children and adults
- Administers the Head Start State Collaboration grant
- Administers the Early Childhood Comprehensive Systems Grant
- Manages the funds which pay for quality child care initiatives including professional development

The Intergovernmental Human Services Bureau administers:

- The Community Services block grant, which is used by 10 Human Resource Development Councils to provide a wide range of community-based human services
- The Low-Income Energy Assistance Program (LIEAP) and Weatherization program
- The DOE Weatherization program including funding for weatherization from five other sources

- The Emergency Shelter grants program
- The Housing Opportunities for Persons with AIDS grant
- Three USDA commodities programs. In addition, the bureau stores and distributes USDA commodity foods to senior citizen congregate meal sites and stores USDA commodity foods for school lunch programs

The Fiscal Services Bureau coordinates implementation and monitoring of the division's budget.

Statutory authority is in Title 53, Chapter 2, MCA, and 45 CFR.

Program Highlights

Human and Community Services Division HB 2 Budget Highlights	
<ul style="list-style-type: none"> ◆ The \$479 million biennium budget, which includes over \$420 million in benefits and grants, is \$35 million greater than the 2009 biennium budget primarily due to increases in federal funding for TANF and SNAP (food stamps) benefits. ◆ Legislative increases to the general fund for the biennium primarily include: <ul style="list-style-type: none"> • \$2.7 million for statewide present law adjustments - \$1.3 million general fund • About \$0.9 million for 10.00 FTE for eligibility services - \$0.4 million general fund • \$0.6 million for rent increases at public assistance offices throughout the state - \$0.3 million general fund • \$0.6 million for the HB 13 pay plan - about \$0.4 million general fund ◆ Significant legislative reductions to the general fund for the biennium include: <ul style="list-style-type: none"> • \$3.1 million for the elimination of the child care market rate, caseload, and federal poverty level increase • \$0.6 million for an increase in vacancy saving from 4 to 7 percent ◆ Major federal revenue increases over the biennium include: <ul style="list-style-type: none"> • \$45 million for Supplemental Nutrition Assistance Program (SNAP –formerly food stamps) benefits • Over \$11 million for increases in the TANF block grant for: \$4 million to increase TANF cash assistance, \$4 million for a family economic security grant program, \$1.5 million of one-time-only support for food banks, \$1 million for child care for working caretaker relatives, and \$0.6 million for second chance homes • \$1 million for increases to the child and adult care food program 	

HB 645 Budget Highlights

- ◆ The legislature approved funding of over \$98 million in HB 645, including:
 - \$2 million of general fund for assistance to homeless shelters (\$1.5 million) and food banks (\$0.5 million)
 - \$96 million in federal ARRA funds, the largest of which were for:
 - SNAP benefits and administration (\$49 million)
 - Weatherization projects (\$27 million)
 - Child care services (\$6.4 million)
 - TANF Emergency Funds (\$5.6 million)
- ◆ The legislature also:
 - Increased the eligibility for TANF assistance for the period of July 1, 2009, through September 30, 2010.
 - Allocated one-time provider rate increases to DPHHS that included about \$0.7million general fund for child care

Summary of Legislative Action

The legislature approved a \$479.2 million HB 2 budget for the 2011 biennium, of which \$419.8 million is for benefits and grants addressing public assistance programs that are mostly federally funded. The 2011 biennium budget appropriations increase more than \$35.6 million over the 2009 biennium budget with \$33.0 million of the increase for benefits and grants that are primarily federally funded. The legislature approved an increase in general fund of about \$0.8 million over the 2009 biennium budget. In addition, the legislature added \$0.8 million general fund and over \$96.0 million in HB 645.

The legislature appropriated federal fund authority in HB 2 for increases in benefits of:

- \$45.5 million in for the projected increase in SNAP (food stamp) benefits
- \$10.0 million in for increases to TANF benefits
 - \$4.1 million to increase cash assistance from 33 percent of the 2007 federal poverty level (FPL) to 33 percent of the 2009 FPL
 - \$4.0 million to increase funding for Family Economic Security programs
 - \$1.5 million in support of food banks
 - \$9.5 million for child care for working caretaker relatives
 - \$0.6 million for second chance homes
- About \$1.3 million in for anticipated increases in food services supported by the Child and Adult Care Food Program (CACFP)

With approval of the base and present law adjustments, the legislature appropriated \$45 million for personal services and operations for this division over the biennium, which are the areas of largest use of general fund. The increases approved by the legislature that impact the general fund primarily include:

- \$2.8 million total funds for statewide present law adjustments - \$1.3 million general fund
- About \$0.9 million total funds for 10.00 FTE for eligibility services - \$0.4 million general fund
- \$0.6 million total funds for increases in rent at public assistance offices throughout the state - \$0.3 million general fund
- About \$0.6 million total funds for the HB 13 pay plan - about \$0.4 million general fund

The legislature also approved federal funding of over \$0.2 million for 2.50 FTE for the Early Childhood Services Bureau and the Intergovernmental Human Services Bureau.

The legislature made reductions to the HCSD general fund that over the biennium primarily include:

- \$3.1 million for the elimination of the child care market rate, caseload, and federal poverty level increase
- \$642,511 for an increase in vacancy saving from 4 to 7 percent
- \$67,370 for the removal of a position vacant over 2 years

The \$3.1 million in child care services mentioned above was actually an increase and a reduction to the HB 2 budget. The legislature approved the increase of about \$3.2 million general fund for child care caseload, federal poverty level increase, and market rate for providers, but later reduced this amount and partially replaced it with funding HB 645. There is further discussion in the “Program Discussion” and “Other Legislation” sections of this narrative.

The legislature also approved a 2 percent division-wide general fund reduction of about \$7.2 million and allowed DPHHS to allocate the reduction among all divisions. At the time of this writing, the HCSD share is not known.

I-155: Healthy Montana Kids

As mentioned in the agency overview, the passage of the voter Initiative I-155 to expand Montana’s Medicaid and CHIP programs for children’s health insurance impacts several programs throughout DPHHS. The funding to implement the program is entirely in the Health Resources Division, but HCSD would handle the Medicaid eligibility component. The division estimates \$1 million total funds over the biennium to handle Medicaid eligibility expansion and operating costs. Funding would support 6.00 FTE for Medicaid eligibility.

Summary of Programs, Benefits and Grants

The following table shows the HB 2 expenditures of the division for the base fiscal year and the legislative appropriations for FY 2010 and FY 2011. Grants related to the ARRA are discussed in the “Other Legislation” section of this narrative. Expenditures are shown by program as well as by benefit type.

The top part of the table in Figure 13 shows the division expenditures by program. The programs are for the three bureaus. The programs include:

- Public Assistance Bureau (PAB), which includes the Offices of Public Assistance (OPA), TANF, SNAP (food stamps), and Medicaid eligibility for all coverage groups. The PAB and the OPA are the first two lines of the table. The offices of public assistance are listed separately because of their impact on the general fund.
- Energy and Commodity Assistance, which includes LIEAP, Weatherization, emergency shelter, housing, community services block grant projects, and USDA commodity programs
- Early Childhood Services, which includes child care and opportunities for TANF participants and low-income working families, the Child and Adult Care Food Program, Head Start collaboration, and a myriad of services related to early childhood development

The second part of the table shows the benefits and grants. The total for benefit and grant expenditures is listed above the summary to provide an easy comparison between the total amount of benefits and grants and the total costs for the division.

The Public Assistance Bureau programs, including the OPAs account for 73 percent of the total division budget and about 72 percent of the total benefit and grant spending due to eligibility determination provided throughout the state, TANF programs, and the SNAP (food stamp) program. The federally funded SNAP benefits account for about 56 percent of the division’s benefit and grant activity with TANF cash assistance support activities at about 16 percent.

Energy and commodity assistance services account for 11 percent of the total division budget and 10.9 percent of benefits and grants.

Early Childhood Services accounts for 16 percent of the total budget and over 17 percent of the benefit and grant spending.

The county offices of public assistance, TANF employment, training, and work support activities, and child care programs use the largest amount of division’s general fund at about \$20 million each over the biennium.

Figure 13
Summary of 2011 Division Costs, Benefits, and Grants Compared to the Base Budget

