

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 2012	Approp. Fiscal 2013	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 12-13	Biennium Fiscal 14-15	Biennium Change	Biennium % Change
FTE	502.31	502.31	507.31	507.31	502.31	507.31	5.00	1.00%
Personal Services	23,552,146	24,668,691	25,459,501	25,474,653	48,220,837	50,934,154	2,713,317	5.63%
Operating Expenses	7,393,796	8,673,138	8,221,678	8,243,489	16,066,934	16,465,167	398,233	2.48%
Equipment & Intangible Assets	0	90,550	28,000	90,000	90,550	118,000	27,450	30.31%
Capital Outlay	0	0	0	0	0	0	0	n/a
Grants	19,428,497	19,044,760	21,236,629	21,186,629	38,473,257	42,423,258	3,950,001	10.27%
Benefits & Claims	272,970,312	377,194,785	280,111,761	281,277,033	650,165,097	561,388,794	(88,776,303)	(13.65%)
Transfers	2,587,919	3,315,289	2,587,919	2,587,919	5,903,208	5,175,838	(727,370)	(12.32%)
Total Costs	\$325,932,670	\$432,987,213	\$337,645,488	\$338,859,723	\$758,919,883	\$676,505,211	(\$82,414,672)	(10.86%)
General Fund	30,728,352	29,012,895	32,887,293	33,645,005	59,741,247	66,532,298	6,791,051	11.37%
State Special	2,679,034	2,864,741	2,867,002	2,866,672	5,543,775	5,733,674	189,899	3.43%
Federal Special	292,525,284	401,109,577	301,891,193	302,348,046	693,634,861	604,239,239	(89,395,622)	(12.89%)
Total Funds	\$325,932,670	\$432,987,213	\$337,645,488	\$338,859,723	\$758,919,883	\$676,505,211	(\$82,414,672)	(10.86%)

Program Description

Primary functions of the Human and Community Services Division (HCS) include administration and provision of:

- Eligibility services for Montana's Temporary Assistance to Needy Families (TANF) program, Refugee Assistance program, and Supplemental Nutrition Assistance Program (SNAP) as well as eligibility services for over 40 Medicaid groups including Healthy Montana Kids (HMK) Plus
- The Community Services block grant serving 10 Human Resource Development Councils, Low-Income Energy Assistance Program (LIEAP) and weatherization programs, emergency shelter and housing grants, and USDA commodities and distribution programs
- Early Childhood programs including child care programs and support of child care providers across the state, the Child and Adult Care Food Program, the Head Start State Collaboration grant

Program Highlights

Human and Community Services Division Major Budget Highlights
<ul style="list-style-type: none"> ◆ The decrease when the 2015 and 2013 biennia are compared is due to the impact of benefit appropriations and transfers that were not used in FY 2012 but remain in the FY 2013 appropriation ◆ When compared to the FY 2012 base, the legislature approved total fund increases of about \$24.6 million over the biennium: <ul style="list-style-type: none"> ● \$8.8 million (\$2.1 million general fund) in statewide and present law adjustments ● \$15.8 million (\$3.0 million general fund) to expand programs related to TANF, child care, and public assistance eligibility

Human and Community Services Division (Continued)
Major Budget Highlights
<ul style="list-style-type: none"> ◆ The legislature addressed eligibility for TANF and child care with: <ul style="list-style-type: none"> • \$8.5 million federal TANF funds for the biennium to adjust eligibility and benefit payment standards establishing: <ul style="list-style-type: none"> ○ Eligibility calculations at 30% of the 2011 federal poverty level (FPL) from the 2006 FPL ○ Benefit payment calculations at 33% of the 2011 FPL from 33% of the 2009 FPL ○ About \$1.3 million general fund for the biennium to update child care eligibility beyond the 2009 FPL ○ \$0.5 million (\$0.2 million general fund) for 5.00 FTE for eligibility work in the Offices of Public Assistance ◆ The legislature provided support for providers through: <ul style="list-style-type: none"> • \$2.4 million federal funds to enhance the Best Beginnings STARS program in early childhood services • \$1.5 million general fund for a provider rate increase in the child care program

Program Narrative

As shown in the introductory program budget comparison, the legislature approved a budget for the 2015 biennium that is lower than the 2013 biennium. This is primarily due to the impact of public assistance benefits appropriations and transfers that were not used in FY 2012 but remain in the FY 2013 appropriation.

However, when the legislative appropriations for FY 2014 and FY 2015 are compared to the FY 2012 base year, there is a total fund increase in FY 2014 of about \$12.0 million and in FY 2015 of about \$13.0 million, including:

- About \$7.0 million in FY 2014 and \$8.0 million FY 2015 for benefits
- About \$2.0 million each year of the biennium for grants and personal services
- About \$0.8 million each year for operating expenses

The decrease in transfers shown in the main table primarily relates to funds supporting TANF employment, training, and work programs that are transferred to the Department of Labor and Industry. Funds are from the federal TANF and/or general fund TANF maintenance of effort (MOE). There is also a small transfer to Montana State University for a SNAP education program.

