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FISCAL IMPACT REPORT

ORIGINAL DATE 1/28/09

SPONSOR Pinto LAST UPDATED _____ HB _____

SHORT TITLE Navajo Nation Child Support Enforcement SB 182

ANALYST Earnest

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY09	FY10		
	\$119.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Non-Rec	Fund Affected
FY09	FY10	FY11		
	\$476.0		Recurring	Federal Funds
	(\$595.0)		Recurring	Other State Funds (HSD Fees)

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From
Human Services Department (HSD)

SUMMARY

Synopsis of Bill

Senate Bill 182 appropriates \$119 thousand from the general fund to 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 \$119 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY10 shall revert to the general fund.

According to the December 2008 revenue estimate, FY10 recurring revenue will only support a base expenditure level that is \$293 million, or 2.6 percent, less than the FY09 appropriation. All appropriations outside of the general appropriation act will be viewed in this declining revenue context.

HSD suggests that the intention of this appropriation appears to be to maximize federal funding in order to pay the fees incurred by the Navajo Nation for child support case services rendered by HSD's Child Support Enforcement Division (HSD-CSED). Specifically, \$119.0 in the Navajo IV-D program matches to \$476.0 (80%) in Federal Funds. The total matched amount, \$595.0 would be used to partially pay the annual fee of \$792.6 incurred by the Navajo Nation for HSD child support services.

SIGNIFICANT ISSUES

According to HSD, the Navajo Nation contracts for child support enforcement services via a JPA with HSD-CSED in the amount of \$792.6 annually. The Navajo Nation uses tribal funds (20% of total) and Federal Matching Funds (80% of total) to pay the annual charges. The bill proposes to replace a portion of the tribal funds with State General Funds. HSD would need to transfer the appropriation in SB 182 to the Navajo Nation to make use of the tribe's enhanced federal matching rate of 80%. The Navajo Nation would then pay HSD-CSED the agreed upon charges for child support services rendered.

BE/mc