Program	Fiscal 2008 Base			Fiscal 2010 Appropriations			Fiscal 2011 Appropriations			% of Division Ben. Total
	General Fund	SSR	Federal Funds	General Fund	SSR	Federal Funds	General Fund	SSR	Federal Funds	Total Funds
Total Program Costs Including Benefits										
Public Assistance Bureau	\$12,744,278	\$37,242	\$113,639,435	\$12,774,057	\$36,089	\$137,300,779	\$12,825,876	\$36,190	\$145,177,211	\$158,039,277
County Offices of Public Assistance	9,753,135	168,262	9,568,552	10,499,124	176,093	10,357,628	10,681,977	177,965	10,529,687	21,389,629
Energy and Commodities	113,971	173,064	24,507,565	111,998	322,997	25,546,729	103,960	478,540	25,550,334	26,132,834
Early Childhood Services	7,910,168	832,584	28,826,771	7,910,143	832,584	29,417,700	7,910,142	832,584	29,669,517	38,412,243
Total Program Costs for the Division	\$30,521,552	\$1,211,152	\$176,542,331	\$31,295,322	\$1,367,763	\$202,622,836	\$31,521,955	\$1,525,279	\$210,926,749	\$243,973,983
Funding Percent of Total FY Budget	14.7%	0.6%	84.8%	13.3%	0.6%	86.1%	12.9%	0.63%	86.45%	100%
Benefits and Claims										
Total Benefits and Grants for the Division	\$18,914,237	\$1,024,225	\$160,698,031	\$19,199,489	\$1,156,224	\$185,433,769	\$19,207,476	\$1,292,493	\$193,504,722	\$214,009,691
Benefits Percent of Total Budget	9.1%	0.5%	77.2%	8.2%	0.5%	78.8%	7.9%	0.5%	79.3%	87.7%
Temporary Assistance for Needy Families										
TANF Cash Assistance	\$769,957	\$35,000	\$15,456,439	\$769,957	\$35,000	\$17,256,674	\$769,957	\$35,000	\$17,798,523	\$18,603,480
TANF Employment, Training	1,391,635	0	316,997	1,373,198	0	635,434	1,373,299	0	635,333	2,008,632
TANF Supportive Services	750,002	0	0	750,002	0	466,704	750,002	0	485,072	1,235,074
Subtotal	\$2,911,594	\$35,000	\$15,773,436	\$2,893,157	\$35,000	\$18,358,812	\$2,893,258	\$35,000	\$18,918,928	\$21,847,186
Percent of Program Total	15.6%	0.19%	84.3%	13.6%	0.16%	86.2%	13.2%	0.16%	86.6%	100%
Supplemental Nutrition Assistance Program										
SNAP (Food Stamps)	\$0	\$0	\$93,242,739	\$0	\$0	\$112,343,868	\$0	\$0	\$119,601,240	\$119,601,240
SNAP Training/Support	24,650	0	60,474	26,126	0	58,998	26,176	0	58,948	85,124
Subtotal	\$24,650	\$0	\$93,303,213	\$26,126	\$0	\$112,402,866	\$26,176	\$0	\$119,660,188	\$119,686,364
Percent of Program Total	0.03%	0.0%	99.97%	0.02%	0.0%	99.98%	0.02%	0.0%	99.98%	100%
Energy, Weatherization, Housing & Commodities										
Energy & Weatherization Benefits	\$0	\$151,664	\$18,386,678	\$0	\$282,149	\$18,941,113	\$0	\$418,419	\$18,960,388	\$19,378,807
Emergency Housing & Shelter Programs	0	0	1,243,148	0	0	1,243,148	0	0	1,243,148	1,243,148
Commodities	13,522	0	254,733	11,577	0	256,678	23,105	0	245,150	268,255
Subtotal	\$13,522	\$151,664	\$19,884,559	\$11,577	\$282,149	\$20,440,938	\$23,105	\$418,419	\$20,448,686	\$20,890,210
Percent of Program Total	0.07%	0.76%	99.2%	0.06%	1.4%	98.6%	0.11%	2.0%	97.9%	100%
Child Care (CC)										
Child Care Matching	\$4,798,339	\$832,584	\$4,162,803	\$4,798,340	\$832,584	\$4,162,803	\$4,798,339	\$832,584	\$4,162,803	\$9,793,726
Child Care Discretionary	653,304	0	6,658,228	651,360	0	6,660,172	651,356	0	6,660,176	7,311,532
Child Care Mandatory	1,312,779	0	2,086,198	1,312,779	0	2,086,198	1,312,779	0	2,086,198	3,398,977
CC Cash for Commodities Assist.	0	0	207,969	0	0	219,969	0	0	225,969	225,969
CC Nutrition and Food Service	0	0	8,207,768	0	0	8,633,768	0	0	8,871,768	8,871,768
Childcare Title IV-E Foster Care	182,447	0	400,000	182,447	0	400,000	182,447	0	400,000	582,447
Childcare Quality	17,042	0	41,458	17,042	0	41,458	17,042	0	41,458	58,500
Subtotal	\$6,963,911	\$832,584	\$21,764,424	\$6,961,968	\$832,584	\$22,204,368	\$6,961,963	\$832,584	\$22,448,372	\$30,242,919
Percent of Program Total	24%	3%	74%	23%	3%	74%	23%	3%	74%	100%
Total Benefits & Claims	\$9,913,677	\$1,019,248	\$150,725,632	\$9,892,828	\$1,149,733	\$173,406,985	\$9,904,502	\$1,286,003	\$181,476,175	\$192,666,735
Grants										
TANF Contractor Employ. & Training	\$7,797,918	\$0	\$1,776,265	\$8,082,239	\$0	\$3,491,944	\$8,082,809	\$0	\$3,491,374	\$11,574,183
SNAP Contractor Training/Support	308,017	0	755,659	326,454	0	737,222	327,081	0	736,595	1,063,676
Commodities	61,423	0	1,157,106	65,428	0	1,453,101	60,553	0	1,450,052	1,510,605
Energy & Weatherization	0	4,977	603,364	0	6,491	601,850	0	6,491	601,850	608,341
Refugee	0	0	141,036	0	0	141,036	0	0	141,036	141,036
Childcare Discretionary	318,662	0	3,247,681	317,714	0	3,248,629	317,712	0	3,248,631	3,566,343
Childcare Quality	503,197	0	1,224,095	503,186	0	1,224,106	503,179	0	1,224,113	1,727,292
CACFP Contractor Grants	0	0	867,006	0	0	929,006	0	0	935,006	935,006
Head Start	11,343	0	105,112	11,641	0	104,814	11,641	0	104,814	116,455
CC Early Childhood Comprehensive	0	0	95,075	0	0	95,075	0	0	95,075	95,075
Public Assist. Special Project Grant	0	0	5,000	0	0	5,000	0	0	5,000	5,000
Total Grants	\$9,000,560	\$4,977	\$9,972,399	\$9,306,661	\$6,491	\$12,026,784	\$9,302,974	\$6,491	\$12,028,547	\$21,342,956
Total Benefits, Claims, and Grants	\$18,914,237	\$1,024,225	\$160,698,031	\$19,199,489	\$1,156,224	\$185,433,769	\$19,207,476	\$1,292,493	\$193,504,722	\$214,009,691

Program Discussion

Recommendations to the LFC

The legislature and the division discussed the programs of HCSD in light of the uncertain economy as well as on-going services regardless of economic conditions. The following are the goals for the 2011 biennium on-going programs and new initiatives that the legislature recommends be tracked and reported to the Legislative Finance Committee over the interim.

- TANF Second Chance Homes – A new initiative
 - Track and report based on the initiative justification to serve 26 teen parents
- The Family Economic Security Grant Program – A new initiative
 - Track and report based on the goals included in the initiative justification and provide a qualitative report showing the participants' progress toward self-sufficiency
- Child Care for Working Caretaker Relatives – An on-going program that is in its second year
 - Track and report during the interim with regard to the number of families or children served, expenditures, and the children remaining in relative care versus those that ended up in foster care
- Accelerated Employment Service Program – An on-going program that is part of the TANF Block Grant
 - Track and report on the number of participants served, expenditures, and the type of training and employment placement received
- The Mental Health Centers component of the TANF MOE support services – An on-going program serving Cascade and Yellowstone counties that is part of the TANF maintenance of effort (MOE) general fund
 - Track and report on the number of participants served, expenditures, and outcomes as related to TANF work goals

In light of the uncertain economic conditions, the legislature and division discussed the importance of updating the Legislative Finance Committee about the changes in caseload, benefits, and/or services relative to SNAP (food stamps), TANF, and LIEAP and Weatherization programs over the interim.

Public Assistance Bureau

As mentioned earlier, the legislature addressed the public assistance programs in HB 2 and HB 645. It addressed the downturn in the state's economic condition through appropriations in both bills for the two major programs of the Public Assistance Bureau (PAB) - SNAP (an entitlement) and TANF (a block grant), as well as the Offices of Public Assistance throughout the state where eligibility workers help individuals enroll in TANF, SNAP, Medicaid, and other social assistance programs, including the new Healthy Montana Kids Initiative.

The legislature approved a 2011 biennium budget of over \$350 million for PAB services. Benefits and grants account for about \$301 million of this amount while personal services for 433.30 FTE account for \$41 million, and operating costs are over \$8 million.

Supplemental Nutrition Assistance Program

The federally funded SNAP benefits are the largest benefit expenditure of HCSD and are presently growing quickly due to the recent downturn in the economy. As of May 2009, the total expenditures were \$105.8 million out of the FY 2009 appropriation of \$110.3 million. April and May benefits were \$12.3 and \$12.6 million respectively with 94,113 and 96,044 recipients each – nearly 10 percent of the state population.

The 2009 Legislature approved an increase of \$45.5 million for the 2011 biennium to address the projected increase in SNAP program enrollment that was prepared before the economic downturn. The division estimated a benefit need of \$119 million by FY 2011. However, should the caseload growth and costs for the 2011 biennium continue at the present rate, expenditures could reach \$120 million and beyond, depending upon Montana's economy and unemployment.

The federal SNAP administrators anticipated such an occurrence nation-wide and provided ARRA funding rules that allowed ARRA benefit increases to begin in April, 2009. The federal stimulus allocation to Montana for FY 2009 is \$5,983,625, which is appropriated in HB 645. The department has adjusted benefits using available federal spending

authority. The legislature also approved the HB 645 addition of nearly \$48.9 million in SNAP funding for the 2011 biennium. There is further discussion of SNAP HB 645 funding in the “Other Legislation” section of this narrative.

Figures 14 and 15 show the SNAP recipient and expenditure growth from July of 2007 through May 2009. The increase in expenditures reflects both the ARRA increase in the SNAP benefit amounts and the recipients.