The \$89.4 million federal fund reduction shown in the biennium change column is primarily the net of the \$108.6 million difference between the expended FY 2012 appropriation and the available federal funds in FY 2013 and the \$19.5 million anticipated increase in benefits over the FY 2012 level. The increases are mostly for SNAP, TANF, child care, LIEAP, weatherization, and other support programs discussed throughout the fiscal report.

The increase in general fund is primarily due to fully funding personal services costs for employees in the public assistance offices throughout the state, and the general fund match for benefits.

Budget Increases

The legislature approved total fund increases of \$24.5 million for the biennium, including:

- Statewide present law adjustments that net about \$2.8 million after personal services of \$5.1 million are offset by reductions in vacancy savings and fixed costs of about \$2.3 million
- Present law adjustments of about \$6.0 million, \$5.4 million in federal funds, encompassing approval of nearly:
 - \$2.2 million primarily to support weatherization projects

- \$1.6 million for anticipated increases in the child and adult care food program caseload
- \$0.9 million for overtime, holiday, and differential pay and lease adjustments (\$300,000 general fund)
- \$0.5 million for child care caretaker relatives and the refugee program
- \$0.5 million for operating adjustments (\$20,000 general fund)

- New proposals of about \$15.8 million, \$12.8 million in federal funds, through the approval of about:
 - \$8.5 million federal TANF funds to raise the TANF eligibility and payment standards
 - \$1.7 million federal TANF funds to support Montana Out of School Time programs (MOST) (\$250,000), Court Appointed Special Advocates (CASA) (\$300,000), Education/GED programs (\$400,000), and Big Brothers and Big Sisters (\$700,000)
 - \$1.5 million general fund for provider rate increase in the child care program
 - \$1.2 million for the Best Beginnings STARS program for early childhood services
 - \$1.2 million general fund to update the child care eligibility poverty level
 - \$0.5 million (\$0.2 million general fund) for 5.00 FTE for eligibility work in the Offices of Public Assistance

The legislature also approved a "zero impact" adjustment in the general fund budget for the federally required TANF maintenance of effort (MOE). It approved a 3.0% increase in TANF WoRC contracts for each year of the 2015 biennium using TANF MOE general fund, directing HCSD to offset the amount from other TANF MOE general fund. Funding is shown as zero in the new proposal table because the estimated increases of \$170,771 in FY 2014 and \$175,849 in 2015 are offset by an equal reduction.

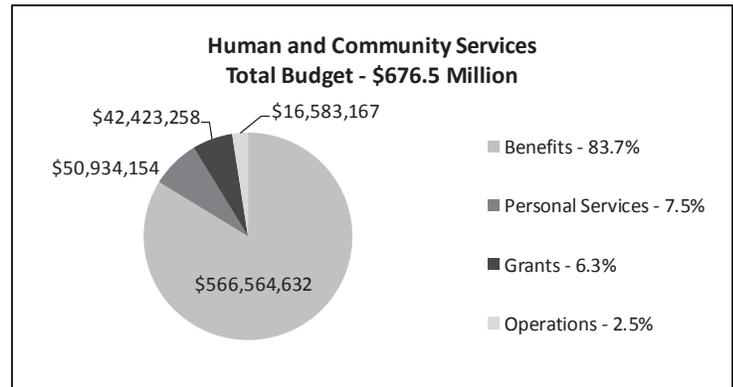
WoRC is the work readiness component of TANF requirements. The contractors work with TANF participants to gain employment skills. There is no change in the base amount of TANF general fund.

Primary Functions

The legislature approved total funding of \$676.5 million for the biennium. Including benefits, grants, and the transfers, \$609.0 million is about 90.0% of the budget. Benefit funding primarily supports SNAP, TANF, child care and early childhood services, LIEAP, weatherization, and commodities. Grants support the delivery of the benefits and related training and support programs in communities throughout the state.

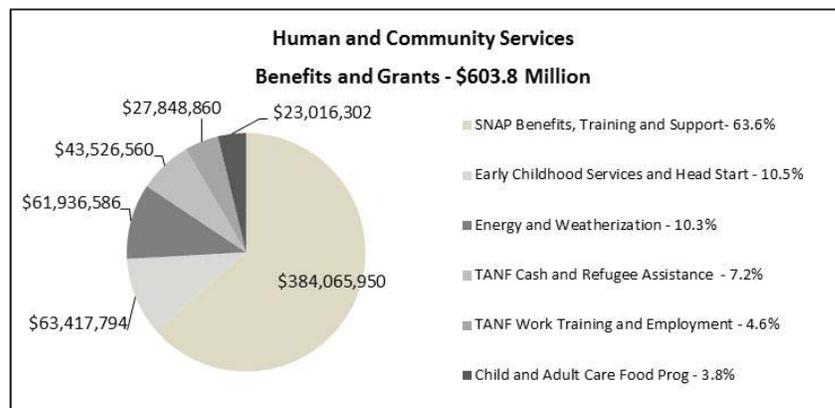
Personal services are funded at nearly 7.5% of the budget for 515.31 full time employees (FTE) for:

- 475.31 FTE in the Public Assistance Bureau and regional offices throughout the state
- 8.00 FTE in the HCSD administration
- 15.00 FTE working on programs in child care and early childhood services
- 17.00 FTE in low income energy, weatherization, and commodities.



