FISCAL NOTE
HOUSE BILL NO. 1036
LC# 23.0212.01000
01/04/2023

1 - 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.

	2021-2023 Biennium		2023-2025 Biennium		2025-2027 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures			$13,703,272		$28,942,146	
Appropriations			$13,703,272		$28,942,146	

2 - County, City, School District, and Township Fiscal Effect

Identify the fiscal effect on the appropriate political subdivision.

	2021-2023 Biennium	2023-2025 Biennium	2025-2027 Biennium
Counties			
Cities			
School Districts			
Townships			

3 - Bill and Fiscal Impact Summary

Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).

HB 1036 sets TANF standard of need at ” fifty percent or more of the federal poverty level based on household size” which is an adjustment to the standard of need in N.D.A.C. 75-02-01.2-35; N.D.A.C. does not define a specific income or dollar amount for standard of need as that is established by HHS

4 - Fiscal Impact Sections Detail

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.

The fiscal note for House Bill 1036 assumes an increase in the number of households who would participate in the TANF program; the estimate is based on an assumed increase of 3% per month over the course of the biennium. The estimate also assumes the increased benefit level outlined in House Bill 1036 for eligible households.

5 - Revenues Detail

For information shown under state fiscal effect in 1 or 2, please explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.

The proposal outlined in House Bill 1036 would require $13,703,271 in additional funding for direct assistance to eligible families. This would result in a total appropriation for TANF direct assistance to families of $21,035,645 ($7,332,373 for current anticipated cost to continue at current benefit level plus $13,703,271 for the increased assumed participation at the increased benefit level = $21,035,645).
TANF federal funds are awarded annually and are utilized for both TANF and Children and Family Services in North Dakota. To keep from reducing services an equal amount of general fund must be included in the request to replace the current utilization of the TANF federal funds by Children and Family Services. As such the department would need $13,703,271 in general fund to implement this change.

6 - Expenditures Detail

For information shown under state fiscal effect in 1 or 2, please explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.

All expenditures will only impact the grant line; no additional operating expenses or FTE are required to implement and manage the proposed change.

7 - Appropriations Detail

For information shown under state fiscal effect in 1 or 2, please 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.

The 2021-2023 budget approved by the 67th Legislative Assembly appropriated $7,615,200 for TANF direct assistance to families.
The 2023-25 Executive Budget Recommendation is based on a Cost to Continue of $7,332,373 and includes an increase of $7,496,368 which represents a shift in TANF funds from the Children and Family Services budget back to the TANF program; the Children and Family Services budget recommendation includes an offsetting increase in general funds requested. The 2023-2025 Executive Budget Recommendation described above includes TANF funding of $14,828,741 for direct assistance to eligible families.
The 2023-2025 budget for TANF direct assistance to families would need to be approved at a level of $21,035,645 to fund the change outlined in House Bill 1036, which represents an increase of $13,703,271.

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