

### 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 2010	Approp. Fiscal 2011	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 10-11	Biennium Fiscal 12-13	Biennium Change	Biennium % Change
FTE	467.32	467.32	472.32	472.32	467.32	472.32	5.00	1.07%
Personal Services	21,850,090	22,593,594	23,348,440	23,344,016	44,443,684	46,692,456	2,248,772	5.06%
Operating Expenses	6,390,876	7,111,145	7,377,440	7,384,763	13,502,021	14,762,203	1,260,182	9.33%
Equipment & Intangible Assets	80,600	90,587	87,600	87,600	171,187	175,200	4,013	2.34%
Grants	20,042,893	21,342,956	23,003,407	21,990,524	41,385,849	44,993,931	3,608,082	8.72%
Benefits & Claims	183,415,718	191,826,230	310,547,180	310,369,340	375,241,948	620,916,520	245,674,572	65.47%
<b>Total Costs</b>	<b>\$231,780,177</b>	<b>\$242,964,512</b>	<b>\$364,364,067</b>	<b>\$363,176,243</b>	<b>\$474,744,689</b>	<b>\$727,540,310</b>	<b>\$252,795,621</b>	<b>53.25%</b>
General Fund	30,868,237	31,338,309	29,400,741	29,124,109	62,206,546	58,524,850	(3,681,696)	(5.92%)
State Special	1,408,638	1,518,021	2,382,652	2,380,904	2,926,659	4,763,556	1,836,897	62.76%
Federal Special	199,503,302	210,108,182	332,580,674	331,671,230	409,611,484	664,251,904	254,640,420	62.17%
<b>Total Funds</b>	<b>\$231,780,177</b>	<b>\$242,964,512</b>	<b>\$364,364,067</b>	<b>\$363,176,243</b>	<b>\$474,744,689</b>	<b>\$727,540,310</b>	<b>\$252,795,621</b>	<b>53.25%</b>

### Program Description

The Human and Community Services Division (HCSD) includes four bureaus: 1) Public Assistance; 2) Early Childhood Services; 3) Intergovernmental Human Services; and 4) Fiscal Services.

The Public Assistance Bureau administers and provides eligibility services for Montana's Temporary Assistance to Needy Families (TANF) program, Refugee Assistance program, and Supplemental Nutrition Assistance Program (SNAP) in locations across the state. At these same locations, the bureau also provides eligibility services for over 40 Medicaid groups including Healthy Montana Kids (HMK) Plus.

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 and Weatherization program (LIEAP)
- The DOE Weatherization program including funding for weatherization from five other sources
- The Emergency Shelter grants program
- The Housing Opportunities for Persons with AIDS grants
- Three USDA commodities programs.

In addition, the bureau stores and distributes USDA commodity foods to elderly feeding sites, and stores USDA commodity foods for school lunch programs.

The Early Childhood Services Bureau:

- Manages the funds that pay for child care for TANF participants, working caretaker relatives, and low-income working families
- Contracts with resource and referral agencies to administer child care eligibility, recruit providers, and provide 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 that pay for quality child care initiatives including professional development

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

<b>Human and Community Services Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>◆ The legislature increased total funding by 53.3% from the 2011 biennium primarily due to the net of federal fund appropriations for benefit increases over the biennium and general fund reductions or funding switches for child care services and personal services. The increase of 62.2% in federal funds is primarily due to the continuation of one-time SNAP benefits funded through federal stimulus legislation in the 2011 biennium. Increases in federal funds include:               <ul style="list-style-type: none"> <li>• \$215.0 million for SNAP (Food Stamps)</li> <li>• \$20.0 million for LIEAP energy assistance</li> <li>• \$12.8 million for TANF benefits</li> <li>• \$9.9 million for child care and a related food program grant</li> <li>• \$6.0 million for weatherization and community assistance</li> </ul> </li> <li>◆ A reduction in general fund of \$3.7 million is for a funding switch in child care benefits and to reduce general fund for personal services</li> <li>◆ Other reductions include:               <ul style="list-style-type: none"> <li>• \$2.3 million total funds in statewide present law adjustments that is the net of a \$4.2 million increase in personal services offset by a \$1.9 million reduction in vacancy savings and fixed operating costs</li> <li>• About \$1.5 million general fund for reductions across child care services over the biennium</li> <li>• \$0.7 million general fund for a reduction in TANF maintenance of effort funding</li> </ul> </li> </ul>

### Summary of Legislative Action

As shown in the introductory program budget comparison, the legislature approved a budget for the 2013 biennium that is just over 53.0% higher than the 2011 biennium due to increases in statewide present law adjustments and public assistance programs. The legislature approved a total fund increase of \$252.8 million over the 2011 biennium. Highlights include:

- Present law adjustments that are primarily federal funds for public assistance programs that are partially offset by general fund reductions of \$1.5 million, primarily due to reorganization of the child care operations and resource and referral services. Increases in the public assistance programs are primarily driven by the continuation of one-time SNAP benefits funded in federal stimulus legislation in the 2011 biennium. Increases for the division over the biennium include:
  - \$215.0 million for SNAP benefits
  - \$20.0 million for LIEAP benefits
  - \$12.8 million for TANF benefits
  - \$9.9 million for child care and a related food program grant
  - \$6.0 million for weatherization and community assistance
- Reductions over the biennium of:
  - General fund of about \$3.7 million for a funding switch in child care benefits and to reduce general fund for personal services
  - \$0.7 million general fund for a reduction in TANF maintenance of effort funding.
- An increase of about \$0.8 million in state special and federal revenue over the biennium for one-time-only, restricted funding to support 5.00 temporary and modified FTE in eligibility services for Healthy Montana Kids

The legislative budget of about \$728.0 million total funds for the biennium includes:

- About \$621.0 million total funds for benefits support in public assistance programs
- About \$45.0 million in grant funding for programs that support community heating assistance and weatherization, food programs, child care, nutrition and development, and assistance toward employment.
- Over \$46.7 million to support personal services for 472.32 FTE and nearly \$15.0 million in operations to carry out the programs

#### *TANF Block Grant*

The legislature approved TANF funding increases over the biennium of:

- Nearly \$11.0 million for an estimated 1% increase per year in the TANF benefit caseload
- About \$90,000 to continue the second chance homes program started in the 2009 Session
- About \$2.0 million for TANF employment programs

The legislature approved indirect costs at \$5.9 million for FY 2012 and \$6.1 million for FY 2013, which is a reduction of about \$120,000 in FY 2012 and \$125,000 in FY 2013.