Benefits and Grants

Benefits and Grants account for \$603.8 million total funds of the entire budget. SNAP benefits and the related training and support programs account for nearly 64% of the total for the division. The myriad of programs in early childhood services, including child care, safety, and provider development combined with the energy and weatherization programs account for about



28.0% of the total. TANF cash assistance and employment programs, together account for about 11.8%. The child and adult care food program accounts for about 3.8%.

The major funding components of the budget would serve at least an annual caseload of 3,182 TANF families, 126,547 SNAP recipients, 50,546 LIEAP recipients, and 10,663 child care recipients.

As noted earlier, the legislature provided funding increases for several existing programs, added the CASA program under the TANF umbrella and expanded the Best Beginnings STARS program in the Early Childhood Services Bureau.

However, the most notable action with regard to benefits and those entering the system occurred in the TANF program where the legislature approved an adjustment to the TANF eligibility and payment standards that:

- o Increase the eligibility standard to 30% of the 2011 federal poverty level (FPL) from the current level of 30% of the 2006 FPL
- o Change the payment standard to 33% of the 2011 FPL from the current level of 33% of the 2009 FPL.

This action includes \$8.5 million of federal TANF funds to accommodate an estimated average of 3,511 families in FY 2014 and FY 2015.

Beginning July 1, 2013 a family’s countable income (total income less allowable deductions) must be at or below 30% of the 2011 FPL to be eligible for cash assistance benefits. As shown in the following table, the calculation of eligibility for a family of three would be based on an annual income of \$5,559 or less compared to \$4,980 under the former eligibility standard. Once eligible for the program, the monthly benefit payments would be \$510 compared to \$504 under the previous payment standard.

The following table shows the FPL differences from 2006 to 2011 relative to the eligibility change made by the legislature and from 2009 to 2011 relative to the payment standard change. Another action related to eligibility was the approval of \$1.2 million general fund to update the child care eligibility poverty level.

Comparison of the Federal Poverty Index for 2006 - 2013 Related to the TANF Rule Change												
Levels of Poverty by Family Size												
Family Size	Percent of FPL 2006			Percent of FPL 2009			Percent of FPL 2011			Percent of FPL 2013		
	30%	33%	100%	30%	33%	100%	30%	33%	100%	30%	33%	100%
1	\$2,940	\$3,234	\$9,800	\$3,249	\$3,574	\$10,830	\$3,267	\$3,594	\$10,890	\$3,447	\$3,792	\$11,490
2	\$3,960	\$4,356	13,200	\$4,371	\$4,808	14,570	\$4,413	\$4,854	\$14,710	\$4,653	\$5,118	\$15,510
3	\$4,980	\$5,478	16,600	\$5,493	\$6,042	18,310	\$5,559	\$6,115	\$18,530	\$5,859	\$6,445	\$19,530
4	\$6,000	\$6,600	20,000	\$6,615	\$7,277	22,050	\$6,705	\$7,376	\$22,350	\$7,065	\$7,772	\$23,550
5	\$7,020	\$7,722	23,400	\$7,737	\$8,511	25,790	\$7,851	\$8,636	\$26,170	\$8,271	\$9,098	\$27,570
6	\$8,040	\$8,844	26,800	\$8,859	\$9,745	29,530	\$8,997	\$9,897	\$29,990	\$9,477	\$10,425	\$31,590
7	\$9,060	\$9,966	30,200	\$9,981	\$10,979	33,270	\$10,143	\$11,157	\$33,810	\$10,683	\$11,751	\$35,610
8	\$10,080	\$11,088	33,600	\$11,103	\$12,213	37,010	\$11,289	\$12,418	\$37,630	\$11,889	\$13,078	\$39,630
Family Size	Monthly Earnings 2006 FPL			Monthly Earnings 2009 FPL			Monthly Earnings 2011 FPL			Monthly Earnings 2013 FPL		
	30%	33%	100%	30%	33%	100%	30%	33%	100%	30%	33%	100%
1	\$245	\$270	\$817	\$271	\$298	\$903	\$272	\$299	\$908	\$287	\$316	\$958
2	\$330	\$363	\$1,100	\$364	\$401	\$1,214	\$368	\$405	\$1,226	\$388	\$427	\$1,293
3	\$415	\$457	\$1,383	\$458	\$504	\$1,526	\$463	\$510	\$1,544	\$488	\$537	\$1,628
4	\$500	\$550	\$1,667	\$551	\$606	\$1,838	\$559	\$615	\$1,863	\$589	\$648	\$1,963
5	\$585	\$644	\$1,950	\$645	\$709	\$2,149	\$654	\$720	\$2,181	\$689	\$758	\$2,298
6	\$670	\$737	\$2,233	\$738	\$812	\$2,461	\$750	\$825	\$2,499	\$790	\$869	\$2,633
7	\$755	\$831	\$2,517	\$832	\$915	\$2,773	\$845	\$930	\$2,818	\$890	\$979	\$2,968
8	\$840	\$924	\$2,800	\$925	\$1,018	\$3,084	\$941	\$1,035	\$3,136	\$991	\$1,090	\$3,303

The legislature also supported increases in grants to communities as well as increased food program costs at:

- o \$1.7 million federal TANF funds to provide grants to Montana communities for the Montana Out of School Time programs (MOST) (\$250,000), Court Appointed Special Advocates (CASA) (\$300,000), Education/GED programs (\$400,000), and Big Brothers and Big Sisters (\$700,000)
- o \$1.6 million for anticipated increases in the child and adult care food program caseload
- o \$1.2 million for the Best Beginnings STARS program for early childhood services

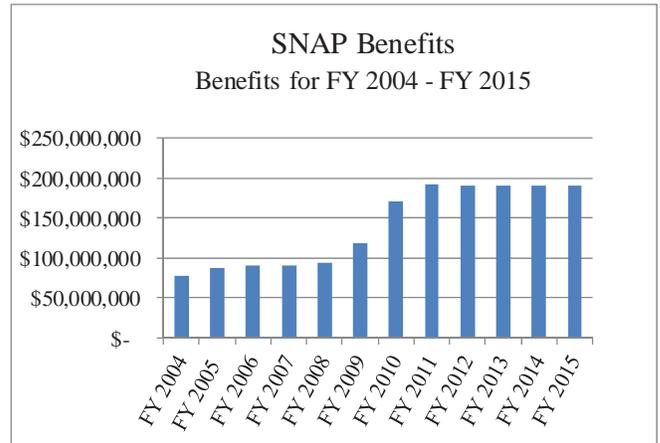
Major Benefits Programs

Supplemental Nutrition Assistance Program

The federally funded SNAP entitlement benefits are the largest benefit expenditure of HCSD. The caseload has stabilized since FY 2010, when the state faced an economic downturn. The legislature approved funding to maintain benefits at the base amount of about \$191.0 million serving an estimated 126,547 recipients each year.

Temporary Assistance for Needy Families

The following figure shows the TANF block grant. Items printed in bold show legislative actions that were discussed earlier in the write-up and also appear in the present law and new proposals sections. Appropriations were discussed with a caseload of 3,182. At the time of this writing, the caseload was 3,130 for FY 2013.

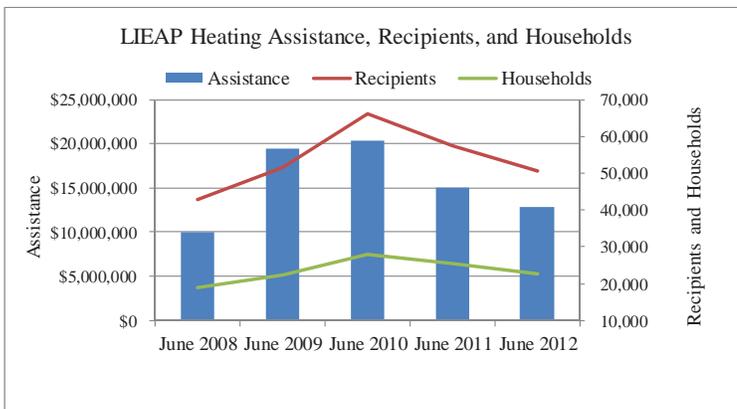


TANF Block Grant Funds and 2015 Biennium Appropriations				
	SFY 2012	SFY 2013	SFY 2014	SFY 2015
Actual/Projected Balance of Grant	\$45,045,941	\$42,810,092	\$35,042,514	\$27,373,145
Grant Amount	<u>38,039,116</u>	<u>38,039,116</u>	<u>38,039,116</u>	<u>38,039,116</u>
Beginning Balance	\$83,085,057	\$80,849,208	\$73,081,630	\$65,412,261
<u>Expenditures:</u>				
Benefits - Cash Assistance DP 20800 & 20801	\$15,785,908	\$17,833,850	20,548,870	20,548,870
Child Support Supplemental (HB 529 Passthrough / disregard)	<u>567,475</u>	<u>615,795</u>	<u>603,186</u>	<u>603,186</u>
Total Benefits	\$16,353,383	\$18,449,645	\$21,152,056	\$21,152,056
<u>TANF Share of Indirect Costs</u>				
Total cost allocation	\$4,377,796	4,509,130	4,644,404	4,783,736
<u>Other TANF uses:</u>				
Second Chance Home Services Support	300,000	300,000	300,000	300,000
Summer Youth Employment (DOLI)	24,844	975,156	0	0
TANF System (removal from TEAMS w/ maintenance)	2,279,727	2,793,522	1,200,000	1,200,000
MOST After School Program DP 20123	373,403	375,000	500,000	500,000
Family Economic Security Plan DP 20102	1,630,873	2,000,000	2,000,000	2,000,000
TANF Employment Program Services	569,186	1,021,087	1,021,087	1,021,087
Adult Basic Education DP 20803	91,142	100,000	200,000	200,000
Child Care - Working Caretaker Relatives DP 20104	294,388	466,833	466,833	466,833
Big Brothers / Big Sisters Grants DP 20905			350,000	350,000
Food Banks	100,000	100,000	100,000	100,000
CASA Grants (OTO) DP 20908			150,000	150,000
WoRC Contract (federal Share) Dept. Labor & Industry	0	530,998	530,998	530,998
Post Employment Program (Benefit)	454,571	690,912	454,571	454,571
Accelerated Employment Service Program	14,062	0	0	0
Emerg Assist & Prg 03 Foster Care Benefits	<u>2,217,113</u>	<u>2,100,000</u>	<u>2,100,000</u>	<u>2,100,000</u>
Total other TANF uses	\$8,349,310	\$11,453,508	\$9,373,489	\$9,373,489
Total Expenditures	\$29,080,490	\$34,412,283	\$35,169,949	\$35,309,281
<u>Transfers:</u>				
Child Care	\$7,676,010	\$7,676,010	\$7,676,010	\$7,676,010
Additional Transfer Child Care	\$1,164,364	\$1,364,300	\$0	\$0
Additional Transfer Foster Care /Child and Family Service	\$355,875	\$355,875	\$577,613	\$577,613
Title XX program 03	<u>1,998,226</u>	<u>1,998,226</u>	<u>1,998,226</u>	<u>1,998,226</u>
	\$11,194,475	\$11,394,411	\$10,251,849	\$10,251,849
Expenditures and Transfers	\$40,274,965	\$45,806,694	\$45,421,798	\$45,561,130
Ending Balance	<u>\$42,810,092</u>	<u>\$35,042,514</u>	<u>\$27,659,832</u>	<u>\$19,851,130</u>

