



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2025 Biennium

Bill information:

HB0555 - Revise laws related to counsel for children in abuse and neglect cases (Carlson, Jennifer)

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>
Expenditures:				
General Fund	\$31,428	\$0	\$31,899	\$0
Federal Special Revenue	\$13,792	\$0	\$13,999	\$0
Revenue:				
General Fund	\$0	\$0	\$0	\$0
Federal Special Revenue	\$13,792	\$0	\$13,999	\$0
Net Impact-General Fund Balance:	<u>(\$31,428)</u>	<u>\$0</u>	<u>(\$31,899)</u>	<u>\$0</u>

Description of fiscal impact: HB 555 establishes specific standards for the qualification and training of attorneys providing public defender services to a child in an abuse and neglect case. Costs associated with training expenses qualify for federal Title IV-E reimbursement.

FISCAL ANALYSIS

Assumptions:**Department of Public Health and Human Services**

1. Training expenses of attorneys providing services to a child in an abuse and neglect case are eligible for federal Title IV-E reimbursement through the department. The calculation for Title IV-E eligible training expenditures is based on the percentage of Title IV-E content of the training and the Montana Title IV-E blended saturation rate and the federal financial participation (FFP) rate of allowable training expenses. It is estimated that 67% of the topics in Amended Section (3)(a) are Title IV-E content. The Montana Title IV-E blended saturation rate is based on a combination of Title IV-E eligible children in foster care, adoption and guardianship placements and eligible Title IV-E activities completed by child protection specialists each

quarter. This rate is calculated in accordance with the DPHHS public assistance cost allocation plan. The saturation rate changes per quarter but is currently approximately 61%. The federal financial participation rate for Title IV-E training is 75% of eligible expenditures after the Title IV-E content of the training and the saturation rate is applied. (Title IV-E Content of training (67%) X OPD Additional cost for training X Montana Title IV-E blended saturation rate (61%) X federal Title IV-E participation rate for training (75%) = Federal Title IV-E reimbursement).

2. Amended Sections 1 (3)(b) and (3)(c) are administrative expenses to ensure quality legal representation of children in dependent neglect cases are eligible for federal Title IV-E reimbursement through the department. The calculation for Title IV-E eligible expenditures is based on the Montana Title IV-E blended saturation rate and the federal financial participation (FFP) rate of allowable expenses. The federal financial participation rate for administrative expenses is 50% of eligible expenditures after the saturation rate is applied. (OPD Additional cost X Montana Title IV-E blended saturation rate (61%) X federal Title IV-E participation rate for administrative expenses (50%) = Federal Title IV-E reimbursement). A table splitting out the IV-E funding and state funding can be found in Assumption #7.

Office of Public Defender (OPD)

3. OPD assumes training will be required of attorneys to represent children as mandated.
4. The training cost is assumed to be \$323 per person for a one-day training.
5. OPD assumes 40 FTE attorneys would need to be trained as well as 100 contractors, and that a training would need to take place every other year.
6. The total fiscal impact for 40 FTE and 100 contract attorneys at \$323 is \$45,220 in FY 2024.
7. Year three would have a training with the same cost with a 1.5% inflation factor applied.

	2024	2025	2026	2027
Office of Public Defender Projected Costs	\$ 45,220	\$ -	\$ 45,898	\$ -
Montana Blended Title IV-E Saturation Rate	61%	61%	61%	61%
Title IV-E Eligible Cost	\$ 27,584	\$ -	\$ 27,998	\$ -
Federal Participation Rate	50%	50%	50%	50%
Federal Title IV-E Reimbursement	\$ 13,792	\$ -	\$ 13,999	\$ -
State Funding	\$ 31,428	\$ -	\$ 31,899	\$ -

	<u>FY 2024 Difference</u>	<u>FY 2025 Difference</u>	<u>FY 2026 Difference</u>	<u>FY 2027 Difference</u>
<u>Fiscal Impact:</u>				
<u>Expenditures:</u>				
Operating Expenses	\$45,220	\$0	\$45,898	\$0
TOTAL Expenditures	\$45,220	\$0	\$45,898	\$0
<u>Funding of Expenditures:</u>				
General Fund (01)	\$31,428	\$0	\$31,899	\$0
Federal Special Revenue (03)	\$13,792	\$0	\$13,999	\$0
TOTAL Funding of Exp.	\$45,220	\$0	\$45,898	\$0
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
Federal Special Revenue (03)	\$13,792	\$0	\$13,999	\$0
TOTAL Revenues	\$0	\$0	\$0	\$0
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	(\$31,428)	\$0	(\$31,899)	\$0
Federal Special Revenue (03)	\$0	\$0	\$0	\$0

Technical Notes:

- Section 1(3) of HB 555 requires the department to leverage and maximize federal resources under Title IV-E of the Social Security Act. Quality legal representation of children in dependent neglect cases by the OPD are eligible for federal Title IV-E reimbursement based on changes to the federal Child Welfare Policy Manual in 2018. Montana elected to incorporate this policy change and entered into an agreement and began reimbursing the OPD for legal representation in dependent neglect cases in March 2020. The inclusion of New Section 3 into state statute is unnecessary.

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<i>Sponsor's Initials</i>	<i>Date</i>	<i>Budget Director's Initials</i>	<i>Date</i>