Figure 14

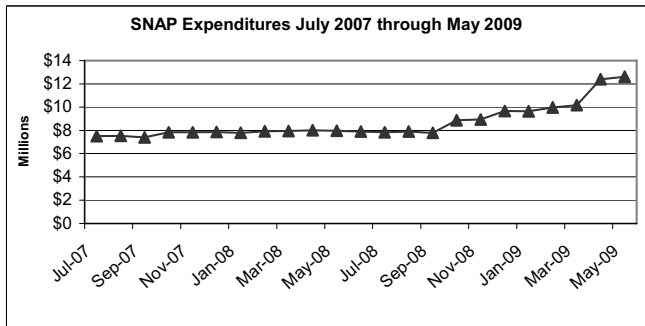
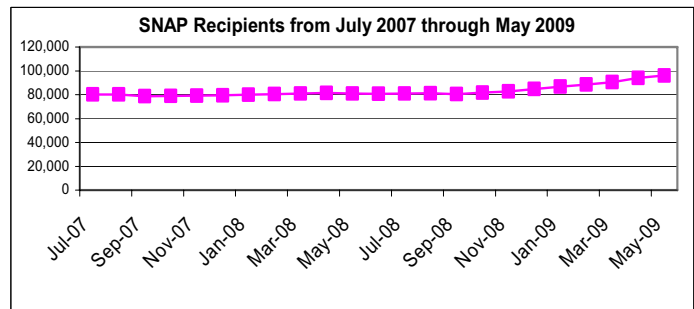


Figure 15



SNAP is an entitlement so applicants would receive their benefits even if the costs exceed the appropriations in HB 2 and HB 645. Should this happen the department could transfer excess federal spending authority from other divisions to HCSD or request increased federal funds spending authority through the budget change process.

Temporary Assistance for Needy Families (TANF)

The TANF program is not an entitlement program, but rather a program that is funded by a capped grant with a major general fund requirement attached to it. Montana’s annual federal grant is estimated to be about \$38 million for each year of the biennium. In order to receive the TANF federal funds, a state must continue to expend state and local resources at a level known as the “maintenance of effort” or “MOE.” Montana’s annual MOE is about \$13 million.

The legislature approved TANF funds for appropriation in both HB 2 and HB 645 for the 2011 biennium.

As reflected in the earlier costs and benefits table, the major components of the TANF program HB 2 budget for the 2011 biennium account for about \$22.0 million general fund and about \$44.2 million federal funds over the biennium. The legislature approved HB 2 increases to TANF of:

- \$11.2 million for increases to TANF benefits
 - \$4.1 million to increase cash assistance from 33 percent of the 2007 federal poverty level (FPL) to 33 percent of the 2009 FPL
 - \$4.0 million to increase funding for Family Economic Security programs
 - \$1.5 million in support of food banks
 - \$1.0 million for child care for working caretaker relatives
 - \$0.6 million for second chance homes

At this time the TANF caseloads have not grown like SNAP. The monthly average for TANF recipients in FY 2008 was 7,847. Through April of FY 2009 the monthly average was 8,117, an increase of 270. However, this may change following legislative action in HB 645.

The legislature appropriated \$5.6 million in federal ARRA funds for the TANF program in HB 645 through two actions:

- The appropriation of about \$5.6 million comprising \$1,765,870 in FY 2009, \$2,185,332 in FY 2010, and \$1,638,999 in FY 2011 for basic cash assistance addressing an increase in the caseload.
- The addition of language in HB 645 that addressed the purpose of the stimulus funds to help those most in need. As a means to serve more individuals, the legislature required the division to change the eligibility standard for individuals receiving cash assistance benefits to allow more individuals to be eligible for benefits.

The division was directed to raise the standard for eligibility from at or below 30 percent of the 2002 federal poverty level to at or below 30 percent of the 2009 federal poverty level for the period from July 1, 2009, through September 30, 2010. At the end of the ARRA funding period, October 1, 2010, the department can reduce the eligibility standard to 30 percent of the 2006 federal poverty level. As a means to ensure that the TANF block grant is not jeopardized by major TANF caseload increases, the legislature provided language that allowed the department, after consultation with the Legislative Finance Committee, to lower the eligibility standard.

The following figure shows the TANF Block Grant and the legislative appropriations. Items printed in bold show legislative appropriations. The table reflects the estimated benefit increase for HB 2 as well as the legislative action in HB 645, which raises the eligibility level to include more people. Therefore the benefit amounts shown for FY 2010 and FY 2011 are the net amounts of the benefits offset by the 80 percent reimbursement for the 80:20 ARRA match ratio.

The subsidized employment line also reflects the net of the state expenditures and the ARRA reimbursement. This program is not projected beyond the 2011 biennium because it is an ARRA program and funding may not be available.

Figure 16
TANF Block Grant
HB 2 and HB 645 Appropriations

Program	Actual FY 2008	Appropriated FY 2009	Appropriated		Projected	
			FY 2010	FY 2011	FY 2012	FY 2013
Actual/Projected Balance of Grant	\$35,786,347	\$38,897,889	\$37,722,070	\$33,148,948	\$24,416,882	\$18,935,008
TANF Block Grant Amount	39,077,424	38,551,339	38,322,292	38,039,116	38,039,116	38,039,116
Projected Two Parent Penalty	0	(190,956)	(267,339)	(343,721)	(420,104)	(496,487)
Beginning Balance	\$74,863,771	\$77,258,271	\$75,777,023	\$70,844,343	\$62,035,894	\$56,477,637
Expenditures:						
Benefits - Cash Assistance*	\$14,456,431	\$14,913,747	\$16,200,119	\$19,613,646	\$20,150,327	\$20,754,837
Child Support Supplemental	<u>514,363</u>	<u>615,795</u>	<u>615,795</u>	<u>615,795</u>	<u>615,795</u>	<u>615,795</u>
Total Benefits	\$14,970,794	\$15,529,542	\$16,815,914	\$20,229,441	\$20,766,122	\$21,370,632
TANF cost allocation	\$4,711,132	\$4,993,337	\$5,183,870	\$5,382,025	\$5,588,106	\$5,802,430
Other TANF uses:						
Second Chance Home Services Support	0	0	300,000	300,000	300,000	300,000
TANF System (removal from TEAMS)	130,663	2,200,000	3,000,000	3,269,337	0	0
Family Economic Security Plan	646,567	939,869	2,000,000	2,000,000	2,000,000	2,000,000
Child Care for working Caretaker Relatives	325,249	683,784	466,704	485,072	485,072	485,072
Food Banks	100,000	100,000	100,000	100,000	100,000	100,000
Food Banks for 2 years			750,000	750,000		
Post Employment Program (Benefit)	0	1,252,350	1,252,350	1,252,350	1,252,350	1,252,350
Subsidized Employment*			150,000	50,000		
Accelerated Employment Service Program	310,850	504,436	200,000	200,000	200,000	200,000
Emerg Assist & Prg 03 Foster Care Benefits	<u>2,256,912</u>	<u>2,360,000</u>	<u>2,360,000</u>	<u>2,360,000</u>	<u>2,360,000</u>	<u>2,360,000</u>
Total other TANF uses	\$6,234,719	\$8,964,086	\$10,579,054	\$10,766,759	\$6,697,422	\$6,392,986
TOTAL EXPENDITURES	\$25,916,645	\$29,486,965	\$32,578,838	\$36,378,225	\$33,051,650	\$33,566,048
Transfers:						
Child Care	\$8,051,010	\$8,051,010	\$8,051,010	\$8,051,010	\$8,051,010	\$8,051,010
Title XX program 03	<u>1,998,226</u>	<u>1,998,226</u>	<u>1,998,226</u>	<u>1,998,226</u>	<u>1,998,226</u>	<u>1,998,226</u>
Total Transfers	\$10,049,236	\$10,049,236	\$10,049,236	\$10,049,236	\$10,049,236	\$10,049,236
Expenditures and Transfers	<u>\$35,965,881</u>	<u>\$39,536,201</u>	<u>\$42,628,074</u>	<u>\$46,427,461</u>	<u>\$43,100,886</u>	<u>\$43,615,284</u>
Ending Balance	\$38,897,889	\$37,722,070	\$33,148,948	\$24,416,882	\$18,935,008	\$12,862,354

* Cash Assistance and Subsidized Employment funds reflect the net of the benefit and the 80 percent ARRA reimbursement.

Use of the block grant and ARRA funds is guided by the federal TANF principles that state programs must meet work participation rates (WPR), data reporting requirements, limit the beneficiary to a maximum 60 months per lifetime of benefits, and assure assignment of child support to the state by the beneficiary. Funds must be expended to achieve one of four TANF purposes: 1) provide assistance to needy families; 2) end dependency of needy parents by promoting job preparation, work, and marriage; 3) prevent and reduce out of wedlock pregnancies; and 4) encourage the formation and maintenance of two-parent families. The bulk of the funding for the employment, training, and work experience

programs is general fund that is part of the MOE funding mentioned earlier. The general fund is not reflected in the TANF block grant table.

The ARRA funds are to support anticipated increases of families needing assistance while continuing the goals of the TANF program that center around work activities. Funding includes a 20 percent state match and may address: 1) basic case assistance; 2) increased non-recurrent short term benefits; and increased expenditures for subsidized employment activities. There is further discussion of the ARRA funds in the “Other Legislation” section of this narrative. The subsidized employment program and cash assistance are shown in the TANF block grant table.