#### TANF Transfers

The legislature appropriated federal TANF funding to the Early Childhood Services Bureau to free up general fund in a three-step appropriation. First, the legislature appropriated one-time-only federal TANF authority of \$1.2 million in FY 2012 and \$1.4 million in FY 2013 to replace general fund of an equal amount that was to be used for child care services in the 2013 biennium.

The legislature then appropriated the available general fund amount of \$1.2 million in FY 2012 and \$1.4 million in FY 2013 to the Disability Services Division.

Lastly, because the general fund base budget in child care services was reduced by the transfer of general fund to the Disability Services Division, the legislature approved statutory changes in HB 613 that allow the division to include any funds expended in FY 2012 from the one-time-only appropriation of federal TANF funds for Child Care in development of the division's present law base budget and fund the amount with general fund for the 2015 biennium.

The legislature also provided a restricted, biennial, one-time-only appropriation to the Child and Family Services Division (CFSD) of \$355,875 each year of the biennium for total appropriation authority of \$711,750 in federal TANF block grant funds. The federal TANF funding will transfer to CFSD to support a stipend for regular foster care families and regular kinship care families of an estimated \$0.75 per day in addition to the daily foster care maintenance payment. The division may adjust the stipend amount to reflect the appropriation with the actual number of children placed in regular family foster care and regular kinship foster care. There is additional discussion in the Child and Family Services Division write-up.

#### TANF General Fund

The legislature also approved an adjustment in the general fund budget for the federally required TANF maintenance of effort (MOE). The action increased funding for the TANF WoRC Contractors by \$170,000 each year of the biennium and reduced funding in TANF general fund benefits by an equal amount. WoRC stands for the work readiness component of TANF requirements. The contractors work with TANF participants to gain employment skills. There is no change in the base amount of TANF general fund. TANF benefits could be paid with federal TANF funds.

#### *LIEAP Funding Adjustment*

The legislature approved an adjustment in the LIEAP grant to move \$156,463 from advertising costs to other LIEAP operating uses for each year of the biennium. The adjustment does not reduce the LIEAP appropriation.

**Other Legislation**

In addition to HB 613 discussed above, the legislature approved the following bills related to the TANF block grant.

SB 156 allows tribal family assistance programs to use up to 15% of the state general fund share for costs related to administration of the tribal family assistance plans. The remainder of the state general fund share must be used for cash benefits. There is no increased spending of the budgeted amount for TANF general fund.

SB 366 requires a 30-day suspension of TANF family benefits when an adult family member voluntarily quits a job. The bill also provides payment of financial assistance only upon the individual's completion of all allowable work activities required for the benefit period. There is no change in the amount budgeted for benefits in the TANF block grant.

SB 385 revises the Parents as Scholars program to include 25 participants at any one time. It establishes that participants may be eligible and apply for child care assistance and that the parents as scholars program may be used to extend a participant's education beyond the 12-month federal period. It is estimated that the legislation will cost about \$151,000 of TANF block grant funds each year of the biennium.

HB 10 amended funding authority for long-range IT projects related to the DPHHS Combined Healthcare Information and Montana Eligibility System (CHIMES) upgrades and continued funding of about \$16.0 million for the TANF system and \$13 million for the SNAP system.

**Program Narrative**

As mentioned earlier, the legislature provided a total fund appropriation of about \$728.0 million for HCSD. Of that amount, about \$62.0 million is for personal services, operations and equipment. The balance of the amount, about \$666.0 million, is for benefits and grants. Costs for personal services and operations represent about 8.5% of the total appropriation for the biennium, while benefits and grants represent about 91.5%.

*Benefits and Grants*

The following table provides an overview of the legislative appropriations for benefits and grants for FY 2012 and 2013 compared to the division expenditures for the FY 2010 base fiscal year. There is additional information in the present law and new proposal sections of the program narrative.