LIEAP and Weatherization

Legislative budget increases for this bureau 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 noted in the earlier benefits and grants discussion, the legislature appropriated over \$61.9 million in energy assistance, weatherization, and other community projects.



The benefit history table shows LIEAP energy assistance funding through FY 2012, which served 50,546 LIEAP recipients. The decline in expenditures from FY 2009 and FY2010 reflects reductions at the federal level from the record amounts received in those years. At the time of this writing, the caseload for FY

2013 is running about 10% less than FY 2012 or about 45,500. The federal funding for FY 2013 for Montana is presently at \$18.0 million compared to the FY 2012 amount of \$19.9 million, resulting in an estimated benefit of about \$550 compared to the \$562 average for FY 2012. The future of funding in the next biennium is unknown at this time.

Child Care Services

The legislature approved total funds of about \$25.1 million in FY 2014 and \$25.9 million in FY 2015 for child care, which included an increase in provider rates and funds to move child care eligibility beyond the 2009 FPL.

The table shows HCSD child care caseload and costs from FY 2005 through FY 2012. The increase in FY 2010 and FY 2011 reflects the impact of the recession.

However, at the time of this writing the FY 2013 child care expenditures and caseload are lower than FY 2012 at about \$21.0 million in expenditures and a total caseload of 2,900 for families and 4,550 for children. While the economy has improved, the increase is also partly due to providers opting to not accept more clients because of low provider rates, and families not qualifying for child care due to the present poverty level. As mentioned earlier, these items were addressed by the legislature.

It is anticipated that FY 2014 may see an increase in clients because of the legislative increase in the provider rates and the funding.

However, federal grant amounts have not been announced for FY 2014 and FY 2015 as of this writing.

HCSD Child Care Caseload and Expenditures			
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	3,518	5,734	26,506,892
FY 2012	3,318	5,352	24,311,891

Data Source: DPHHS

Funding

The following table shows program funding, by source for the 2015 biennium as approved by the legislature.