Tribal TANF Programs

Tribal entities may choose to have their members receive services through the state TANF plan or choose to operate their own TANF plan. In Montana, four tribes, the Confederated Salish and Kootenai, the Fort Belknap Indian Community, the Blackfeet, and the Chippewa Cree at Rocky Boys Reservation have chosen to implement a Tribal TANF plan. Section 53-4-210, MCA governs the provision of a portion of the state maintenance of effort funds to tribes operating a Tribal TANF plan, and provides that \$100,000 general fund from existing appropriations be transferred to new Tribal TANF plans each fiscal year of the biennium following implementation of the Tribal TANF plan and, when certain service population requirements are met, on-going fiscal support. While there are no new Tribal plans this year, the division’s negotiated general fund support of Tribal programs, about \$1.5 million per year, is an on-going part of the TANF MOE.

Energy, Commodities, and Weatherization

The legislature approved a 2011 biennium budget of over \$52.1 million for energy, commodities, and weatherization services. Benefits and grants account for about \$46.0 million of this amount while personal services for 17.01 FTE account for \$2.0 million, and operating costs are over \$4.0 million.

The legislature also provided new funding of:

- \$2.0 million in federal funds and state special revenue authority for anticipated expenditure increases in various federal grants as well as the universal low-income energy assistance fund, which comes from consumer charges on utility bills and is passed on to energy assistance and weatherization activities
- \$269,760 provided by the passage of HB 27, which eliminated the sunset on the universal system benefits and continued funding for energy conservation programs such as weatherization
- About \$0.2 million federal fund authority for personal services to support 1.50 FTE added for increased workload

Low-Income Energy and Weatherization Programs

The largest part of the program budget, over \$42.0 million for the biennium, is from the low-income energy and weatherization program benefits in HB 2, which provide:

- Low-income Energy Assistance (LIEAP) benefit payments that cover part of a household’s total heating costs for the winter
- Weatherization programs that focus on education and support for weatherization needs to a home by providing services ranging from energy education to furnace repairs/replacements, installing insulation, weather stripping, and winterization of doors and windows

The following Figure 17 shows legislative support of low-income energy and weatherization programs including the ARRA for weatherization projects.

Figure 17

**Low Income Energy Assistance and Weatherization Funding Based Upon the State Fiscal Years
Bold Figures Include Legislative Appropriations**

Program	Actual		Projected		Appropriated	
	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Energy / Benefit Assistance						
Oil Overcharge: Stripper	(\$109,648)	\$0	\$0	\$0	\$0	\$0
LIEAP Grant	14,623,482	8,837,814	10,147,309	20,707,592	11,852,373	11,852,239
LIEAP Tribal - passed through state	314,455	0	0	0	0	0
LIEAP Tribal - funding direct to tribes*	<u>2,762,965</u>	<u>2,258,128</u>	<u>2,727,382</u>	<u>5,112,390</u>	<u>3,496,120</u>	<u>3,496,120</u>
Subtotal Energy Assistance	\$17,591,254	\$11,095,942	\$12,874,691	\$25,819,982	\$15,348,493	\$15,348,359
Weatherization Programs						
Univ. Low-Income Asst.	\$59,324	\$203,797	\$173,094	\$136,122	\$322,997	\$478,540
Bonneville Power Admin.	574,561	427,113	434,447	401,692	486,975	486,969
Ener. Conservation: Exxon**	0	0	419,481	560,232	0	0
Ener. Conservation: Stripper**	0	0	0	137,958	0	0
DOE Weatherization	2,582,935	2,568,309	1,686,701	2,632,277	2,555,944	2,555,933
LIEAP Grant for Weatherization and Client Ed.	2,248,800	3,257,285	3,023,165	4,570,768	3,342,977	3,342,939
ARRA Benefits Funds 2009	0	0	0	5,409,074	10,818,148	5,409,074
MPC/NW Ener Free Weatherization***	<u>1,423,764</u>	<u>1,532,323</u>	<u>1,414,292</u>	<u>2,047,151</u>	<u>1,900,000</u>	<u>1,900,000</u>
Subtotal Weatherization & Client Ed	\$6,889,384	\$7,988,827	\$7,151,180	\$15,895,274	\$19,427,041	\$14,173,455
Subtotal Energy & Weatherization	\$24,480,638	\$19,084,769	\$20,025,871	\$41,715,256	\$34,775,534	\$29,521,814
General Fund Support						
Energy Assistance - Executive Order	177,246	412,596	0	825,195	0	0
General Fund Support - Tribal****	87,404	87,404	113,359	61,446	0	0
Energy Ombudsman	300,000	300,000	300,000	300,000	0	0
General Fund Support	235,350	0	0	0	0	0
Subtotal	\$800,000	\$800,000	\$413,359	\$1,186,641	\$0	\$0
Total Energy, Weatherization and Gen. Fund	<u>\$25,280,638</u>	<u>\$19,884,769</u>	<u>\$20,439,230</u>	<u>\$42,901,897</u>	<u>\$34,775,534</u>	<u>\$29,521,814</u>

Notes:

* LIEAP - Tribal - These funds do not flow through state government, rather these funds are provided directly to the Tribes.

** Energy Conservation funding is provided as a biennial appropriation but shown in the table divided between the two years.

*** Montana Power Company, Northwestern Energy - energy assistance funds are not appropriated by the state.

**** Tribal governments received 17.4806 percent of the energy assistance grant funds provided to Montana. It is anticipated that this percentage of general fund for low-income energy assistance will be allocated to tribes.

Early Childhood Services

The legislature approved a 2011 biennium budget of about \$77.0 million for child care services. Benefits and grants account for about \$73.0 million of this amount while personal services for 15.00 FTE account for \$1.6 million, and operating costs are \$1.9 million.

Summary of Legislative Action

The legislature addressed the Child Care Program through action in HB 2, HB 645, and HB 676.

In addition to approving the HB 2 base year funding of over \$36.0 million total funds for benefits and grants and over \$1.6 million total funds for operations, the legislature provided new funding of over \$2.0 million over the biennium to support increases in food services, child care for working caretaker relatives, and 1.00 new FTE, including:

- \$1.0 million in federal funds for anticipated increases in food services supported by the Child and Adult Care Food Program (CACFP)
- \$1.0 million of federal TANF authority to provide child care for working caretaker relatives of children eligible for the TANF grant
- \$0.1 million federal funds and 1.00 FTE to undertake a new federal oversight requirement of child care programs

As discussed earlier in the narrative, the legislature reduced child care funding by over \$3.1 million general fund and partially replaced it with HB 645 funding. This was achieved in two actions.

The first action reduced the HB 2 general fund for the child care case load estimates and costs of maintaining child care eligibility at 150 percent of the current federal poverty level. This reduction was just over \$2 million.

The second action reduced the provider rate component by over \$1.1 million in HB 2. This reduction was partially replaced with the Early Childhood Services Bureau's share of the \$39.5 million DPHHS 2 percent provider rate increase that the legislature provided in HB 645 and allowed the department to allocate among programs. At the time of this writing, the exact amount the child care program would receive is unknown. An initial table prepared by DPHHS reflected \$224,740 for FY 2010 and \$455,098 for FY 2011 for a total of about \$0.7 million, but these amounts have not been formally acknowledged by the department. Additionally, because the appropriation is in HB 645 rather than HB 2, it essentially becomes a one-time-only appropriation, which would lower the base budget used to develop the 2013 biennium budget request. There is further discussion in the "Other Legislation" and new proposal sections of this narrative.

HB 676 Action

In its discussion of the \$1.0 million federal TANF funding to provide child care for working caretaker relatives, the legislature approved a change in Montana Code requiring that the Human and Community Services Division implement means testing at 250 percent of the current federal poverty level for the child care for working caretaker relative program. The means test would apply to working grandparents or caretaker relatives that are providing care for children in place of their parents and apply for child care assistance.

The legislature included language in HB 2 stating that the \$1.0 million appropriation for child care for working caretaker relatives was contingent upon passage of HB 676 requiring the division to implement the means test. Please see the "Language" section at the end of the narrative.

Funding

The following table shows program funding, by source, for the base year and for the 2011 biennium as adopted by the legislature.