Summary of 2013 Biennium Division Costs for Benefits and Grants Compared to the Base Budget													
	Fiscal 2010 Base				Fiscal 2012 Appropriation				Fiscal 2013 Appropriation				% Program Bien. Total
	General Fund	SSR	Federal Funds	Total Funds	General Fund	SSR	Federal Funds	Total Funds	General Fund	SSR	Federal Funds	Total Funds	
<b>Total Benefits and Grants</b>	<b>\$18,852,280</b>	<b>\$1,032,356</b>	<b>\$183,573,975</b>	<b>\$203,458,611</b>	<b>\$17,958,905</b>	<b>\$1,377,356</b>	<b>\$314,214,326</b>	<b>\$333,550,587</b>	<b>\$17,757,633</b>	<b>\$1,377,356</b>	<b>\$313,224,819</b>	<b>\$332,359,864</b>	
<b>Categories of Benefits</b>													
Temporary Assistance for Needy Families													
TANF Cash Assistance	\$735,500	\$35,000	\$15,672,646	\$16,443,146	\$735,500	\$35,000	\$20,946,536	\$21,717,036	\$735,500	\$35,000	\$21,156,013	\$21,926,513	89.9%
TANF Employment, Training, and Work	1,552,490	0	500,811	2,053,301	1,186,663	0	508,792	1,695,455	1,186,663	0	508,790	1,695,455	7.0%
TANF Supportive Services	758,437	0	0	758,437	758,437	0	0	758,437	758,437	0	0	758,437	3.1%
Subtotal	\$3,046,427	\$35,000	\$16,173,457	\$19,254,884	\$2,680,600	\$35,000	\$21,455,328	\$24,170,928	\$2,680,602	\$35,000	\$21,664,803	\$24,380,405	100.0%
Percent of Benefits and Grants Total	16.2%	3.4%	8.8%	9.5%	14.9%	2.5%	6.8%	7.2%	15.1%	2.5%	6.9%	7.3%	
Supplemental Nutrition Assistance Program													
SNAP (Food Stamps)	\$0	\$0	\$112,139,033	\$112,139,033	\$0	\$0	\$219,639,033	\$219,639,033	\$0	\$0	\$219,639,033	\$219,639,033	100.0%
SNAP Training/Support	20,835	0	60,513	81,348	22,189	0	59,159	81,348	22,106	0	59,242	81,348	0.0%
Subtotal	\$20,835	\$0	\$112,199,546	\$112,220,381	\$22,189	\$0	\$219,698,192	\$219,720,381	\$22,106	\$0	\$219,698,275	\$219,720,381	100.0%
Percent of Benefits and Grants Total	0.1%	0.0%	61.1%	55.2%	0.1%	0.0%	69.9%	65.9%	0.1%	0.0%	70.1%	66.1%	
Energy, Weatherization, Housing & Commodities													
Energy & Weatherization Benefits	\$0	164,772	18,513,208	\$18,677,980	\$0	509,772	\$29,141,115	\$29,650,887	\$0	509,772	\$29,141,115	\$29,650,887	94.6%
Emergency Housing & Shelter Programs	0	0	1,395,140	1,395,140	0	0	1,395,140	1,395,140	0	0	1,395,140	1,395,140	4.5%
Commodities	0	0	290,843	290,843	0	0	290,843	290,843	0	0	290,843	290,843	0.9%
Subtotal	\$0	\$164,772	\$20,199,191	\$20,363,963	\$0	\$509,772	\$30,827,098	\$31,336,870	\$0	\$509,772	\$30,827,098	\$31,336,870	100.0%
Percent of Benefits and Grants Total	0.0%	16.0%	11.0%	10.0%	0.0%	37.0%	9.8%	9.4%	0.0%	37.0%	9.8%	9.4%	
Child Care (CC)													
Child Care Matching	\$5,334,329	\$0	\$4,076,865	\$9,411,194	\$4,169,965	\$0	\$4,898,825	\$9,068,790	\$3,970,029	\$0	\$4,898,825	\$8,868,854	25.5%
Child Care Discretionary	0	0	7,038,505	7,038,505	0	0	10,165,846	10,165,846	0	0	9,251,065	9,251,065	27.6%
Child Care Mandatory	1,313,990	0	2,086,167	3,400,157	1,313,990	0	2,495,967	3,809,957	1,313,990	0	2,495,967	3,809,957	10.8%
CC Nutrition and Food Service	0	0	9,361,920	9,361,920	(24,545)	0	9,934,239	9,909,694	(24,545)	0	10,661,583	10,637,038	29.2%
CC Prevention and Stabilization	200,728	832,584	0	1,033,312	200,728	832,584	0	1,033,312	200,728	832,584	0	1,033,312	2.9%
ARRA Child Care	0	0	668,397	668,397	668,397	0	0	668,397	668,397	0	0	668,397	1.9%
Childcare Title IV-E Foster Care	166,196	0	398,309	564,505	166,196	0	398,309	564,505	166,196	0	398,309	564,505	1.6%
Childcare Quality	0	0	98,500	98,500	0	0	98,500	98,500	0	0	98,500	98,500	0.3%
Subtotal	\$7,015,243	\$832,584	\$23,728,663	\$31,576,490	\$6,494,731	\$832,584	\$27,991,686	\$35,319,001	\$6,294,795	\$832,584	\$27,804,249	\$34,931,628	100.0%
Percent of Benefits and Grants Total	37.2%	80.6%	12.9%	15.5%	36.2%	60.4%	8.9%	10.6%	35.4%	60.4%	8.9%	10.5%	
<b>Total Benefits</b>	<b>\$10,082,505</b>	<b>\$1,032,356</b>	<b>\$172,300,857</b>	<b>\$183,415,718</b>	<b>\$9,197,520</b>	<b>\$1,377,356</b>	<b>\$299,972,304</b>	<b>\$310,547,180</b>	<b>\$8,997,503</b>	<b>\$1,377,356</b>	<b>\$299,994,425</b>	<b>\$310,369,340</b>	
Percent of Benefits and Grants Total	53.5%	100.0%	93.9%	90.1%	51.2%	100.0%	95.5%	93.1%	50.7%	100.0%	95.8%	93.4%	
<b>Grants</b>													
TANF Contractor Employ. & Training	\$8,272,018	\$0	\$2,668,432	\$10,940,450	\$8,363,823	\$0	\$3,586,056	\$11,949,879	\$8,363,835	\$0	\$3,586,044	\$11,949,879	53.1%
SNAP Contractor Training/Support	317,718	0	922,783	1,240,501	338,362	0	902,139	1,240,501	337,096	0	903,405	1,240,501	5.5%
Commodities	0	0	1,506,494	1,506,494	0	0	1,506,494	1,506,494	0	0	1,506,494	1,506,494	6.7%
Energy & Weatherization	0	0	613,589	613,589	0	0	1,339,551	1,339,551	0	0	1,339,551	1,339,551	6.0%
Refugee Program	0	0	9,762	9,762	0	0	9,762	9,762	0	0	9,762	9,762	0.04%
Childcare Matching	168,129	0	121,871	290,000	47,291	0	42,709	90,000	47,291	0	42,709	90,000	0.4%
Childcare Discretionary	0	0	3,022,965	3,022,965	0	0	3,147,965	3,147,965	0	0	3,147,965	3,147,965	14.0%
Childcare Quality	0	0	1,319,224	1,319,224	0	0	2,619,347	2,619,347	0	0	1,606,464	1,606,464	9.4%
CACFP Contractor Grants	0	0	857,552	857,552	0	0	857,552	857,552	0	0	857,552	857,552	3.8%
Head Start	11,909	0	97,542	109,451	11,909	0	97,542	109,451	11,909	0	97,542	109,451	0.5%
CC Early Childhood Comprehensive	0	0	127,905	127,905	0	0	127,905	127,905	0	0	127,905	127,905	0.6%
Public Assistance Bureau	0	0	5,000	5,000	0	0	5,000	5,000	0	0	5,000	5,000	0.02%
Subtotal Grants	\$8,769,775	\$0	\$11,273,118	\$20,042,893	\$8,761,385	\$0	\$14,242,022	\$23,003,407	\$8,760,130	\$0	\$13,230,394	\$21,990,524	
Percent of Benefits and Grants Total	46.5%	0.0%	6.1%	9.9%	48.8%	0.0%	4.5%	6.9%	49.3%	0.0%	4.2%	6.6%	

### Benefits

Benefits and grants are administered by three bureaus: Public Assistance; Intergovernmental Human Services; and Early Childhood Services.

The Public Assistance Bureau programs account for about 73.2% of the total benefit and grant spending due to the SNAP and TANF programs. The federally funded SNAP benefits account for about 66.0% of the division's benefit and grant activity with TANF cash assistance and support activities at over 7.2%. TANF general fund in benefits is primarily used as the federally required maintenance of effort (MOE).

