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FISCAL IMPACT REPORT

ORIGINAL DATE 01/27/08

SPONSOR Begaye LAST UPDATED _____ HB 322

SHORT TITLE Navajo Nation Child Support Enforcement SB _____

ANALYST Weber

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY08	FY09		
	\$160.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Duplicates SB275

Responses Received From
Human Services Department (HSD)

SUMMARY

Synopsis of Bill

House Bill 322 appropriates \$160 thousand from the general fund to the Human Services Department for case fees and program expenses for child support enforcement cases involving clients on the Navajo Nation.

FISCAL IMPLICATIONS

The appropriation of \$160 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY09 shall revert to the general fund.

SIGNIFICANT ISSUES

HSD reports that currently, the Navajo Nation contracts for child support enforcement services via a JPA with HSD-CSED in the amount of \$792,615 annually. The Navajo Nation uses tribal funds (20% of total) and Federal Matching Funds (80% of total) to pay the annual charges. The bill apparently proposes to replace the tribal funds with State General Funds. HSD would need to transfer the appropriation to the Navajo Nation to achieve the enhanced federal matching rate of 80% rather than the 66% that HSD-CSED receives. The Navajo Nation would then pay HSD-CSED the agreed upon charges for child support services rendered.

MW/bb