



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2023 Biennium

Bill # HB0339

Title: Require child support cooperation for food stamp eligibility

Primary Sponsor: Fleming, Frank

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 2022</u> <u>Difference</u>	<u>FY 2023</u> <u>Difference</u>	<u>FY 2024</u> <u>Difference</u>	<u>FY 2025</u> <u>Difference</u>
Expenditures:				
General Fund	\$321,182	\$53,069	\$53,692	\$53,865
State Special Revenue	\$42,300	\$1,592	\$1,611	\$1,615
Federal Special Revenue	\$501,255	\$106,105	\$107,353	\$107,697
Revenue:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$0	\$0	\$0	\$0
Federal Special Revenue	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance:	<u>(\$321,182)</u>	<u>(\$53,069)</u>	<u>(\$53,692)</u>	<u>(\$53,865)</u>

Description of fiscal impact: HB 339 requires participants in the Supplemental Nutrition Assistance Program (SNAP) to cooperate with the Child Support Services Division (CSSD) as a condition of eligibility. The Department of Public Health and Human Services must notify all individuals of this requirement in writing at the time of application or reapplication for SNAP. Additionally, HB 339 amends several sections of statute to replace references to “food stamps” with “supplemental nutrition assistance program.”

FISCAL ANALYSIS

Assumptions:

Human and Community Services Division

1. The Human and Community Services Division (HCSDD) estimates that up to 7,500 of existing SNAP cases will initially be subject to the cooperation with child support requirement. These cases will be reviewed for compliance at the time of their SNAP re-determination. HCSDD estimates the workload to confirm compliance

of the existing SNAP caseload during the first year will require two additional FTE. Estimates are based on single parent head of households and 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.

2. One-time computer equipment and office furniture in FY 2022 is estimated at \$5,600.
3. Funding for the 2.0 Client Service Coordinators would be 34.83% general fund, 4.06% state special, and 61.11% Federal.
4. HCSD estimates that approximately 490 cases will be referred to child support each month on an ongoing basis.
5. After working existing caseloads in year one, HCSD anticipates that work associated with ongoing referrals/cooperation will be absorbed into existing staff activities and at least partially offset by a decrease in SNAP caseload noted in Technical Note #1.

Child Support Service Division

6. The Child Support Services Division (CSSD) estimates that approximately 3,750 of the 7,500 SNAP cases identified above will open child support cases as a result of the cooperation requirement.
7. The CSSD caseload is expected to increase from approximately 32,500 to 36,250 cases. The addition of 2 FTE will be necessary to maintain individual caseloads at 450.
8. Operating costs associated with the new FTE are estimated at 3% of personal services costs.
9. One-time computer equipment and office furniture is FY 2022 are \$5,600.
10. Annual costs for personal services and maintenance and operations are estimated to increase by 1.5% in FY 2024 and FY 2025.
11. Funding for CSSD is 34% general fund and 66% federal funds for personal services and 34% state special and 66% federal funds for operating expenses.

Technology Services Division

12. The department currently has a referral system in place for a small number of TANF households and dependent on paper-based processes. Updating the technology will be critical in ensuring efficient delivery of services.
13. There will be one-time computer system enhancements to the eligibility system (CHIMES) and the child support system (SEARCHS). 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.
14. To update CHIMES, it is estimated that DPHHS would need to contract for 3,550 hours at a rate of \$110 per hour, for a total cost of \$390,500. This work would be funded 50% general fund and 50%.
15. To update SEARCHS, it is estimated that DPHHS would need to contract for 1,500 hours at a rate of \$110 per hour, for a total cost of \$165,000. This work would be funded 14% general fund, 20% state special, and 66% federal funds.

Fiscal Note Request – As Introduced

(continued)

	<u>FY 2022 Difference</u>	<u>FY 2023 Difference</u>	<u>FY 2024 Difference</u>	<u>FY 2025 Difference</u>
<u>Fiscal Impact:</u>				
FTE	4.00	2.00	2.00	2.00
<u>Expenditures:</u>				
Personal Services	\$289,356	\$156,084	\$157,918	\$158,425
Operating Expenses	\$575,381	\$4,682	\$4,738	\$4,752
TOTAL Expenditures	\$864,737	\$160,766	\$162,656	\$163,177
<u>Funding of Expenditures:</u>				
General Fund (01)	\$321,182	\$53,069	\$53,692	\$53,865
State Special Revenue (02)	\$42,300	\$1,592	\$1,611	\$1,615
Federal Special Revenue (03)	\$501,255	\$106,105	\$107,353	\$107,697
TOTAL Funding of Exp.	\$864,737	\$160,766	\$162,656	\$163,177
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$0	\$0	\$0	\$0
Federal Special Revenue (03)	\$0	\$0	\$0	\$0
TOTAL Revenues	\$0	\$0	\$0	\$0

Net Impact to Fund Balance (Revenue minus Funding of Expenditures):

General Fund (01)	(\$321,182)	(\$53,069)	(\$53,692)	(\$53,865)
State Special Revenue (02)	(\$42,300)	(\$1,592)	(\$1,611)	(\$1,615)
Federal Special Revenue (03)	(\$501,255)	(\$106,105)	(\$107,353)	(\$107,697)

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.
2. Without an effective date in HB 339, DPHHS would be responsible for implementing all aspects of the bill by October 1, 2021. Implementing the requirements of HB 339 would likely take longer than the time allowed in the bill and may put DPHHS out of compliance with statute.

NOT SIGNED BY SPONSOR

_____ 2/23/21 _____ KA _____ 2/19/21
 Sponsor's Initials Date Budget Director's Initials Date