



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2025 Biennium

**Bill information:**

HB0340 - Require child support cooperation for food stamp eligibility (Gillette, Jane )

**Status:** As Introduced

- Significant Local Gov Impact     
  Needs to be included in HB 2     
  Technical Concerns  
 Included in the Executive Budget     
  Significant Long-Term Impacts     
  Dedicated Revenue Form Attached

### FISCAL SUMMARY

	<u>FY 2024</u> <u>Difference</u>	<u>FY 2025</u> <u>Difference</u>	<u>FY 2026</u> <u>Difference</u>	<u>FY 2027</u> <u>Difference</u>
<b>Expenditures:</b>				
General Fund	\$612,148	\$109,539	\$111,182	\$112,850
State Special Revenue	\$42,080	\$11,719	\$11,895	\$12,074
Federal Special Revenue	\$803,655	\$196,339	\$199,284	\$202,273
<b>Revenue:</b>				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$0	\$0	\$0	\$0
Federal Special Revenue	\$803,655	\$196,339	\$199,284	\$202,273
<b>Net Impact-General Fund Balance:</b>	<u>(\$612,148)</u>	<u>(\$109,539)</u>	<u>(\$111,182)</u>	<u>(\$112,850)</u>

**Description of fiscal impact:** HB 340 requires that applicants for the federal supplemental nutrition assistance (SNAP) program cooperate with child support services as a condition of eligibility, effective January 1, 2024. HB 340 mandates that non-custodial parents are not eligible for SNAP during any month in which the parent is delinquent in payment of a support order. The Department of Public Health and Human Services (DPHHS/the department) would need to complete system modifications to process the required monthly checks for child support delinquency and would need additional staff to process the increased eligibility changes monthly.

### FISCAL ANALYSIS

**Assumptions:**

- HB 340 states that a non-custodial parent is not eligible for SNAP during any month the individual is delinquent in payment of a child support order as the term is defined in MCA 40-5-201. However, the term "delinquent" is not defined in statute. For the purposes of calculating this fiscal note, the department assumes delinquent child support accounts to be those of non-custodial obligors that are at least 90 days past due.

**Child Support Services Division**

2. The Child Support Services Division (CSSD) anticipates there will be minimal impact to the management of child support cases as a result of HB 340 and has no fiscal impact.

**Human and Community Services Division**

3. As of December 2022, there are 3,748 child support cases where the SNAP recipient is a non-custodial obligor. Sixty-eight percent of these cases are in arrears of 90 days or more, resulting in approximately 2,549 cases needing re-verification of SNAP eligibility each month based on child support delinquency status. SNAP eligibility redetermination currently occurs every six months, not monthly. The monthly re-verification will take approximately 15 minutes per case for those cases not requiring action beyond verification. Cases requiring further action (either disqualification or requalification) will take approximately 30 minutes each to work. The department is using an average of 20 minutes per case to estimate the fiscal impact of these cases. The department estimates the workload to re-verify eligibility of the non-custodial SNAP caseload ten additional times per year will require approximately 8,497 hours of work/year (2,549 cases x 20 minutes/case x 10 months/60=8,497 hours).
4. Of the 2,549 cases needing re-verification of SNAP eligibility each month, 947 are one-person households. The department assumes that the only person included in such a SNAP case is the non-custodial parent with a delinquent child support case. The department anticipates closing these cases based on child support delinquency status, as there would be no other members in the household or on that case receiving a SNAP benefit. The department further assumes that these non-custodial obligors would re-apply for SNAP when their child support case is brought current. DPHHS would process new SNAP applications for one-quarter of these cases each month. The workload to redetermine eligibility of these cases will require approximately 1,421 hours of work/year (947 applications x 25% x 30 minutes/case x 12 months/60=1,421 hours).
5. Based on the increased workload of assumptions 3. and 4., the department estimates requiring 5.00 Client Service Coordinators. Salary and benefits of the 5.00 new FTE positions are estimated to be \$307,409 in FY 2024 and \$308,347 in FY 2025. One-time office set up costs in FY 2024 are estimated at \$14,000, and ongoing operating costs associated with the FTE are estimated at 3% of personal services.
6. The department assumes a 1.5% inflation factor for personal services in FY 2026 and FY 2027.
7. Funding for the Client Service Coordinators would be 34.49% General Fund, 3.69% State Special, and 61.82% Federal Funds.