Program Funding Table						
Human And Community Services						
Program Funding	Base FY 2008	% of Base FY 2008	Budget FY 2010	% of Budget FY 2010	Budget FY 2011	% of Budget FY 2011
01000 Total General Fund	\$ 30,521,552	14.7%	\$ 31,295,322	13.3%	\$ 31,521,955	12.9%
01100 General Fund	30,521,552	14.7%	31,295,322	13.3%	31,521,955	12.9%
02000 Total State Special Funds	1,211,152	0.6%	1,367,763	0.6%	1,525,279	0.6%
02375 6901-02 Indrct Actvty Prog 02	111,538	0.1%	118,283	0.1%	120,260	0.0%
02688 6901-Tanf Overpayments	35,000	0.0%	35,000	0.0%	35,000	0.0%
02698 69010-Prevention&Stabilization	832,584	0.4%	832,584	0.4%	832,584	0.3%
02772 Tobacco Hlth & Mediced Initiative	58,936	0.0%	58,899	0.0%	58,895	0.0%
02974 Univ Low Income Energy Assistance	173,094	0.1%	322,997	0.1%	478,540	0.2%
03000 Total Federal Special Funds	176,542,323	84.8%	202,622,836	86.1%	210,926,749	86.5%
03066 81.042 Bpa	442,018	0.2%	487,019	0.2%	487,046	0.2%
03096 Discretionary Child Care	11,630,219	5.6%	11,665,252	5.0%	11,665,558	4.8%
03109 Tanf Benefits	17,683,397	8.5%	22,246,881	9.5%	22,807,073	9.3%
03135 Hopwa Help Plus	385,157	0.2%	385,157	0.2%	385,157	0.2%
03236 Child Nutrition	9,276,361	4.5%	9,759,351	4.1%	10,009,845	4.1%
03250 Child Care Manditory/Moe	2,086,198	1.0%	2,086,198	0.9%	2,086,198	0.9%
03251 Child Care Admin	541,684	0.3%	591,101	0.3%	594,144	0.2%
03252 Child Care Matching	4,162,803	2.0%	4,162,803	1.8%	4,162,803	1.7%
03382 03 Indirect Activity Prog 02	10,480,317	5.0%	11,233,343	4.8%	11,447,645	4.7%
03448 6901-Early Childhood Comp Sys	103,768	0.0%	102,289	0.0%	102,310	0.0%
03467 6901-Homeless Mgmt Info Systm	66,980	0.0%	66,980	0.0%	66,980	0.0%
03519 93.045 - Aging Meals 100%	41,168	0.0%	48,049	0.0%	48,102	0.0%
03523 93.566 - Refugee Soc. Serv	105,016	0.1%	85,000	0.0%	85,000	0.0%
03530 6901-Foster Care 93.658	400,000	0.2%	400,000	0.2%	400,000	0.2%
03539 93.600 Headstart	123,427	0.1%	119,921	0.1%	119,923	0.0%
03543 6901-Foodstamp Outreach 10.561	2,435	0.0%	2,436	0.0%	2,435	0.0%
03544 10.561 - Fs E & T - 50%	200,886	0.1%	200,876	0.1%	200,875	0.1%
03545 10.561 - Fs E & T - 100%	303,382	0.1%	303,367	0.1%	303,366	0.1%
03546 10.561 - Fs Adm - Fed Exp 50%	835,343	0.4%	832,411	0.4%	837,374	0.3%
03547 10.568 - Emerg Food Assist 100	151,137	0.1%	156,811	0.1%	157,047	0.1%
03548 10.569 - Food Distr - Fed Exp	1,632,720	0.8%	1,892,339	0.8%	1,896,145	0.8%
03550 14.231 - Emerg Shelter - Hud 5	407,410	0.2%	407,410	0.2%	407,410	0.2%
03552 81.042 - Weather Ben 100%	2,031,873	1.0%	2,557,718	1.1%	2,559,080	1.0%
03571 93.566 - Off Ref Reset Adm 10	36,020	0.0%	56,036	0.0%	56,036	0.0%
03572 93.568 - Lieap Blk Grt Adm	15,152,063	7.3%	15,197,722	6.5%	15,199,393	6.2%
03573 93.569 - Csbq Adm	3,244,364	1.6%	3,226,134	1.4%	3,228,212	1.3%
03580 6901-93.778 - Med Adm 50%	260,847	0.1%	302,888	0.1%	304,828	0.1%
03669 Doe Region 8	114,431	0.1%	219,420	0.1%	219,418	0.1%
03677 6901-Cacfp 10.558 & 10.560	502,311	0.2%	541,381	0.2%	543,476	0.2%
03678 6901-Food Stamp Benefits	93,242,739	44.8%	112,343,868	47.7%	119,601,240	49.0%
03679 6901-Hopwa Cfd#14-241	516,516	0.2%	516,516	0.2%	516,516	0.2%
03965 Csfp	379,333	0.2%	426,159	0.2%	426,114	0.2%
Grand Total	\$ 208,275,027	100.0%	\$ 235,285,921	100.0%	\$ 243,973,983	100.0%

The costs of this division are driven by the provision of benefits and the staff and contracted providers that deliver them throughout the state. The majority of funding for HCSD, 86.5 percent, comes from federal sources and is used for the direct provision of benefits and/or the programs supporting client recipients of the benefits. General fund provides 12.9 percent of the division's funding. General fund support is primarily used to achieve required TANF and child care maintenance of effort (MOE) requirements and match federal programs such as Medicaid and SNAP eligibility determination and child care benefits. State special revenue, 0.6 percent of the budget, is primarily used in the delivery of childcare and energy and weatherization services, and comprises the preservation and stabilization fund and the universal systems benefits fund.

Budget Summary by Category

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 10-11	Percent of Budget	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 10-11	Percent of Budget
Base Budget	30,521,552	30,521,552	61,043,104	97.18%	208,275,027	208,275,027	416,550,054	86.92%
Statewide PL Adjustments	651,124	689,948	1,341,072	2.13%	1,377,021	1,461,299	2,838,320	0.59%
Other PL Adjustments	1,259,419	2,694,161	3,953,580	6.29%	24,467,671	34,110,503	58,578,174	12.22%
New Proposals	(1,136,773)	(2,383,706)	(3,520,479)	(5.60%)	1,166,202	127,154	1,293,356	0.27%
Total Budget	\$31,295,322	\$31,521,955	\$62,817,277		\$235,285,921	\$243,973,983	\$479,259,904	

Other Legislation*HB 645**Public Assistance Bureau HB 645 Action*

The legislature provided total funding of nearly \$54.6 million in federal ARRA funds as well as \$0.5 million in general fund for the 2011 biennium to support SNAP and TANF benefits and food banks throughout the state.

Supplemental Nutrition Assistance Program (SNAP)

The legislature provided \$48 million for the HCSD to fund SNAP benefits at 113.6 percent of FY 2008 SNAP benefit levels. Additional benefits would start at \$24 for a one-person household and increase depending upon the number of individuals in the household. For example, if there are three people in a household receiving present benefits of \$250 each month, beginning in April 2009, benefits for the household of three would increase by \$63 to a total of \$313. Per federal regulations, the benefit increase began in April of 2009.

Included in the appropriation is a \$700,000 one-time-only authority for SNAP administrative costs associated with the recession period. About \$333,000 of that amount will be received in FY 2009. The balance will be received in FY 2010. Administrative funds must be spent in the year received.

SNAP stimulus benefit funds are allocated from October 2008 through the federal fiscal year ending September 20, 2012.

Benefits are allocated on a percentage that is calculated each October. Depending upon the amount used following the October 2011 allocation, the benefits could continue at the same level into the state fiscal year 2012 and beyond.

Present estimates, including funds allocated for administrative uses are: FY 2009 - \$6.0 million; FY 2010 - \$21.5 million; FY 2011 \$21.4 million; and FY 2012 - \$8.8 million.

Temporary Assistance for Needy Families (TANF)

The legislature provided authority for HCSD to use TANF block grant emergency funds. Legislative action included two actions. The first was the appropriation of about \$5.6 million comprising \$1,765,870 in FY 2009, \$2,185,332 in FY 2010, and \$1,638,999 in FY 2011 for basic cash assistance.

The second action changed the eligibility standard for individuals receiving cash assistance benefits to allow more individuals to be eligible for benefits. To this end, language was included in HB 645 stating:

“The department shall raise the eligibility standard for individuals receiving cash assistance benefits from the federal TANF block grant from at or below 30% of the 2002 federal poverty level to at or below 30% of the 2009 federal poverty level for the period from July 1, 2009, through September 30, 2010. Beginning October 1, 2010, the department shall reduce the eligibility standard to 30% of the 2006 federal poverty level. If the TANF caseload increases to a point that expenditures jeopardize the TANF block grant, the department, after

consultation with the legislative finance committee, may lower the eligibility standard as provided in subsection (23).”

The cash assistance portion of the stimulus funds are to support anticipated increases of families needing assistance while continuing the goals of the TANF program that center around work activities. A 20 percent state match is required. Funding may address: 1) basic assistance expenditures; 2) increased non-recurrent short term benefits; and 3) increased expenditures for subsidized employment activities. As of this writing the division plan is to use the funds for basic cash assistance and subsidized employment programs.

The division intends to use a subsidized employment program to help employers pay wages to place and keep people in jobs for a 4 to 6 month period and a short-term crisis response program to respond to TANF eligible individuals in crisis that have needs such as rent and utility payments.

Energy Assistance and Weatherization

The legislature provided authority for the HCSD to use \$27,059,681 of federal weatherization funds (\$3.4 million in FY 2009 and \$23.7 million over the 2011biennium) to provide grants to local agencies to weatherize homes, especially in the context of creating jobs and stimulating regional economies. Present subgrantees are the 10 Human Resources Development Councils (HRDC) that are located throughout the state and the Salish Kootenai Housing Authority. As with all weatherization projects, the applicants would be asked to provide planning and accountability documentation. An administrative allotment of 5 percent could be passed on to the grant recipients in the grant award.

The division is allowed to expand eligibility to 200 percent of the Federal Poverty Level and adjust the allowable level per home to \$6,500 (increase from about \$3,500) and to use 5 percent of the grant for administrative costs.

Homeless Prevention and Rapid Re-housing Program

Funding for homelessness prevention and rapid re-housing is a formula grant from the Housing and Urban Development (HUD). Montana will receive about \$3.7 million to address homelessness prevention rapid re-housing via pass-through funds to local HRDCs for FY 2009 and over the 2011biennium. The appropriation would be re-granted to local community organizations to provide services that address homelessness prevention and re-housing such as security deposits, rent payments, housing relocation costs, and utility payments, as well as support services to individuals in economic crisis such as case management, outreach, housing search, and legal service.