Energy and commodity assistance services are managed by the Intergovernmental Human Services Bureau and account for 9.4% of the total division benefit and grant spending in support of low income energy assistance, weatherization assistance, as well as emergency housing and shelter programs and commodity storage and distribution.

The Early Childhood Services Bureau's benefit and grant funding accounts for about 10.6% of the total benefits and grants budget. Services support early childhood activities ranging from child care to child nutrition and development. The general fund for child care benefits is used as match for federal funds with \$1.3 million each year supporting the required MOE as well as additional legislative support of early childhood and child care activities,.

There is about \$668,000 listed as ARRA child care that reflects an increase in child care general fund for FY 2012 and FY 2013. This reverses a funding switch of ARRA funds made by the 2009 Legislature in HB 645, which addressed American Recovery and Reinvestment Act (ARRA) funding. The original switch lowered general fund and replaced it with federal ARRA funding for the 2011 biennium and came with language in HB 645 allowing the division to include the amount as general fund in the development of its 2013 biennium budget. Funding supports caseload and federal poverty level adjustments in the child care program.

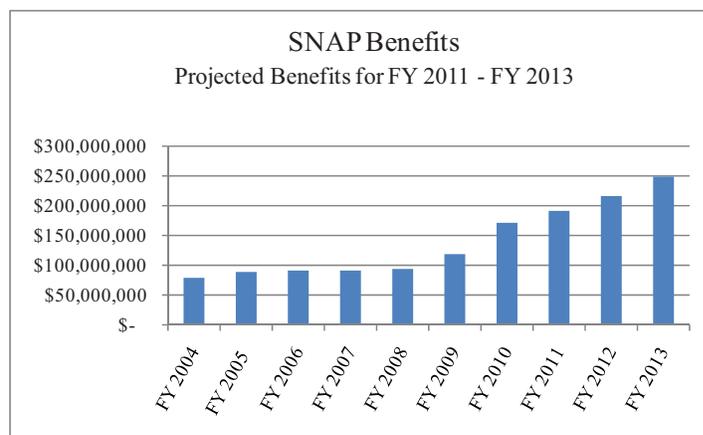
### Grants

TANF and child care account for the largest amount of the division's total fund grant budget. TANF employment, training, and work support activities represent a total fund budget of about \$23.9 million (\$16.7 million general fund) and are 53.1% of the grant budget. Federally funded early childhood activities account for about \$13.0 million and 28.7% of the grant budget over the biennium.

### *Major Benefits Programs*

#### Supplemental Nutrition Assistance Program

The federally funded SNAP entitlement benefits are the largest benefit expenditure of HCSO and are growing. The legislature approved an additional \$215.0 million in SNAP benefits for a total of \$439.6 million in the 2013 biennium. The following chart shows the increase in SNAP benefit expenditures and projections for the 2013 biennium.



Temporary Assistance for Needy Families

The following figure shows the TANF block grant and the legislative appropriations. Items printed in bold show legislative actions that were discussed earlier in the write-up as well as in the present law and new proposal sections.

TANF Block Grant				
Categories of Expenditures	Actual FY 2010	Projected FY 2011	Projected FY 2012	Projected FY 2013
Actual/Projected Balance of Grant	\$43,041,629	\$44,130,129	\$31,413,610	\$22,903,568
Grant Amount	<u>38,322,294</u>	<u>39,071,593</u>	<u>38,039,116</u>	<u>38,039,116</u>
Beginning Balance	\$81,363,923	\$83,201,722	\$69,452,726	\$60,942,684
<b>Expenditures:</b>				
Benefits				
Cash Assistance DP 20012	\$14,252,774	\$18,607,247	\$21,067,737	\$21,280,712
Child Support Supplemental (HB 529)*	<u>642,926</u>	<u>615,795</u>	<u>615,795</u>	<u>615,795</u>
Total Benefits	\$14,895,700	\$19,223,042	\$21,683,532	\$21,896,507
TANF Share of DPHHS Indirect Costs				
Total cost allocation	\$5,715,025	\$5,844,873	\$5,938,848	\$6,110,282
New or Continued Uses of the TANF Grant				
Second Chance Homes DP 20015	\$255,571	\$300,000	\$300,000	\$300,000
Subsidized Employment (20% of Actual Costs)	565,647	223,002	0	0
Summer Food Program (20% of Actual Costs)	0	30,479	0	0
Summer Youth Employment (20% of Actual Costs)	16,669	157,584	0	0
TANF System (removal from TEAMS)	319,573	7,937,672	0	0
MOST After School Program	372,724	375,000	375,000	375,000
Family Economic Security Plan DP 20016	1,381,625	2,000,000	1,381,625	1,381,625
Child Care for Working Caretaker Relatives	466,704	485,072	466,704	466,704
TANF Adult Basic Education Support DP 20128			100,000	100,000
TANF Parents As Scholars HB 385			150,000	150,000
Food Banks	850,000	850,000	100,000	100,000
DOLI: WoRC Contracts**	0	1,134,803	585,537	585,537
Post Employment Program Benefit	527,436	1,252,350	1,152,350	1,152,350
Accelerated Employment Services and Retention	56,889	200,000	56,088	56,088
Tanf Employment Programs DP 20017	0	0	965,000	965,000
Emerg Assist & Prg 03 Foster Care Benefits	<u>2,135,996</u>	<u>2,100,000</u>	<u>2,100,000</u>	<u>2,100,000</u>
Total New or Continued TANF Uses	\$6,948,834	\$17,045,962	\$7,732,304	\$7,732,304
Total Expenditures	\$27,559,559	\$42,113,876	\$35,354,683	\$35,739,092
Transfers:				
Child Care	\$7,676,010	\$7,676,010	\$7,676,010	\$7,676,010
Additional Transfer Child Care			\$1,164,364	\$1,364,300
Foster Care Stipend Transfer			\$355,875	\$355,875
Title XX program 03	<u>1,998,226</u>	<u>1,998,226</u>	<u>1,998,226</u>	<u>1,998,226</u>
Total Transfers	\$9,674,236	\$9,674,236	\$11,194,475	\$11,394,411
Expenditures and Transfers	\$37,233,795	\$51,788,112	\$46,549,158	\$47,133,503
Ending Balance	<u>\$44,130,129</u>	<u>\$31,413,610</u>	<u>\$22,903,568</u>	<u>\$13,809,180</u>
* Includes HB 529 child support passthrough and disregard, and may include some general fund payments				
**Department of Labor and Industry				
Sources: DPHHS and SABHRS				

State FY	LIEAP Grant	LIEAP		Average Benefit
		Benefit Payments	Households	
2000	\$7,224,938	\$5,365,890	14,281	\$376
2001	13,518,119	7,618,883	16,824	453
2002	11,054,356	6,357,928	16,976	375
2003	11,852,430	7,419,600	17,550	423
2004	11,236,752	8,921,955	19,187	465
2005	12,781,838	9,766,078	20,463	477
2006	18,805,528	13,268,755	21,221	625
2007	11,528,631	7,309,184	19,254	380
2008	15,532,289	9,904,054	18,829	526
2009	29,629,101	20,004,253	22,448	879
2010	28,493,938	20,394,958	28,054	727
2011*	27,181,733	16,227,000	27,000	601

\*Projected as of 5/17/2011  
 The difference between the grant and benefit amount is due to the required amounts spent on weatherization projects and allowed for administration.