Total Economic Security Services Branch Funding by Source of Authority 2015 Biennium Budget - Human And Community Services							
Funds	HB 2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	MCA Reference	Statutory Category
General Fund	\$66,532,298	\$0	\$0	\$66,532,298	9.8%		
State Special Total	\$5,733,674	\$0	\$0	\$5,733,674	0.8%		
02375 6901-02 Indrct Activty Prog 02	\$3,181,289	\$0	\$0	\$3,181,289	0.5%		
02688 6901-tanf Overpayments	\$130,000	\$0	\$0	\$130,000	0.0%		
02698 69010-prevention&stabilization	\$1,665,164	\$0	\$0	\$1,665,164	0.2%		
02772 Tobacco Hlth & Medcid Initiative	\$65,825	\$0	\$0	\$65,825	0.0%		
02974 Univ Low Income Energy Assistance	\$691,396	\$0	\$0	\$691,396	0.1%		
Federal Special Total	\$604,239,239	\$0	\$0	\$604,239,239	89.3%		
03066 81.042 Bpa	\$990,507	\$0	\$0	\$990,507	0.1%		
03096 Discretionary Child Care	\$27,433,604	\$0	\$0	\$27,433,604	4.1%		
03109 Tanf Benefits	\$53,050,941	\$0	\$0	\$53,050,941	7.8%		
03135 Hopwa Help Plus	\$970,718	\$0	\$0	\$970,718	0.1%		
03168 Cacfp Child Care Wellness	\$22,575,473	\$0	\$0	\$22,575,473	3.3%		
03236 Child Nutrition	\$1,667,194	\$0	\$0	\$1,667,194	0.2%		
03250 Child Care Mandatory/moe	\$4,504,312	\$0	\$0	\$4,504,312	0.7%		
03251 Child Care Admin	\$882,681	\$0	\$0	\$882,681	0.1%		
03252 Child Care Matching	\$9,579,444	\$0	\$0	\$9,579,444	1.4%		
03299 Support Pregnant & Parent Teen	\$23,794	\$0	\$0	\$23,794	0.0%		
03382 03 Indirect Activity Prog 02	\$27,442,056	\$0	\$0	\$27,442,056	4.1%		
03448 6901-early Childhood Comp Sys	\$172,147	\$0	\$0	\$172,147	0.0%		
03467 6901-homeless Mgmt Info System	\$132,612	\$0	\$0	\$132,612	0.0%		
03513 Chipra Bonus	\$2,400,000	\$0	\$0	\$2,400,000	0.4%		
03519 93.045 - Aging Meals 100%	\$92,108	\$0	\$0	\$92,108	0.0%		
03523 93.566 - Refugee Soc. Serv	\$155,000	\$0	\$0	\$155,000	0.0%		
03530 6901-foster Care 93.658	\$1,087,668	\$0	\$0	\$1,087,668	0.2%		
03539 93.600 Headstart	\$210,655	\$0	\$0	\$210,655	0.0%		
03544 10.561 - Fs E & T - 50%	\$453,800	\$0	\$0	\$453,800	0.1%		
03545 10.561 - Fs E & T - 100%	\$639,283	\$0	\$0	\$639,283	0.1%		
03546 10.561 - Fs Adm - Fed Exp 50%	\$2,262,424	\$0	\$0	\$2,262,424	0.3%		
03547 10.568 - Emerg Food Assist 100	\$340,456	\$0	\$0	\$340,456	0.1%		
03548 10.569 - Food Distr - Fed Exp	\$4,302,093	\$0	\$0	\$4,302,093	0.6%		
03550 14.231 - Emerg Shelter - Hud 5	\$1,446,322	\$0	\$0	\$1,446,322	0.2%		
03552 81.042 - Weather Ben 100%	\$4,105,585	\$0	\$0	\$4,105,585	0.6%		
03571 93.566 - Off Ref Reset Adm 10	\$25,000	\$0	\$0	\$25,000	0.0%		
03572 93.568 - Lieap Blk Grt Adm	\$47,106,850	\$0	\$0	\$47,106,850	7.0%		
03573 93.569 - Csbg Adm	\$6,037,852	\$0	\$0	\$6,037,852	0.9%		
03580 6901-93.778 - Med Adm 50%	\$202,031	\$0	\$0	\$202,031	0.0%		
03677 6901-cacfp 10.558 & 10.560	\$72,540	\$0	\$0	\$72,540	0.0%		
03678 6901-food Stamp Benefits	\$381,884,068	\$0	\$0	\$381,884,068	56.4%		
03679 6901-hopwa Cfda#14-241	\$951,048	\$0	\$0	\$951,048	0.1%		
03965 Csfp	\$1,038,973	\$0	\$0	\$1,038,973	0.2%		
Total All Funds	\$676,505,211	\$0	\$0	\$676,505,211	100.0%		
Percent - Total All Sources	100.0%	0.0%	0.0%				

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, 89.3%, 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 9.8% of the division’s funding. It represents about 9.0% of the funding for offices of public assistance; supports required TANF and child care maintenance of effort (MOE) requirements; and is used as match for federal programs such as Medicaid and 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 preservation 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 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget
Base Budget	30,728,352	30,728,352	61,456,704	92.37%	325,932,670	325,932,670	651,865,340	96.36%
Statewide PL Adjustments	908,658	918,098	1,826,756	2.75%	1,393,085	1,426,058	2,819,143	0.42%
Other PL Adjustments	(37,923)	(31,777)	(69,700)	(0.10%)	2,791,677	3,238,369	6,030,046	0.89%
New Proposals	1,288,206	2,030,332	3,318,538	4.99%	7,528,056	8,262,626	15,790,682	2.33%
Total Budget	\$32,887,293	\$33,645,005	\$66,532,298		\$337,645,488	\$338,859,723	\$676,505,211	

Present Law Adjustments

The “Present Law Adjustments” table shows the changes to the base budget adopted by the legislature.