Because this federal funding was not intended to assist shelters, the legislature added \$1.5 million general fund for the biennium in HB 645 to assist shelters across the state. Funds may support any of the following: 1) essential services to homeless families; 2) one-time payments for homeless prevention services; 3) maintenance funding in support of existing emergency shelters and domestic violence facilities that provide shelter, food and individual support services; and 4) rehabilitation or conversion of buildings for homeless shelters including “shovel-ready” infrastructure projects.

Community Services Block Grant

The Community Services Block Grant funding is to be used as pass-through grants to local communities to support employment, food, housing, and healthcare efforts. The bill provides authority for HCSD to distribute the funding as pass-through grants to local communities to support employment, food, housing, and healthcare efforts. Subgrantees are the 10 Human Resources Development Councils (HRDC). They must provide the same level of planning and accountability documentation as required by Community Services Block Grant granting processes. The funding is \$1,692,000 in FY 2009, \$2,256,000 in FY 2010, and \$564,000 in FY 2011. The HCSD is required to retain 1 percent of the funds for administration.

Other Grants

Emergency Food Assistance Program (TEFAP) – The bill appropriates HCSD \$87,333 for costs associated with the acquisition, storage, and delivery of USDA commodities from FY 2009 through FY 2011. There is \$32,750 for FY 2009

and \$54,583 for the 2011 biennium. The division has also received about \$200,000 to be used as “credit” for acquisition of food from USDA.

Food Distribution on Reservations – The bill appropriates \$154,000 for FY 2009 through FY 2011. Funding could be used to provide and administer food distribution programs on reservations as well as to help reservations acquire useful equipment for their storage/distribution centers. This funding is part of \$5.0 million that is available nationally. This request is for the authority to spend the funds in the event it is received. Should additional funding beyond \$5.0 million be received, the division would process a budget change document to gain additional spending authority.

Food Banks - The legislature approved a restricted HB 645 appropriation of \$250,000 general fund each year of the biennium in support of the needs of food banks throughout the state.

Early Childhood Services Bureau HB 645 Action

The legislature provided total funding of over \$0.7 million for FY 2009 and \$5.1 million for the 2011 biennium of federal ARRA funds to support child care programs. HB 645 legislative action for the 2011 biennium includes:

- \$5.1 million in ARRA funds spending authority
- A funding switch that reduced the HB 2 general fund appropriation for child care caseload and federal poverty level adjustments by \$668,397 in FY 2010 and \$1,375,485 in FY 2011 and replaced the funding with federal stimulus funds. The legislature included language allowing the division to include this funding in the development of the 2013 biennium budget.

Child Care Development Block Grant

This funding has two primary purposes. It is to provide child care services for additional children in low-income families while their parents work or to improve the quality of infant and toddler care. Funds should supplement, not supplant state general fund revenue. Funding is a set amount. There is no required match, and funds must be obligated within two years and spent in three years. Total funding is \$5,747,345.

The division intends to spend the funds to address the caseload increase associated with the economic downturn, address child care funding removed from HB 2, provide a temporary reduction in client co-pays, address the STARS quality child care program, and assist with the child care apprenticeship program. The division received \$718,736 for FY 2009, \$2,873,503 for FY 2010, and \$2,155,127 for FY 2011.

As mentioned earlier, the legislature provided authority to reduce general fund appropriated in HB 2 and replace it with federal funds appropriated in HB 645. HB 2 general fund was reduced by \$668,397 in FY 2010 and \$1,375,485 in FY 2011. This funding switch maintains child care eligibility at 150 percent of the current federal poverty level and supports a caseload for low income working parents based upon the 4 year historical case growth rate for child care scholarships of 1.9 percent. The legislature also provided language allowing the division to include these amounts in the development of the 2013 base budget.

Provider Rates

The legislature provided \$26.6 million to DPHHS for a 2 percent provider rate increase in HB 645 and provided language in the bill that restricted the funds to use on only provider rates and allowed the department to allocate funds among programs. An initial table prepared by DPHHS reflected \$224,740 for FY 2010 and \$455,098 for FY 2011 for a total of about \$0.7 million, but the actual allocation was not available at the time of this writing. Because the appropriation is in HB 645 rather than HB 2, it functions as a one-time-only appropriation. There is also discussion in the new proposal sections of this narrative.

HB 2 and HB 645 Combined

The following figure illustrates HB 2 and HB 645 combined. It shows the appropriations in HB 2 and HB 645 side by side, with the third column showing the total funding for the division from both bills.

Figure 18 2011 Biennium HB 2 and HB 645 Appropriations Human and Community Services Division			
Fund	HB 2 & HB 13	One-time HB 645 Appropriations	2011 Biennium Revised Total
General Fund			
HCS D HB 2	\$62,817,277	\$0	\$62,817,277
ARRA Funding from HB 645			
Food for Food Banks	0	500,000	500,000
Homeless Prevention/Food & Shelter	0	1,500,000	1,500,000
State Special Revenue	2,893,042	0	2,893,042
Federal Special Revenue			
HCS D HB 2	413,549,585	0	413,549,585
ARRA Funding from HB 645			
Child Care (CC) Development Block Grant	0	5,747,366	5,747,366
CC Funding or Caseload and Fed. Poverty Level	0	688,397	688,397
Community Services Block Grant	0	4,512,000	4,512,000
TANF Emergency Funds	0	5,590,201	5,590,201
SNAP (Food Stamps)	0	48,899,578	48,899,578
Food Distribution on Reservations	0	154,000	154,000
Emergency Food Assistance	0	87,333	87,333
Weatherization	0	27,059,681	27,059,681
Homeless Prevention / Emergency Food & Shelter	0	3,750,000	3,750,000
Total Funds	\$479,259,904	\$98,488,556	\$577,748,460

Present Law Adjustments

The “Present Law Adjustments” table shows the changes to the adjusted base budget made by the legislature. “Statewide Present Law” adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments									
-----Fiscal 2010-----					-----Fiscal 2011-----				
FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services				2,247,010					2,327,893
Vacancy Savings				(929,751)					(932,998)
Inflation/Deflation				61,540					68,114
Fixed Costs				(1,778)					(1,710)
Total Statewide Present Law Adjustments	\$651,124	\$4,817	\$721,080	\$1,377,021		\$689,948	\$5,133	\$766,218	\$1,461,299
DP 7101 - Fuel Inflation Reduction	0.00	(894)	(2)	(14,529)	0.00	(1,025)	(3)	(16,677)	(17,705)
DP 20001 - Child and Adult Care Food Program PL Adjustment	0.00	0	0	500,000	0.00	0	0	750,000	750,000
DP 20002 - Child Care FPI, Market Rate, Caseload, Inc.	0.00	949,321	0	949,321	0.00	2,231,230	0	0	2,231,230
DP 20005 - TANF Cash Benefit Increase	0.00	0	0	1,800,235	0.00	0	0	2,342,084	2,342,084
DP 20006 - Rent Increases (Restricted)	0.00	150,797	1,573	156,071	0.00	163,073	1,701	168,777	333,551
DP 20007 - Field Eligibility Staff Increase	5.00	146,995	1,533	168,778	10.00	287,683	2,965	297,162	587,810
DP 20008 - SNAP/Food Stamp Benefits	0.00	0	0	19,101,129	0.00	0	0	26,358,501	26,358,501
DP 20011 - Child Care for Working Caretaker Relatives (Restr)	0.00	0	0	466,704	0.00	0	0	485,072	485,072
DP 20015 - IHSB Present Law Increases	0.00	0	60,000	950,000	0.00	0	60,000	950,000	1,010,000
DP 20018 - Restore Overtime/Holidays Worked	0.00	13,200	138	16,622	0.00	13,200	138	16,622	29,960
Total Other Present Law Adjustments	5.00	\$1,259,419	\$63,242	\$23,145,010	10.00	\$2,694,161	\$64,801	\$31,351,541	\$34,110,503
Grand Total All Present Law Adjustments	5.00	\$1,910,543	\$68,059	\$23,866,090	10.00	\$3,384,109	\$69,934	\$32,117,759	\$35,571,802

DP 7101 - Fuel Inflation Reduction - The legislature reduced funding for gasoline and diesel by the amount these two expenditure categories were increased in the statewide present law adjustment for inflation. The effect is to apply no inflation adjustment to these two expenditure categories.

DP 20001 - Child and Adult Care Food Program PL Adjustment - The legislature appropriated about \$1.0 million in federal authority for the biennium for the Child and Adult Care Food Program (CACFP) to accommodate the historical annual reimbursement growth rate of 2.9 percent. Funding continues support to maintain a stabilized level of meal service delivery which has been decreasing in family and group homes, but increasing in child care center facilities. Estimates are for 7.7 million meals annually.

DP 20002 - Child Care FPI, Market Rate, Caseload, Increase - The legislature appropriated \$3,180,551 general fund over the biennium to support the child care program including: 1) maintaining child care reimbursement rates for parents at the 75th percentile of the annual market rate survey; 2) maintaining eligibility at 150 percent of the current federal poverty level; and 3) maintaining caseload for low income working parents based upon the 4 year historical case growth rate for child care scholarships of 1.9 percent which yields a growth of 61 cases in FY 2010 and 63 cases in FY 2011. The figure shows the original request in detail.

Child Care Discretionary Present Law				
	Market Rate at			Total
	Federal Poverty Level	75th percentile	Case Growth Funds	
FY 2010	\$236,253	\$280,925	\$432,144	\$949,322
FY 2011	<u>479,482</u>	<u>855,745</u>	<u>896,003</u>	<u>2,231,230</u>
Total	<u>\$715,735</u>	<u>\$1,136,670</u>	<u>\$1,328,147</u>	<u>\$3,180,552</u>

The legislature later eliminated the market rate increase of \$1,136,670, through the approval of DP 20020. The market rate increase is the child care equivalent of what is called provider rates in other divisions, and was the child care element of the Governor's recommendation to reduce general fund through the department-wide elimination of provider rate increases.