LIEAP and Weatherization

Legislative budget increases for this division are primarily due to federal benefits for LIEAP and federal and state special revenue funding for weatherization, housing community services block grant projects, and emergency food assistance. As shown in the benefits and grants table, the legislature appropriated over \$29.1 million in federal funds each year of the biennium for energy assistance, weatherization, and other community projects.

The benefit history table shows LIEAP energy assistance funding through FY 2011. The decline in expenditures from FY 2009 and FY 2010 to FY 2011 reflects reductions at the federal level from the record amounts received in those years. Funding for FY 2012 and FY 2013 LIEAP grants has not been released as of this writing.

Child Care

The legislature appropriated over \$55.7 million total funds (over \$10.9 million general fund) for the biennium in support of child care services. The table shows the growth of child care activities from FY 2005 through FY 2011 projections. The decrease in the FY 2011 estimates from the FY 2010 actual reflects the termination of ARRA funding. Estimated child care expenditures for FY 2012 and FY 2013 are about \$26.0 million each year, but federal grant amounts have not been announced as of this writing.

Year	Unduplicated Families*	Unduplicated Children*	Annual Expenditures
FY 2005	3,202	5,350	\$ 17,896,246
FY 2006	3,210	5,124	18,258,433
FY 2007	3,120	5,285	19,313,017
FY 2008	3,111	5,124	20,192,185
FY 2009	3,189	5,218	22,077,629
FY 2010	3,478	5,754	26,377,845
FY 2011	3,600	5,900	25,400,000

\* Unduplicated monthly averages for CCDF FY 2011 is projected.  
 Data Source: DPHHS

**Funding**

The following table shows program funding, by source, for the base year and for the 2013 biennium as adopted by the legislature.

Program Funding		Program Funding Table					
		Human And Community Services					
		Base	% of Base	Budget	% of Budget	Budget	% of Budget
		FY 2010	FY 2010	FY 2012	FY 2012	FY 2013	FY 2013
01000	Total General Fund	\$ 30,868,237	13.3%	\$ 29,400,741	8.1%	\$ 29,124,109	8.0%
	01100 General Fund	30,868,237	13.3%	29,400,741	8.1%	29,124,109	8.0%
02000	Total State Special Funds	1,408,638	0.6%	2,382,652	0.7%	2,380,904	0.7%
	02375 6901-02 Indrct Activity Prog 02	317,383	0.1%	975,846	0.3%	974,098	0.3%
	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	0.2%	832,584	0.2%
	02772 Tobacco Hlth & Medicd Initiative	58,899	0.0%	29,450	0.0%	29,450	0.0%
	02974 Univ Low Income Energy Assistanc	164,772	0.1%	509,772	0.1%	509,772	0.1%
03000	Total Federal Special Funds	199,503,302	86.1%	332,580,674	91.3%	331,671,230	91.3%
	03066 81.042 Bpa	477,979	0.2%	477,979	0.1%	477,979	0.1%
	03096 Discretionary Child Care	11,565,843	5.0%	16,536,558	4.5%	14,608,986	4.0%
	03109 Tanf Benefits	19,042,560	8.2%	25,270,929	6.9%	25,480,469	7.0%
	03135 Hopwa Help Plus	582,158	0.3%	582,158	0.2%	582,158	0.2%
	03236 Child Nutrition	10,119,901	4.4%	10,716,829	2.9%	11,425,827	3.1%
	03250 Child Care Mandatory/Moe	2,086,167	0.9%	2,495,967	0.7%	2,495,967	0.7%
	03251 Child Care Admin	580,110	0.3%	574,682	0.2%	574,923	0.2%
	03252 Child Care Matching	4,075,118	1.8%	4,897,078	1.3%	4,897,078	1.3%
	03329 Ccdf Arra Discretionary	668,397	0.3%	-	-	-	-
	03382 03 Indirect Activity Prog 02	11,445,872	4.9%	11,928,773	3.3%	12,001,178	3.3%
	03390 Reach	20,317	0.0%	-	-	-	-
	03448 6901-Early Childhood Comp Sys	135,633	0.1%	130,653	0.0%	130,645	0.0%
	03467 6901-Homeless Mgmt Info System	66,980	0.0%	66,980	0.0%	66,980	0.0%
	03519 93.045 - Aging Meals 100%	40,625	0.0%	41,987	0.0%	41,964	0.0%
	03523 93.566 - Refugee Soc. Serv	9,216	0.0%	9,216	0.0%	9,216	0.0%
	03530 6901-Foster Care 93.658	398,309	0.2%	398,309	0.1%	398,309	0.1%
	03539 93.600 Headstart	102,621	0.0%	108,282	0.0%	108,267	0.0%
	03543 6901-Foodstamp Outreach 10.561	810	0.0%	810	0.0%	810	0.0%
	03544 10.561 - Fs E & T - 50%	189,915	0.1%	189,915	0.1%	189,915	0.1%
	03545 10.561 - Fs E & T - 100%	264,961	0.1%	264,961	0.1%	264,961	0.1%
	03546 10.561 - Fs Adm - Fed Exp 50%	1,018,407	0.4%	1,083,148	0.3%	1,084,875	0.3%
	03547 10.568 - Emerg Food Assist 100	150,426	0.1%	187,170	0.1%	187,086	0.1%
	03548 10.569 - Food Distr - Fed Exp	1,825,601	0.8%	2,158,008	0.6%	2,160,314	0.6%
	03550 14.231 - Emerg Shelter - Hud 5	395,272	0.2%	395,272	0.1%	395,272	0.1%
	03552 81.042 - Weather Ben 100%	2,410,774	1.0%	4,010,774	1.1%	4,010,774	1.1%
	03571 93.566 - Off Ref Reset Adm 10	2,698	0.0%	2,698	0.0%	2,698	0.0%
	03572 93.568 - Lieap Blk Grt Adm	14,927,771	6.4%	24,933,984	6.8%	24,935,344	6.9%
	03573 93.569 - Csbg Adm	3,019,062	1.3%	3,427,625	0.9%	3,427,625	0.9%
	03580 6901-93.778 - Med Adm 50%	352,543	0.2%	347,624	0.1%	347,426	0.1%
	03669 Doe Region 8	103,713	0.0%	103,713	0.0%	103,713	0.0%
	03677 6901-Cacfp 10.558 & 10.560	407,216	0.2%	438,338	0.1%	460,456	0.1%
	03678 6901-Food Stamp Benefits	112,139,033	48.4%	219,639,033	60.3%	219,639,033	60.5%
	03679 6901-Hopwa Cfda#14-241	447,990	0.2%	518,141	0.1%	518,141	0.1%
	03965 Csfp	429,304	0.2%	643,080	0.2%	642,841	0.2%
Grand	Total	\$ 231,780,177	100.0%	\$ 364,364,067	100.0%	\$ 363,176,243	100.0%

