



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2021 Biennium

Bill #	HB0290	Title:	Require child support cooperation for food stamp eligibility
Primary Sponsor:	Webb, Peggy	Status:	As Introduced

- | | | |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input checked="" type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2020</u> <u>Difference</u>	<u>FY 2021</u> <u>Difference</u>	<u>FY 2022</u> <u>Difference</u>	<u>FY 2023</u> <u>Difference</u>
Expenditures:				
General Fund	\$699,783	\$335,292	\$339,013	\$341,917
State Special Revenue	\$164,391	\$15,332	\$15,483	\$15,566
Federal Special Revenue	\$1,609,967	\$652,934	\$660,244	\$666,066
Revenue:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$0	\$0	\$0	\$0
Federal Special Revenue	\$1,609,967	\$652,934	\$660,244	\$666,066
Net Impact-General Fund Balance:	(\$699,783)	(\$335,292)	(\$339,013)	(\$341,917)

Description of fiscal impact: HB 290 requires participants in the Supplemental Nutrition Assistance Program (SNAP) to cooperate with the Child Support Enforcement Program (CSED) as a condition of eligibility. The department must notify all individuals of this requirement in writing at the time of application or reapplication for SNAP. Additionally, HB 290 amends several sections of statute to replace references to “food stamps” with “supplemental nutrition assistance program”.

FISCAL ANALYSIS

Assumptions:

Child Support Enforcement Division

- The Human and Community Services Division (HCSO) estimates that out of the 13,998 single family SNAP cases with children, there are 1,515 or 11% that currently have an open case with Child Support Enforcement

Division (CSED). This could result in an initial caseload of approximately 12,483 cases that would need to be recertified with HB 290's new eligibility requirements.

2. The department assumes an implementation date of October 1st, 2019.
3. A total of 25 FTE child support caseworkers are needed in FY 2020 to support the initial caseload (12,483/ cases / 500 cases per worker = 25 FTE). These employees will only be employed for nine months in the first year effectively reducing the cost to 18.7 FTE. (25 X 75% = 18.7)
4. The department estimates that 400 new cases will be referred to CSED per month, or 4,800 annually after the first year. One child support caseworker/investigator position will be needed for each new 500 cases. In FY 2021, FY 2022 and FY 2023 the department estimates a total of 9.6 FTE are necessary to perform the ongoing caseload.
5. Operating costs associated with the new FTE are estimated at 3% of personal service costs.
6. One-time computer equipment and office furniture in FY 2020 is estimated at \$52,429.
7. One-time postage costs in FY 2020 are estimated at \$6,500.
8. Funding for CSED is 34% general fund and 66% federal funds for personal services and 34% state special and 66% federal funds for operating expenses.

Human Community Services Division

9. HCSD estimates that 12,483 cases will be subject to recertification and cooperation with child support. These cases will be reviewed a minimum of every six months. An equivalent of three client service coordinators will be needed to support the additional work load in case processing. Estimates are based on single parent head of households and ~~does~~ ^{do} not include intact or blended family two-parent households and assumes that less than 5% of the caseload would meet good cause criteria to be exempt from child support compliance, usually due to safety reasons.
10. The department assumes 3.0 FTE are needed starting October 1st, 2019 to perform the additional caseload.
11. One-time computer equipment and office furniture in FY 2020 is estimated at \$8,400.
12. Operating costs associated with the new FTE are estimated at 3% of personal service costs.
13. Funding for HCSD is 34.53% general fund, 3.03% state special and 62.44% federal funds.

Technology Services Division

14. There will be one-time computer system enhancements to the eligibility system (CHIMES) and the child support system (SEARCHS). These system element changes are federally required for states that choose to make SNAP eligibility dependent on child support cooperation. Both systems require updates to the existing referral interfaces, addition of new data elements, new screens to collect SNAP participation elements and updated screen workflow for SNAP-only cases.
15. This work is estimated to take 6,150 hours at a rate of \$125 an hour. (6,150 X \$125 = \$768,750.)
16. Funding for the Technology Services Division is blended at 19.93% general fund, 16.12% state special and 63.95% federal funds.