In HB 645, the legislature approved a funding switch to remove components two and three, the federal poverty level adjustment (\$715,735 general fund) and the caseload growth (\$1,136,670 general fund) from HB 2 and fund them with federal stimulus money in HB 645 upon its passage.

As mentioned earlier, the market (provider) rate reduction was partially replaced by a 2 percent provider rate increase in HB 645.

DP 20005 - TANF Cash Benefit Increase - The legislature appropriated \$4 million of federal TANF block grant funds for the biennium to fund a projected 3 percent increase per year in the TANF case load and to increase the benefit level from 33 percent of the 2007 federal poverty level to 33 percent of the 2009 federal poverty level.

The division is also allowed to add projects in support of TANF related activities and be reimbursed at 80 percent federal funds. The division intends to use the subsidized employment option to help employers pay wages to place and keep people in jobs for a 4 to 6 month period. There is additional information in the "Program Discussion" and HB 645 sections of the narrative.

The legislature made two recommendations related to the HB 2 TANF program. The first was to recommend that the Legislative Finance Committee monitor two programs during the interim. The two programs are the Accelerated Employment Service Program that is part of the TANF Block Grant and the Mental Health Centers component of the TANF MOE support services. The second was to direct that the division seek a way to provide more work skills for TANF participants.

DP 20006 - Rent Increases (Restricted) - The legislature appropriated over \$0.6 million in total funds over the biennium for increases in rent of non-Department of Administration office space. Funding is split at nearly \$313,000 general fund and \$324,000 federal revenue over the biennium. Funding primarily supports public assistance offices in 22 counties.

DP 20007 - Field Eligibility Staff Increase - The legislature appropriated slightly more than \$0.9 million in cost allocated authority over the biennium. The appropriation supports: 1) 5.00 FTE for the Offices of Public Assistance (OPAs) in FY 2010 and an additional 5.00 FTE in FY 2011; and 2) funding for the state share of costs for eligibility work done by the two Rocky Boy's Tribal Health employees who are determining Medicaid eligibility for tribal families and children per a program agreement between the Rocky Boy's Tribe and Montana Medicaid. The general fund authority is about \$0.4 million for the biennium and federal revenue about \$0.5 million.

The following information was utilized as part of the legislative decision making process, and will be used for ongoing program evaluation. It was submitted by the agency, with editing by LFD staff for brevity and to include any legislative changes.

Justification: With the exception of TANF, caseloads have grown substantially with no additional overall eligibility FTE added since welfare reform began in 1996. The additional 10 Social Services Specialists would:

- Help OPAs address workload, an increasing amount of new applications, the increasingly complex eligibility work, and federal expectations
- Allow the division to address an aging workforce, a 25 percent annual turnover rate in the eligibility staff, and the need for a new worker to have up to six months of training to become capable of totally independent casework
- Help OPAs address the increased the caseload for both Medicaid and SNAP resulting from the presence of the tribal Medicaid eligibility workers
- Assist in the phase-in process of the implementation of the CHIMES-Medicaid system updates and the double entry for combination cases until the TANF-SNAP systems are complete, which it is estimated will significantly increase the existing workload for the next three to four years

The Public Assistance Bureau has taken several actions to address workload issues, including: 1) Flattening management and reclassifying those positions resulting in a total 304 staff members statewide solely dedicated to eligibility with some supervisory staff carrying caseloads during vacancies; 2) Moving FTE from declining traffic areas to high traffic offices; 3) Instituting same day service and shared caseloads, telephone interviews, fast track training, corrective action plans when staff turnover has caused accuracy problems, and career ladder and succession planning.

Goal: Decrease workload to reasonable caseload numbers in high traffic OPA offices through a 1.64 percent field eligibility FTE increase in FY 2010 and an additional 1.64 percent field eligibility FTE in FY 2011.

Performance Criteria: Individual and office caseloads will be monitored and adjusted to provide timely and accurate service in determining eligibility for public assistance benefits to Montana citizens.

Milestones:

- | | |
|-----------|--------------------------------------------------------------------------------------------------------------------------------|
| July 2009 | Five FTE are recruited for offices determined to be most in need based on caseload numbers. Training follows immediately. |
| July 2010 | Five additional FTE are recruited for offices determined most in need based on caseload numbers. Training follows immediately. |

Obstacles:

There could be recruitment and/or retention problems due to complexity of the work.

Risks: Without the additional FTE, Public Assistance Bureau faces the possibility of increased error/incorrect payments to participants, federal sanctions for untimely or inaccurate benefits, low worker morale, increased turnover due to work loads, delays in benefit issuance, and more client complaints.

DP 20008 - SNAP/Food Stamp Benefits - The legislature appropriated over \$45.0 million of federal authority over the biennium to fund the anticipated caseload and poverty level adjustments. The appropriation reflects the historical caseload increase of 33.9 percent from July 2001 to October 2008 and the estimated SNAP/food stamp program expenditures for FY 2010 of \$112,589,791 and \$119,847,163 for FY 2011. There is additional discussion in the HB 645 section of the narrative.

DP 20011 - Child Care for Working Caretaker Relatives (Restricted) - The legislature provided a restricted appropriation of \$951,776 from the federal TANF block grant for child care for working caretaker relatives of eligible children for the TANF child-only grant. Funding is contingent upon the Human and Community Services Division implementing means testing at 250 percent of the current federal poverty level for funding for Child Care for Working Caretaker Relatives no later than October 1, 2009, which is contained in HB 676.

The following information was utilized as part of the legislative decision making process, and will be used for ongoing program evaluation. It was submitted by the agency, with editing by LFD staff for brevity and to include any legislative changes.

Justification: Extended relatives, who are called upon to raise their TANF-eligible child relatives, are often still working when they begin taking care of these children and in some cases cannot afford to quit their employment to assume the responsibility of these children, nor can they afford to absorb the high costs of child care. Current federal child care policy requires that the caretakers' income be counted toward eligibility for child care assistance, making many of these families ineligible, but the child may be.

Goals: 1) To stabilize the lives of children who are unable to be cared for by their parents, and to prevent these children from entering the child welfare system; and 2) provide TANF-funded child care to approximately 56-60 working caretaker relative situations monthly to allow them to continue employment while caring for these children.

Performance Criteria: Outcomes measured would be the number of employed caretaker relative families that continue to use the childcare services, and the number of children benefiting from the experience of quality childcare services. Between implementation July 2007 and fiscal year end 2008, an unduplicated 81 working caretaker relative families benefited from this program.

Milestones:

On-going - Accept child care benefit applications from caretaker relatives

Monthly – Monitor number of working relative caretakers with childcare benefits and number of children receiving childcare

Risks: TANF is not an entitlement program so the remote possibility exists that the block grant could be exhausted resulting in cuts or elimination to this program and others.

DP 20015 - IHSB Present Law Increases - The legislature provided a total fund increase of just over \$2.0 million for the biennium for anticipated increases in four federal grants and the universal systems benefits (USB) fund. The USB fund comes from consumer charges on utility bills and is passed on for energy assistance and weatherization activities.

Funding supports programs in the Intergovernmental Human Services Bureau (IHSB) that serve low-income persons with energy assistance, weatherization, emergency shelter, housing assistance for persons with AIDS, and commodity food distribution. IHSB also administers a federal grant to provide communities with the resources to devise local solutions to problems of poverty. Ten Human Resource Development Councils (HRDCs), eight area agencies on aging, four food banks, two AIDS councils, and several tribes are contracted to assist in the local administration of these programs.

DP 20018 - Restore Overtime/Holidays Worked - The legislature appropriated about \$60,000 for the 2011 biennium to restore zero-based overtime, which includes general fund of \$26,400 for the biennium. \$27,000 each year is for the overtime and holidays worked by employees in the county offices of public assistance and \$3,000 each year is for drivers working in food distribution.