Present Law Adjustments	-----Fiscal 2014-----				-----Fiscal 2015-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					2,528,895					2,551,626
Vacancy Savings					(1,043,229)					(1,044,136)
Inflation/Deflation					(7,482)					3,703
Fixed Costs					(85,099)					(85,135)
Total Statewide Present Law Adjustments		\$908,658	\$13,460	\$470,967	\$1,393,085		\$918,098	\$12,361	\$495,599	\$1,426,058
DP 50 - Initial Motion to FY 2012 Base	0.00	(908,658)	(13,460)	(470,967)	(1,393,085)	0.00	(918,098)	(12,361)	(495,599)	(1,426,058)
DP 51 - Adjustment for Statewide Personal Services	0.00	747,652	(80,090)	818,104	1,485,666	0.00	755,532	(78,977)	830,935	1,507,490
DP 52 - Adjustment for Statewide Operations	0.00	(20,130)	(14,751)	(57,700)	(92,581)	0.00	(18,062)	(14,453)	(48,917)	(81,432)
DP 53 - Base Funding Switch	0.00	181,136	108,301	(289,437)	0	0.00	180,628	105,791	(286,419)	0
DP 20102 - Family Economic Security and Employment	0.00	0	0	175,146	175,146	0.00	0	0	175,146	175,146
DP 20104 - Child Care for Working Caretaker Relatives	0.00	0	0	163,831	163,831	0.00	0	0	163,831	163,831
DP 20105 - Refugee Program	0.00	0	0	80,986	80,986	0.00	0	0	80,986	80,986
DP 20106 - Weatherization and Other IHSB Increases	0.00	0	100,000	980,000	1,080,000	0.00	0	100,000	992,000	1,092,000
DP 20206 - Child and Adult Care Food Program Caseload	0.00	0	0	600,000	600,000	0.00	0	0	1,016,000	1,016,000
DP 20300 - Required Overtime/Holiday/Differential Pay	0.00	63,323	20,959	99,281	183,563	0.00	63,323	20,959	99,281	183,563
DP 20302 - IHSB Operating Adjustment	0.00	0	0	113,829	113,829	0.00	0	0	114,055	114,055
DP 20303 - ECSB Operating Adjustment	0.00	8,125	0	109,471	117,596	0.00	8,125	0	109,297	117,422
DP 20501 - Private Lease Adjustment	0.00	71,765	42,585	162,376	276,726	0.00	77,403	43,973	173,990	295,366
Total Other Present Law Adjustments	0.00	\$143,213	\$163,544	\$2,484,920	\$2,791,677	0.00	\$148,851	\$164,932	\$2,924,586	\$3,238,369
Grand Total All Present Law Adjustments	0.00	\$1,051,871	\$177,004	\$2,955,887	\$4,184,762	0.00	\$1,066,949	\$177,293	\$3,420,185	\$4,664,427

DP 50 - Initial Motion to FY 2012 Base - The legislature adopted a motion to establish the starting point for budget deliberations as the FY 2012 base. This adjustment removes statewide present law adjustments for personal services, vacancy savings, fixed costs, and inflation/deflation.

DP 51 - Adjustment for Statewide Personal Services - This adjustment funds statewide personal services and vacancy savings.

DP 52 - Adjustment for Statewide Operations - This adjustment funds the fixed cost and inflation/deflation rates as approved by the General Government subcommittee.

DP 53 - Base Funding Switch - The legislature approved a fund switch between fund types to fund base operations.

DP 20102 - Family Economic Security and Employment - The legislature approved federal TANF funds to maintain the program authority at the level approved in the 2011 legislative session.

DP 20104 - Child Care for Working Caretaker Relatives - The legislature approved federal TANF funds to maintain the authority at the level approved in the 2011 legislative session to provide child care assistance to income limited relatives who have taken over the custody of TANF eligible children and remain employed.

DP 20105 - Refugee Program - The legislature increased federal appropriation authority for additional grant award amounts available under the Refugee Social Services and Refugee Cash and Medical Assistance Programs.

DP 20106 - Weatherization and Other IHSB Increases - The legislature approved increases in several funding sources to:

- Weatherize the maximum number of homes using available universal systems benefits (USB) state special revenue and Department of Energy (DOE) federal funding
- Increase grant authority to the level needed to maintain or replace existing equipment that is due for replacement using funding associated with the Food Distribution Program on Indian Reservations (FDPIR) federal authority
- Assist individuals who are either homeless or on the verge of becoming homeless with increased Emergency Solutions Grant (ESG) authority

DP 20206 - Child and Adult Care Food Program Caseload - The legislature increased federal funds for the Child and Adult Care Food Program to meet the 2.6% annual increase in USDA meal reimbursement payments and a 0.5% annual increase in the number of meals served.

DP 20300 - Required Overtime/Holiday/Differential Pay - The legislature restored funding for overtime, holidays worked, differential pay, and the corresponding benefits, which are zero-based and must be requested in full each biennium.

DP 20302 - IHSB Operating Adjustment - The legislature approved federal funds to meet current and anticipated workloads necessary to provide increased monitoring and oversight of LIEAP and Weatherization programs as requested by the Legislative Audit Division.

DP 20303 - ECSB Operating Adjustment - The legislature increased funding for system enhancements to the Head Start program and the Early Childhood Comprehensive program as required by the Early Childhood Comprehensive Systems (ECCS) grant. The increase is split between the two programs at about \$58,700 each.

DP 20501 - Private Lease Adjustment - The legislature approved funding to pay the cost associated with lease adjustments in non-state owned buildings throughout the state.