The majority of funding for the Human and Community Service Division (HCS D), over 91.0%, 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 represents about half of the funding for offices of public assistance; supports required Temporary Assistance for Needy Families (TANF) and child care maintenance of effort (MOE); and is used as match for federal programs such as Medicaid and the Supplemental Nutrition Assistance Program (SNAP) eligibility determination, and child care benefits.

State special revenue is primarily used in the delivery of childcare and energy and weatherization services, and comprises the prevention and stabilization fund and the universal systems benefits funds.

**Budget Summary by Category**

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget
Base Budget	30,868,237	30,868,237	61,736,474	105.49%	231,780,177	231,780,177	463,560,354	63.72%
Statewide PL Adjustments	1,213,611	1,136,915	2,350,526	4.02%	1,130,931	1,129,830	2,260,761	0.31%
Other PL Adjustments	(669,770)	(669,770)	(1,339,540)	(2.29%)	131,672,831	130,486,108	262,158,939	36.03%
New Proposals	(2,011,337)	(2,211,273)	(4,222,610)	(7.22%)	(219,872)	(219,872)	(439,744)	(0.06%)
<b>Total Budget</b>	<b>\$29,400,741</b>	<b>\$29,124,109</b>	<b>\$58,524,850</b>		<b>\$364,364,067</b>	<b>\$363,176,243</b>	<b>\$727,540,310</b>	

**Present Law Adjustments**

The "Present Law Adjustments" table shows the changes to the adjusted base budget adopted 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 2012-----				-----Fiscal 2013-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					2,122,512					2,117,859
Vacancy Savings					(958,932)					(958,703)
Inflation/Deflation					(30,533)					(27,210)
Fixed Costs					(2,116)					(2,116)
<b>Total Statewide Present Law Adjustments</b>		<b>\$1,213,611</b>	<b>\$63,250</b>	<b>(\$145,930)</b>	<b>\$1,130,931</b>		<b>\$1,136,915</b>	<b>\$62,264</b>	<b>(\$69,349)</b>	<b>\$1,129,830</b>
DP 20009 - Child Care Devel & Food Pgm Grant Incr	0.00	0	0	5,627,179	5,627,179	0.00	0	0	4,230,979	4,230,979
DP 20012 - TANF Cash Benefit Increase	0.00	0	0	5,273,890	5,273,890	0.00	0	0	5,483,367	5,483,367
DP 20013 - SNAP Benefit Increases (Biennial)	0.00	0	0	107,500,000	107,500,000	0.00	0	0	107,500,000	107,500,000
DP 20015 - TANF Second Chance Homes	0.00	0	0	44,429	44,429	0.00	0	0	44,429	44,429
DP 20017 - TANF Employment Programs	0.00	0	0	965,000	965,000	0.00	0	0	965,000	965,000
DP 20018 - Weatherization and Other IHSB Increases	0.00	0	345,000	2,583,610	2,928,610	0.00	0	345,000	2,583,610	2,928,610
DP 20019 - LIEAP Grant Increase	0.00	0	0	10,000,000	10,000,000	0.00	0	0	10,000,000	10,000,000
DP 20020 - Restore OT/Holidays Worked	0.00	22,758	8,652	65,135	96,545	0.00	22,758	8,652	65,135	96,545
DP 55141 - 17-7-140 Reduction-PAB Operation Efficiencies	0.00	(42,983)	0	(70,294)	(113,277)	0.00	(42,983)	0	(70,294)	(113,277)
DP 55142 - 17-7-140 Reduction-Child Care Operation Efficiency	0.00	(24,545)	0	0	(24,545)	0.00	(24,545)	0	0	(24,545)
DP 55143 - 17-7-140 Eliminate Child Care RR Network Contract	0.00	(75,000)	0	0	(75,000)	0.00	(75,000)	0	0	(75,000)
DP 55144 - 17-7-140 Reduction-Centralize Child Care Referrals	0.00	(150,000)	0	0	(150,000)	0.00	(150,000)	0	0	(150,000)
DP 55145 - 17-7-140 Reduction-Child Care RR Agency Re-org	0.00	(150,000)	0	0	(150,000)	0.00	(150,000)	0	0	(150,000)
DP 55146 - 17-7-140 Reduction-Dual Elig for Child Care & SNAP	0.00	(200,000)	0	0	(200,000)	0.00	(200,000)	0	0	(200,000)
DP 55147 - 17-7-140 Eliminate Child Care Consumer Ed Contract	0.00	(50,000)	0	0	(50,000)	0.00	(50,000)	0	0	(50,000)
<b>Total Other Present Law Adjustments</b>	<b>0.00</b>	<b>(\$669,770)</b>	<b>\$353,652</b>	<b>\$131,988,949</b>	<b>\$131,672,831</b>	<b>0.00</b>	<b>(\$669,770)</b>	<b>\$353,652</b>	<b>\$130,802,226</b>	<b>\$130,486,108</b>
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$543,841</b>	<b>\$416,902</b>	<b>\$131,843,019</b>	<b>\$132,803,762</b>	<b>0.00</b>	<b>\$467,145</b>	<b>\$415,916</b>	<b>\$130,732,877</b>	<b>\$131,615,938</b>

DP 20009 - Child Care Devel & Food Pgm Grant Incr - The legislature approved additional federal authority of about \$9.9 million over the biennium for Child Care Development Fund funding that would be used for child care scholarship services and for required quality activities throughout the state; and nutritional services (\$1.9 million), including the USDA Child and Adult Care Food Program (CACFP), which is an entitlement program. CACFP serves 148 child care organizations at over 220 facilities, including: child care centers, Head Start programs, Boys and Girls Clubs, and after-school programs.