New Proposals

New Proposals										
Program	FTE	-----Fiscal 2010-----				-----Fiscal 2011-----				
		General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 6013 - 2011 Biennium Pay Plan - HB 13										
02	0.00	68,815	786	81,293	150,894	0.00	210,978	2,012	247,878	460,868
DP 6014 - Pay Plan Lump Sum Payment - OTO										
02	0.00	98,084	1,115	113,186	212,385	0.00	0	0	0	0
DP 8101 - Increasing 4 Percent Vacancy Savings to 7 Percent										
02	0.00	(320,672)	(2,933)	(373,722)	(697,327)	0.00	(321,839)	(2,948)	(374,964)	(699,751)
DP 20004 - Child Care Administration										
02	1.00	0	0	52,693	52,693	1.00	0	0	52,764	52,764
DP 20009 - TANF Second-Chance Homes										
02	0.00	0	0	300,000	300,000	0.00	0	0	300,000	300,000
DP 20013 - IHSB Contract Monitoring and Preparation										
02	1.50	0	0	77,006	77,006	1.50	0	0	77,034	77,034
DP 20017 - Family Economic Security Grant Program										
02	0.00	0	0	2,000,000	2,000,000	0.00	0	0	2,000,000	2,000,000
DP 20020 - Eliminate Market Rate Increase From DP 20002										
02	0.00	(280,925)	0	0	(280,925)	0.00	(855,745)	0	0	(855,745)
DP 20021 - Move Child Care funding from HB 2 to HB 645										
02	0.00	(668,396)	0	0	(668,396)	0.00	(1,375,485)	0	0	(1,375,485)
DP 20045 - Remove Food Bank Funding From the Base										
02	0.00	0	0	0	0	0.00	(7,924)	0	0	(7,924)
DP 20046 - Remove FTE Positions Vacant Over Two Years										
02	(1.00)	(33,679)	(336)	(36,033)	(70,048)	(1.00)	(33,691)	(336)	(36,045)	(70,072)
DP 20055 - Food Banks (Restricted/OTO)										
02	0.00	0	0	0	0	0.00	0	0	0	0
DP 20056 - Renewable Energy Certificates										
02	0.00	0	0	0	0	0.00	0	65,625	0	65,625
DP 20057 - Additional Universal System Benefits										
02	0.00	0	89,920	0	89,920	0.00	0	179,840	0	179,840
Total	1.50	(\$1,136,773)	\$88,552	\$2,214,423	\$1,166,202	1.50	(\$2,383,706)	\$244,193	\$2,266,667	\$127,154

DP 6013 - 2011 Biennium Pay Plan - HB 13 - The legislature passed a pay plan that provides an additional \$53 per month in health insurance contribution for CY 2010 and an additional \$54 per month for CY 2011. These amounts represent this program's allocation of costs to fund this pay plan.

DP 6014 - Pay Plan Lump Sum Payment - OTO - This DP funds this program's cost of providing a one-time-only payment of \$450 to each full-time employee making less than \$45,000 annually and \$225 for half-time employees making \$21.635 per hour or less.

DP 8101 - Increasing 4 Percent Vacancy Savings to 7 Percent - The legislature added an additional 3 percent per year to the 4 percent personal services vacancy savings reduction contained in the statewide present law adjustment.

DP 20004 - Child Care Administration - The legislature approved \$0.1 million of federal funds over the biennium for 1.00 FTE in child care administration as a program integrity staff person to oversee the development and management of a new, federally mandated error rate reporting process. The new staff person would also absorb other duties in the area of program integrity such as administrative reviews and management of accounts receivable resulting from child care scholarship overpayments.

DP 20009 - TANF Second-Chance Homes - The legislature appropriated \$0.6 million of federal TANF block grant funds for the biennium to support residential services to high-risk teen parents. Montana currently has facilities in Billings,

Missoula and Helena that would qualify as second chance homes as defined in the TANF federal legislation. These three homes would each receive \$100,000 annually in support of 26 beds for teen-age mothers.

Presently no TANF funds are used directly at these facilities. The purpose of this funding is to: 1) ensure that these facilities continue to provide the opportunity for 26 young mothers to be successful in the face of rapidly increasing costs; 2) provide stable funding to teen parents in the event that the US Housing and Urban Development (HUD) funding targeted to homeless teen parent populations is discontinued as presently indicated; and 3) provide three regional programs that can provide information and expertise to communities in support of teen parents.

The legislature and the department acknowledged that if the cost of the TANF cash benefit should need to be increased funding for this program would be reduced appropriately. The legislature also requested that this appropriation be tracked by the Legislative Finance Committee during the biennium.

The following information was utilized as part of the legislative decision making process, and will be used for ongoing program evaluation. It was submitted by the agency, with editing by LFD staff for brevity and to include any legislative changes.

Justification: One of Montana's most vulnerable populations is teen-age mothers who do not have a place to live. Both the mother and child may be subject to dangerous situations including abuse, criminal activity and drug use. Additionally, newborns may not receive the bonding support, nutrition, or health screenings they need.

Goals:

- Ensure that on a statewide basis there are 26 beds available for teenage mothers who are at high risk of negative outcomes
- Fund expertise and information to communities in Montana regarding successful strategies for working with teen parents

Performance Criteria:

- 26 beds will be available for TANF-eligible teen mothers in Montana during the 2011 biennium
- The three "second chance homes" will coordinate with the HCSD to provide information to targeted community partners on successful strategies to assist teen parents

Milestones:

2010 – Complete contract negotiations and release of funds

2011 – Develop an educational/technical assistance product

On- going – Provide client based services such as assisting the teen parent with housing, parenting education and technical assistance

Risks: Failure to address these needs may result in the need for additional public services during the lifetime of the child.

If TANF caseloads expand rapidly it may be necessary to divert funding to TANF cash benefits.

DP 20013 - IHSB Contract Monitoring and Preparation - The legislature approved just under \$0.2 million federal fund authority over the biennium for 1.50 FTE. Funding supports 0.50 FTE to work with HRDCs, tribes, and other contractors and 1.00 FTE to accommodate the duties of preparing, tracking, and authorizing contracts transferred to the bureau from the department, including 177 monetary contracts with HRDCs, tribes and other contractors, and 171 non-monetary contracts for delivery of commodity food to soup kitchens, food banks, senior centers, and other facilities.

DP 20017 - Family Economic Security Grant Program - The legislature approved a line-item appropriation of \$4.0 million federal TANF block grant funds for the biennium to promote family economic security and help families become more secure. This project utilizes financial literacy training, asset development, and education and training to assist in obtaining higher wages.

The legislature and the department acknowledged that if the cost of the TANF cash benefit should need to be increased funding for this program would be reduced appropriately. The legislature also requested that this appropriation be tracked by the Legislative Finance Committee during the biennium. Two levels of tracking were discussed: 1) track and report based upon the goals in the following justification; and 2) provide a qualitative report showing the participants' progress toward self-sufficiency.

The following information was utilized as part of the legislative decision making process, and will be used for ongoing program evaluation. It was submitted by the agency, with editing by LFD staff for brevity and to include any legislative changes.

Justification: In August of 2006, DPHHS began the family economic security initiative. The purpose of this initiative was to increase the financial security of low-income families. Strategies used to accomplish this include asset creation, financial literacy education, and other training/education. The division has utilized \$1.5 million of TANF high performance bonus funds to operate this project. During the next biennium the division proposes to continue this project by using TANF federal block grant funds. This project addresses the criticism of "welfare reform" that people who leave TANF remain financially insecure.

Goals:

- Provide financial literacy education to at least 300 households during the biennium
- Provide asset development assistance to at least 100 households during the biennium including things like home ownership, educational opportunity, and matched savings accounts
- Provide education/training to assist in obtaining higher wages to at least 220 households during the biennium.

Performance Criteria:

Clients would:

- Complete financial literacy training
- Obtain assets such as a degree, bank account, or home ownership
- Secure employment at wages that allow for economic security

Milestone:

- Re-procure project contracts through competitive process
- Continue quarterly reporting requirements
- Release annual funding allotments

Obstacles: This project entails a continuing process of identifying successful strategies. Each client requires an individual plan that varies in length. This makes outcome evaluation difficult.

Risks: If the cost of the TANF cash benefit increases this program is at risk of discontinuation.

DP 20020 - Eliminate Market Rate Increase From DP 20002 - The legislature reduced the general fund in DP 20002 by \$280,295 in FY 2010 and \$855,745 in FY 2011 by eliminating the "Market Rate at the 75th Percentile" component. See DP 20002. There is further discussion in the HB 645 discussion in the narrative.

DP 20021 - Move Child Care funding from HB 2 to HB 645 - The legislature provided authority to reduce general fund in HB 2 and replace it with federal stimulus funds in HB 645. This decision package reduces general fund in HB 2 by \$668,397 in FY 2010 and \$1,375,485 in FY 2011. There is further detail in DP 20002 and the HB 645 discussion in the narrative.

DP 20045 - Remove Food Bank Funding From the Base - The bill removes \$7,924 from the Human and Community Services Budget in FY 2011 as part of the overall general fund reduction.

As noted in the Food Bank appropriation (DP20055) there is \$1.5 million of federal TANF funding for food banks over the biennium. There is also \$500,000 general fund for food banks over the biennium in HB 645.

DP 20046 - Remove FTE Positions Vacant Over Two Years - The legislature removed \$140,120 in total funds for a regional field manager position that had been open for more than two years.

DP 20055 - Food Banks (Restricted/OTO) - The legislature approved a restricted, one-time-only appropriation of \$750,000 federal TANF Block Grant funds each year to support food banks throughout the state for the 2011 biennium. The increase appears as a zero on the new proposal table because the legislature reduced the base TANF funds by \$1.5 million in HB 2 to create a restricted, one-time-only appropriation of \$750,000 each year of the biennium, for a net of zero.

DP 20056 - Renewable Energy Certificates - The legislature appropriated \$65,625 of state special revenue in FY 2011 due to the passage of SB 257, which provides funding from renewable energy certificates for use on weatherization projects. It is estimated that 18 homes would be weatherized from this appropriation. The legislature passed the legislation, but it was vetoed by the Governor.

DP 20057 - Additional Universal System Benefits - The legislature appropriated \$269,760 of state special revenue over the biennium. Funding is related to the passage of HB 27, which eliminated the sunset on the universal system benefits and provided funding for the 2011 biennium. Funding would be used on energy conservation programs such as weatherization.

Language and Statutory Authority

The legislature added the following language to HB 2.

"Funding for Child Care for Working Caretaker Relatives is contingent upon passage of House Bill No. 676 requiring the human and community services division to implement means testing at 250 percent of the current federal poverty level by October 1, 2009. Funding for Child Care for Working Caretaker Relatives may be expended only by the human and community services division for child care assistance for working grandparents or caretaker relatives providing care for children in place of their parents."