New Proposals

New Proposals	-----Fiscal 2014-----					-----Fiscal 2015-----					
	Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 20123 - TANF MOST After School Program											
02	0.00	0	0	0	125,000	125,000	0.00	0	0	125,000	125,000
DP 20301 - Offices of Public Assistance 5.00 FTE (Rest/OTO)											
02	5.00	117,588	10,964	0	131,886	260,438	5.00	110,950	10,345	124,441	245,736
DP 20800 - TANF Payment Standard FPL Adjustment											
02	0.00	0	0	0	1,732,885	1,732,885	0.00	0	0	1,732,885	1,732,885
DP 20801 - TANF Eligibility Standard FPL Adjustment											
02	0.00	0	0	0	2,520,251	2,520,251	0.00	0	0	2,520,251	2,520,251
DP 20803 - TANF Education Support											
02	0.00	0	0	0	200,000	200,000	0.00	0	0	200,000	200,000
DP 20901 - PRI Child Care											
02	0.00	489,482	0	0	0	489,482	0.00	988,754	0	0	988,754
DP 20905 - TANF Big Brothers Big Sisters Support											
02	0.00	0	0	0	350,000	350,000	0.00	0	0	350,000	350,000
DP 20906 - TANF WoRC Contracts 3% Increase											
02	0.00	0	0	0	0	0	0.00	0	0	0	0
DP 20907 - Update Child Care Eligibility FPL											
02	0.00	500,000	0	0	0	500,000	0.00	750,000	0	0	750,000
DP 20908 - TANF CASA Programs (OTO)											
02	0.00	0	0	0	150,000	150,000	0.00	0	0	150,000	150,000
DP 20909 - Best Beginning STARS (Rst/OTO/Biennial)											
02	0.00	0	0	0	1,200,000	1,200,000	0.00	0	0	1,200,000	1,200,000
Total	5.00	\$1,107,070	\$10,964	\$6,410,022	\$7,528,056	\$7,528,056	5.00	\$1,849,704	\$10,345	\$6,402,577	\$8,262,626

DP 20123 - TANF MOST After School Program - The legislature approved federal TANF funding for the Montana Out of School Time (MOST) after school program for TANF eligible children. The funding supports after school program grants of \$5,000 for operational expenses.

DP 20301 - Offices of Public Assistance 5.00 FTE (Rest/OTO) - The legislature provided a restricted, one-time-only appropriation for 5.00 FTE and associated funding to maintain the existing level of services in the Offices of Public Assistance (OPA).

DP 20800 - TANF Payment Standard FPL Adjustment - The legislature approved federal TANF funds to adjust the payment standard to 33% of the 2011 federal poverty level (FPL) from the current level of 33% of the 2009 FPL.

DP 20801 - TANF Eligibility Standard FPL Adjustment - The legislature approved federal TANF funds to support increases in benefits for an adjustment increasing the eligibility standard to 30% of the 2011 FPL from the current level of 30% of the 2006 FPL.

DP 20803 - TANF Education Support - The legislature provided federal TANF funds for increased funding for the TANF Education Support program and related grants to offer adult basic education for TANF-eligible individuals working to improve their educational skills, obtain a high school diploma, or obtain general educational development (GED) certification.

DP 20901 - PRI Child Care - The legislature increased general fund authority for a 2% annual provider rate increase across the biennium for child care providers and added compelling language for HB 625 as discussed earlier.

DP 20905 - TANF Big Brothers Big Sisters Support - The legislature approved \$350,000 each year of the biennium in TANF federal funds for grants throughout the state to support Big Brothers and Big Sisters programs serving TANF eligible children.

DP 20906 - TANF WoRC Contracts 3% Increase - The legislature approved a 3.0% increase in TANF WoRC contracts for each year of the 2015 biennium using TANF maintenance of effort (MOE) general fund with an offset of an equal amount in TANF MOE general fund. Funding is shown as zero in the new proposal table because the estimated increases of \$170,771 in FY 2014 and \$175,849 in 2015 are offset by an equal reduction.

The legislature also approved a "zero impact" adjustment to the federal TANF block grant by correcting an amount allocated to transfers for which there was no authority. The action took the "transfers" line back to the \$7,676,010 base amount.

DP 20907 - Update Child Care Eligibility FPL - The legislature approved nearly \$1.3 million general fund to update the child care eligibility federal poverty level (FPL) from 2009 to the most current FPL possible within the appropriation.

DP 20908 - TANF CASA Programs (OTO) - The legislature provided one-time-only funding of \$150,000 federal TANF funds each year of the biennium to support Court Appointed Special Advocates (CASA) programs to be used for volunteer expenses for TANF eligible children throughout the state.

DP 20909 - Best Beginning STARS (Rst/OTO/Biennial) - The legislature approved \$2,400,000 federal CHIPRA bonus funds that the state will receive, for the Best Beginning STARS program in the Early Childhood Services Bureau. The legislature restricted funding for this purpose and added an order of priority in the event CHIPRA grant funds are insufficient to fund all appropriations. Please see the following language section.

Language and Statutory Authority

The legislature included the following language in HB 2.

"The department of public health and human services must use \$489,482 in fiscal year 2014 and \$988,754 in fiscal year 2015 of funds in the Human and Community Services Division to raise provider rates by 2% in fiscal year 2014 and by an additional 2% in fiscal year 2015."

"Funding for Offices of Public Assistance FTE may be expended only by the Human and Community Services Division."

"Best Beginnings STARS funding may be used only by the Early Childhood Services Bureau to enhance the Best Beginnings STARS quality incentive programs."

"Best Beginnings STARS, Prevent Jail Suicide, and Montana State Hospital Overtime Pay are funded from a federal children's health insurance program reauthorization grant. If grant funds are insufficient to fund all appropriations, the funding shall be allocated in the following order of priority:

- (1) Montana State Hospital Overtime Pay;
- (2) Prevent Jail Suicide; and
- (3) Best Beginnings STARS."