DP 20012 - TANF Cash Benefit Increase - The legislature approved an increase of federal TANF benefit appropriation authority of nearly \$10.8 million for the biennium to fund an estimated 1% increase per year in the TANF benefit caseload.

DP 20013 - SNAP Benefit Increases (Biennial) - The legislature approved an increase of \$215.0 million in federal appropriation authority as a biennial appropriation to fund the projected caseload increases for SNAP.

DP 20015 - TANF Second Chance Homes - The legislature approved federal TANF authority of about \$89,000 for Second Chance Homes to continue a program started in the 2009 Session. Funding is intended to assist with a home whose startup was delayed until part way through FY 2010. This funding ensures that, on a statewide basis, there are 26 beds available for TANF eligible teenage mothers who are at high risk of negative outcomes.

DP 20017 - TANF Employment Programs - The legislature approved \$1,930,000 in federal appropriation authority for the biennium to support TANF Employment Programs.

*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 as necessary for brevity and/or clarity.*

Justification: In January of 2008 the Department of Public Health and Human Services implemented the TANF AESP to provide a subsidy or stipend to an employer to compensate for training costs of an unskilled or under skilled worker. This project would now include SEP for families eligible for TANF benefits as well as those families qualifying for TANF related services. Through the SEP Program, 444 individuals were placed in a subsidized employment placement between July 1, 2009 through September 30, 2010. 183 were hired into permanent employment with the SEP employer, an additional 25 found other employment, and the remainder gained skills and experience. The average hourly wage ranged from \$9.64 to \$14.06.

Goals and Performance Criteria:

Goal: Promoting employment and providing the assistance necessary to help families and individuals meet basic needs and work their way out of poverty.

Performance criteria would measure progress via reports outlining the number of individuals who enter a subsidized employment placement as well as the number of individuals who obtain permanent employment following completion of the subsidized employment placement. TANF Unit personnel will monitor the TANF employment programs.

Milestones:

Significant milestones for the proposal include the following key activities:

- Define the SEP Program criteria and guidelines prior to program implementation
- Annually procure or renew project contracts via a competitive process and establish funding allotments per contract
- Provide training of contractors prior to program implementation
- Establish monthly and year-end reporting requirements.

Obstacles: One of the challenges to implementing this proposal is defining the program criteria, guidelines, and target population using lessons learned in the subsidized employment pilot. Once the program is defined, contracts must be procured and funding allocated. Tools to acquire the required performance criteria must be developed and implemented.

Based on the individuality of each client and employer, specific employment plans must be developed that are unique to each individual and employer.

Risks: Without the TANF employment proposal the state could see a potential growth in the number of TANF cash assistance households based on lack of employment opportunities. As with all TANF funded projects, should TANF cash assistance costs increase, support programs could be reduced or discontinued.

DP 20018 - Weatherization and Other IHSB Increases - The legislature approved nearly \$6.0 million to provide support for six federally funded grants, including: Department of Energy (DOE) Weatherization; Community Services Block Grant (CSBG); Housing Opportunities for Persons with AIDS (HOPWA); the Emergency Food Assistance Programs (TEFAP); Food Distribution Program on Indian Reservations (FDPIR); Commodity Supplemental Food Program (CSFP); and one state special revenue fund, Universal Systems Benefit (USB) Weatherization, which comes from consumer charges on utility bills and is passed on for energy assistance and weatherization activities. Funds support programs in the Intergovernmental Human Services Bureau (IHSB).

DP 20019 - LIEAP Grant Increase - The legislature increased federal spending authority by \$20.0 million over the biennium for the LIEAP grant. Funds will be used to either supplement low-income energy assistance benefits or to weatherize homes.

DP 20020 - Restore OT/Holidays Worked - The legislature approved about \$200,000 total funds over the biennium to restore zero-based authority for overtime for truck drivers to deliver food across the state, Office of Public Assistance staff to catch up on processing applications when application numbers increase beyond the amount that can be handled in a normal workday, and Child Care staff work across the state.

DP 55141 - 17-7-140 Reduction-PAB Operation Efficiencies - The legislature approved the Governor's request to reduce the general fund base budget for the Public Assistance Bureau and to continue the operations reduction implemented in FY 2011 in accordance with 17-7-140, MCA. Reductions of over \$226,000 total funds (about \$86,000 general fund) over the biennium are in the areas of travel, conferences, supplies, newspaper ads, cell phone use, postage, and contracting.

DP 55142 - 17-7-140 Reduction-Child Care Operation Efficiency - The legislature approved the Governor's reduction of the general fund base budget for child care services to continue the operations reduction implemented in FY 2011 in accordance with 17-7-140, MCA. Childhood services operations reductions of over \$48,000 over the biennium are in the areas of travel, conferences, supplies, newspaper ads, cell phone use, postage, and contracting that were paid with federal funds.

DP 55143 - 17-7-140 Eliminate Child Care RR Network Contract - The legislature approved the Governor's request to reduce the general fund base budget for child care services to continue the operations reduction implemented in FY 2011 in accordance with 17-7-140, MCA. The Early Childhood Services Bureau would realize \$150,000 over the biennium in savings by discontinuing the contract to the Child Care Resource & Referral Network and assigning select functions to child care resource and referral agencies.

DP 55144 - 17-7-140 Reduction-Centralize Child Care Referrals - The legislature approved the Governor's \$300,000 general fund reduction over the biennium to the base budget for child care referral services to continue the operations reduction implemented in FY 2011 in accordance with 17-7-140, MCA. The Early Childhood Services Bureau would establish a centralized child care referral call center, which allows centralization of operations by connecting the public with expert operators via phone or e-mail.

DP 55145 - 17-7-140 Reduction-Child Care RR Agency Re-org - The legislature approved the Governor's request to reduce the general fund base budget for child care referral services by \$300,000 over the biennium to continue the operations reduction implemented in FY 2011 in accordance with 17-7-140, MCA. The Early Childhood Services Bureau is reorganizing the child care resource and referral services for greater administrative efficiency and reduced contract expense by reducing the number of districts by one.