Fiscal Note Request – As Introduced

(continued)

Fiscal Assumptions HB 290					
	FY2020	FY2021	FY2022	FY2023	
New Child Support Cases	12,483	4,800	4,800	4,800	
Caseload per employee	500	500	500	500	
FTE required for caseload	18.7	9.6	9.6	9.6	
Compliance Specialist					
Salary	\$ 53,371	\$ 53,168	\$ 53,965	\$ 54,745	
Benefits	\$ 21,614	\$ 21,580	\$ 21,714	\$ 21,850	
Operating	\$ 2,250	\$ 2,242	\$ 2,270	\$ 2,298	
OTO Office Supplies	\$ 2,800	\$ -	\$ -	\$ -	
OTO Postage	\$ 6,500	\$ -	\$ -	\$ -	
Total	\$ 80,035	\$ 76,990	\$ 77,950	\$ 78,893	
TOTAL for Compliance Specialist FTE	\$ 1,503,161	\$ 739,107	\$ 748,317	\$ 757,369	
Client Service Coordinators					
FTE required for caseload	2.25	3.0	3.0	3.0	
Salary	\$ 62,379	\$ 62,379	\$ 62,859	\$ 62,619	
Benefits	\$ 22,129	\$ 23,204	\$ 23,362	\$ 23,523	
Operating	\$ 2,535	\$ 2,567	\$ 2,587	\$ 2,584	
OTO Office Supplies	\$ 2,800	\$ -	\$ -	\$ -	
Total	\$ 89,844	\$ 88,151	\$ 88,808	\$ 88,726	
Total for 3 Client Service Coordinators	\$ 202,149	\$ 264,452	\$ 266,424	\$ 266,179	
System enhancements	\$ 768,750	\$ -	\$ -	\$ -	
Total Expenditures	\$ 2,474,060	\$ 1,003,558	\$ 1,014,741	\$ 1,023,548	
General Fund	\$ 699,768	\$ 335,292	\$ 339,013	\$ 341,917	
State Special	\$ 164,406	\$ 15,332	\$ 15,483	\$ 15,565	
Federal Funds	\$ 1,609,886	\$ 652,934	\$ 660,244	\$ 666,066	
Total Funding	\$ 2,474,060	\$ 1,003,558	\$ 1,014,741	\$ 1,023,548	

	<u>FY 2020</u> <u>Difference</u>	<u>FY 2021</u> <u>Difference</u>	<u>FY 2022</u> <u>Difference</u>	<u>FY 2023</u> <u>Difference</u>
<u>Fiscal Impact:</u>				
FTE	21.72	12.60	12.60	12.60
<u>Expenditures:</u>				
Personal Services	\$1,592,363	\$974,330	\$985,180	\$993,738
Operating Expenses	\$881,697	\$29,228	\$29,561	\$29,810
TOTAL Expenditures	<u>\$2,474,060</u>	<u>\$1,003,558</u>	<u>\$1,014,741</u>	<u>\$1,023,548</u>
<u>Funding of Expenditures:</u>				
General Fund (01)	\$699,783	\$335,292	\$339,011	\$341,917
State Special Revenue (02)	\$164,391	\$15,332	\$15,485	\$15,565
Federal Special Revenue (03)	\$1,609,886	\$652,934	\$660,244	\$666,066
TOTAL Funding of Exp.	<u>\$2,474,060</u>	<u>\$1,003,558</u>	<u>\$1,014,740</u>	<u>\$1,023,548</u>
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$0	\$0	\$0	\$0
Federal Special Revenue (03)	\$1,609,886	\$652,934	\$660,244	\$666,066
TOTAL Revenues	<u>\$1,609,886</u>	<u>\$652,934</u>	<u>\$660,244</u>	<u>\$666,066</u>
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	(\$699,783)	(\$335,292)	(\$339,011)	(\$341,917)
State Special Revenue (02)	(\$164,391)	(\$15,332)	(\$15,485)	(\$15,565)
Federal Special Revenue (03)	\$0	\$0	\$0	\$0

Technical Notes:

1. Currently, the eligibility determination for SNAP and other public assistance programs count income from child support. As countable income increases for households, some individuals and families may become ineligible for assistance. At this time, DPHHS cannot determine the new child support collections resulting from this legislation, nor the potential savings to the State of Montana resulting from a decrease in public assistance payments. As a result, only direct costs associated with implementation of this bill are reflected in this fiscal note.

Sponsor's Initials

Date

TL

Budget Director's Initials

1/31/19

Date