

**FISCAL NOTE**  
**Requested by Legislative Council**  
**01/25/2021**

Bill/Resolution No.: HB 1406

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2019-2021 Biennium		2021-2023 Biennium		2023-2025 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
<b>Revenues</b>						
<b>Expenditures</b>			\$74,735,058	\$(74,735,058)	\$75,101,252	\$(75,101,252)
<b>Appropriations</b>			\$74,735,058	\$(74,735,058)	\$75,101,252	\$(75,101,252)

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2019-2021 Biennium	2021-2023 Biennium	2023-2025 Biennium
<b>Counties</b>			
<b>Cities</b>			
<b>School Districts</b>			
<b>Townships</b>			

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

This bill is requesting the removal of the social security number requirement on a driver's license which would put the state out of compliance with federal regulations. The state, once out of compliance, would no longer receive federal funds for the child support or TANF programs.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

This bill would remove the required social security number from the driver's license application. The bill would put the state out of compliance with federal mandates for the child support enforcement (IV-D) program resulting in the loss of federal funds used in the program and the incentives that are earned. Under 42USC666(a)(13), the state must have in effect laws requiring that a social security number be recorded on the application for a state issued license. A valid IV-D program is required for the TANF program to be in compliance with Title IV-A regulations. Therefore, the bill would also risk the loss of the TANF block grant funds. The potential loss of total revenue to the Department could amount to \$149.5 million over the next two biennia.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

- B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

This bill would eliminate all federal funding for the child support program, including incentives. In addition, all federal funding for the TANF program would be eliminated.

- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

For the 21-23 biennium, \$18,309,678 is federal spending authority and \$3,800,000 is incentive money for child support and \$52,625,380 is federal spending authority from the TANF Block Grant. For the 23-25 biennium, a 2% increase is expected for the child support federal spending authority resulting in a general fund need of \$22,346,867 for child support and the TANF Block Grant of \$52,625,380 for a total general fund need for 23-25 of \$74,972,247 for child support and TANF.

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