DP 55146 - 17-7-140 Reduction-Dual Elig for Child Care & SNAP - The legislature approved the Governor's request to reduce the general fund base budget for child care referral services to continue the operations reduction implemented in FY 2011 in accordance with 17-7-140, MCA. The Early Childhood Services Bureau would achieve a \$400,000 cost savings over the biennium by using SNAP eligibility information to more efficiently qualify children of SNAP participating families for child care assistance.

DP 55147 - 17-7-140 Eliminate Child Care Consumer Ed Contract - The legislature approved the Governor's \$100,000 general fund request to reduce the base budget for child care referral services over the biennium to continue the operations reduction implemented in FY 2011 in accordance with 17-7-140, MCA. The Early Childhood Services Bureau would realize cost savings by ending the consumer education contract.

### New Proposals

Program	-----Fiscal 2012-----					-----Fiscal 2013-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 20101 - Temporary and Modified HMK FTE (RST/OTO)										
02	5.00	0	103,985	134,240	238,225	5.00	0	103,223	135,002	238,225
DP 20127 - TANF to Child Care to Reduce General Fund (OTO)										
02	0.00	(1,164,364)	0	1,164,364	0	0.00	(1,364,300)	0	1,364,300	0
DP 20128 - TANF Education Support (Restricted/OTO)										
02	0.00	0	0	0	0	0.00	0	0	0	0
DP 55402 - 4% Personal Svs GF Bud Reduction										
02	0.00	(489,127)	453,127	(64,251)	(100,251)	0.00	(489,127)	453,127	(64,251)	(100,251)
DP 95021 - 5% Plan -TANF Maintenance of Effort (MOE) Reductio										
02	0.00	(357,846)	0	0	(357,846)	0.00	(357,846)	0	0	(357,846)
<b>Total</b>	<b>5.00</b>	<b>(\$2,011,337)</b>	<b>\$557,112</b>	<b>\$1,234,353</b>	<b>(\$219,872)</b>	<b>5.00</b>	<b>(\$2,211,273)</b>	<b>\$556,350</b>	<b>\$1,435,051</b>	<b>(\$219,872)</b>

DP 20101 - Temporary and Modified HMK FTE (RST/OTO) - The legislature approved one-time-only, restricted funding of \$207,208 state special revenue and \$269,242 federal revenue over the biennium to make five full-time equivalent positions (FTE) permanent to maintain eligibility functions. Funding is a blend of federal sources such as TANF, SNAP and Medicaid, and I-155 state special revenue funds.

The legislature designated the funding as one-time-only to allow for discussion of the need for continued full time staff in the 2013 session.

*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 as necessary for brevity and/or clarity.*

Justification: Through August 2010, 14,250 additional children have been enrolled in HMK Plus. An average of 2.5 children per case equates to 5,700 additional cases that OPA staffs are managing. Caseloads, including HMK Plus and other public assistance programs, have risen to over 400 cases per case manager compared to the 226 cases per manager that are considered reasonable caseloads. Current staffs have increased their caseload to capacity. A minimum of five additional FTE are needed to adequately manage the new caseload. These FTE are currently working under modified positions.

Goals and Performance Criteria:

The goal is to timely and accurately processed eligibility applications for HMK Plus children to assist low income families with medical coverage. Performance criteria include federal regulation to process the completed application within 45 days unless the child has a disability and maintain at least a 97% accuracy rate.

The milestone would be to continue monthly reporting for HMK Plus children via the CHIMES Medicaid system.

Obstacles and Risks: Due to the complexity of work, the high caseload per manager, and dual entry into two eligibility systems for other public assistance programs, there could be FTE retention problems without the additional FTE.

DP 20127 - TANF to Child Care to Reduce General Fund (OTO) - The legislature appropriated one-time-only federal TANF authority to replace general fund that was to be used for child care services in the 2013 biennium.

The legislature used the reduced the general fund amount for the Disability Services Division and approved statutory changes in HB 613 to allow the department to use general fund in development of the division's present law base budget for the next biennium.

DP 20128 - TANF Education Support (Restricted/OTO) - The legislature provided restricted, one-time-only funding of \$100,000 federal TANF block grant funds each year of the biennium to support a TANF education project. Funding for the project appears as a zero on the new proposal table because the legislature reduced the TANF Post Employment Program Benefits by \$100,000 each year (\$200,000 for the biennium) and used an equal amount over the biennium for the TANF education program. Funding supports a program to encourage TANF participants or TANF eligible participants to obtain their high school diploma, acquire a GED, or receive basic education skills in math and reading. Priority for funding must be given to adult basic education and programs or entities offering instruction and assistance during the months of June, July, and August.

The department would offer grants to Adult Basic Education (ABE) programs, entities offering GED classes, Family Literacy programs, and distance learning programs to expand current services to provide specific adult basic education for TANF eligible families with a need to increase academic skills and proficiency. The department would report expenditures to the 2013 legislature and the program would not supplant funding that provides a like service to the general public.

DP 55402 - 4% Personal Svs GF Bud Reduction - The legislature approved the Governor's request for a 4% general fund reduction. The reduction includes: 1) \$72,000 over the biennium in operating costs primarily related to printing, postage and supplies that would be saved due to the implementation of a records access management program (RAMP), a paperless filing system at the Offices of Public Assistance (OPA); and 2) a funding switch that reduces general fund supporting OPA eligibility staff by \$906,254 over the biennium and increases state special revenue related to the Healthy Montana Kids Plus program by the same amount.

DP 95021 - 5% Plan -TANF Maintenance of Effort (MOE) Reduction - The legislature approved a general fund reduction to the state general fund match for the TANF block grant. This match is generally referred to as TANF MOE (maintenance of effort). The reduction was included in the division's 5% budget reduction plan required to be developed pursuant to 17-7-113(3)(f), MCA.

This action does not jeopardize the federally required MOE match of 75% of the TANF block grant that the state must maintain.

**Language and Statutory Authority**

The legislature included the following language in HB 2.

“Funding for Temporary and Modified FTE may be used only for FTE in the human and community services division.”

"Funding for TANF Education Support may be used by the Human and Community Services Division only for grants to appropriate programs that offer adult basic education programs for TANF-eligible adults working to improve their educational skills, obtain a high school diploma, or obtain general educational development (GED) certification. Priority for funding must be given to adult basic education and programs or entities offering instruction and assistance during the months of June, July, and August."