**Technology Services Division**

8. Cooperation with child support is currently required of TANF and Medicaid recipients. However, this cooperation is required of the custodial parent. HB 340 places the cooperation requirement on the non-custodial parent and extends cooperation to include monthly checks of child support delinquency status. As a result, the department requires one-time enhancements to the Combined Health Information and Eligibility System (CHIMES) and the System for Enforcement and Recovery of Child Support (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.
9. To update CHIMES, it is estimated that the department would need to contract for 3,550 hours at an estimated average rate of \$125 per hour, for a total cost of \$443,750. This work would be funded 50% general fund and 50% federal fund.
10. To update SEARCHS, it is estimated that the department would need to contract for 1,000 hours at an estimated average rate of \$125 per hour, for a total cost of \$125,000. This work would be funded 14% general fund, 20% state special, and 66% federal funds.

	<u>FY 2024</u> <u>Difference</u>	<u>FY 2025</u> <u>Difference</u>	<u>FY 2026</u> <u>Difference</u>	<u>FY 2027</u> <u>Difference</u>
<b><u>Fiscal Impact:</u></b>				
FTE	5.00	5.00	5.00	5.00
<b><u>Expenditures:</u></b>				
Personal Services	\$307,409	\$308,347	\$312,972	\$317,667
Operating Expenses	\$582,750	\$9,250	\$9,389	\$9,530
<b>TOTAL Expenditures</b>	<b>\$890,159</b>	<b>\$317,597</b>	<b>\$322,361</b>	<b>\$327,197</b>
<b><u>Funding of Expenditures:</u></b>				
General Fund (01)	\$612,148	\$109,539	\$111,182	\$112,850
State Special Revenue (02)	\$42,080	\$11,719	\$11,895	\$12,074
Federal Special Revenue (03)	\$803,655	\$196,339	\$199,284	\$202,273
<b>TOTAL Funding of Exp.</b>	<b>\$1,457,883</b>	<b>\$317,597</b>	<b>\$322,361</b>	<b>\$327,197</b>
<b><u>Revenues:</u></b>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$0	\$0	\$0	\$0
Federal Special Revenue (03)	\$803,655	\$196,339	\$199,284	\$202,273
<b>TOTAL Revenues</b>	<b>\$803,655</b>	<b>\$196,339</b>	<b>\$199,284</b>	<b>\$202,273</b>
<b><u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u></b>				
General Fund (01)	(\$612,148)	(\$109,539)	(\$111,182)	(\$112,850)
State Special Revenue (02)	(\$42,080)	(\$11,719)	(\$11,895)	(\$12,074)
Federal Special Revenue (03)	\$0	\$0	\$0	\$0

**Technical Notes:**

- Section 1 (2)(a) of the bill refers to 7 CFR 273.11(o). This CFR does not apply to non-custodial parents, who are the subject of HB 340.
- Section 1 (3)(a) of the bill allows for good cause not to cooperate with child support by referencing 7 CFR 273.11(o). This section of CFR applies to custodial parents and does not allow for good cause for non-custodial parents. There is not good cause applicable to non-custodial parents for cooperation for SNAP. Under section 7 CFR 273.11(p)(1)(ii), if the non-custodial parent is receiving TANF or Medicaid and has been determined as having good cause for not cooperating with child support for either of those programs, the state child support agency is required to consider the individual as cooperating for food stamp purposes. Non-custodial parents who are not receiving either TANF or Medicaid have no ability to establish good cause for not cooperating with child support for SNAP purposes under federal regulations.
- Data validation for cooperation with child support and verification of child support delinquency status will only occur with child support cases administered by the department. The department has no way of validating that information on cases from other jurisdictions (Tribal IV-D programs, other states, district courts). The department would need to rely on client certification to apply the requirements of HB 340 to those SNAP cases.

**NOT SIGNED BY SPONSOR**

Sponsor's Initials

Date

Budget Director's Initials

Date



2-6-23