



MONTANA LEGISLATIVE BRANCH

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Legislative Fiscal Analyst
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DATE: March 8, 2000
TO: Legislative Finance Committee
FROM: Pat Gervais
RE: DPHHS Program Transfers

As noted in the report in the DPHHS budget status report, the department has taken actions to mitigate the anticipated TANF MOE shortfall of \$3.2 million in fiscal 2000.¹ Among the actions taken by DPHHS were three transfers of funds between Human and Community Services (HCSD) and the Child and Family Services Division (CFSD). The net affect of these three transfers is to increase total authority in CFSD by approximately \$1.9 million. The federal TANF authority in CFSD was increased by \$3.8 million and the general fund authority was decreased by \$1.9 million. The reverse is true of HCSD. HCSD general fund authority was increased by \$1.9 million and the federal TANF authority in this program was decreased by \$3.8 million.

The three program transfers related to this transaction include:

- The exchange of \$1.1 million general fund from CFSD for \$1.1 million TANF funds from HCSD
- The exchange of \$800,000 general fund from CFSD for \$800,000 federal TANF funds from HCSD
- And finally, the transfer of \$1,956,816 in federal TANF authority from HCSD to CFSD.

These actions provide HCSD additional general fund which may be spent on activities which count toward TANF MOE; and transfer to CFSD, TANF funds which may be spent on foster care services as defined in the TANF state plan. Previously, general fund expended on child welfare (foster care) services could count toward TANF MOE, however final TANF regulations now prohibit the counting of expenditures for child welfare services as TANF MOE. TANF regulations do allow TANF funds to be spent on child welfare services as included in the TANF state plan.

While not all of these transfers exceed the \$25,000 and 25% or \$1 million of a budget category specified in 17-7-138 and -139 MCA, because the transfers are interrelated, seek to achieve the same purposes, and are more clearly understood when considered together the LFD chose to present them to the LFC.

Staff is monitoring the increase in anticipated foster care costs and will report to the committee at the June meeting if conditions warrant.

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¹ Please refer to the LFD staff report on the DPHHS budget status.