

PRESENTATION TO THE 2025 HEALTH AND HUMAN SERVICES JOINT APPROPRIATIONS SUBCOMMITTEE

HUMAN AND COMMUNITY SERVICES DIVISION

Human Services Practice

Table of Contents

OVERVIEW.....	3
GENERAL PROGRAM ELIGIBILITY	4
SUMMARY OF MAJOR FUNCTIONS	6
ELIGIBILITY AND COMMUNITY SERVICES	6
FOOD SECURITY	6
Commodity Food Distribution Program (includes CSFP, FDPIR and TEFAP).....	6
SNAP	6
ENERGY ASSISTANCE.....	7
COMMUNITY INVESTMENT	7
HEALTH CARE COVERAGE	8
EMPLOYMENT AND FAMILY SUPPORT	8
TANF	8
HIGHLIGHTS AND ACCOMPLISHMENTS DURING THE 2025 BIENNIUM.....	9
SUMMER EBT PROGRAM.....	9
MEDICAID REDETERMINATION.....	9
OPERATIONAL IMPROVEMENTS	10
EMPLOYMENT AND TRAINING PROCUREMENT	10
LOW-INCOME HOME ENERGY ASSISTANCE PROGRAM.....	11
FUNDING AND POSITIONS BUDGETED (PB) INFORMATION.....	12
CHANGE PACKAGES	13
PRESENT LAW ADJUSTMENTS	13
SWPL 1 – Personal Services	13
SWPL 3 – Inflation Deflation.....	13
PL – 2004 – Office of Public Assistance Overtime.....	13
NEW PROPOSALS.....	14
NP - 2001 - Summer EBT Administrative and Benefits	14
NP - 2003 - PB for Medically Needy and Summer EBT Programs.....	14
NP - 2007 - SNAP Benefits Statutory Appropriation.....	15
NP - 2008 - Realign Appropriation with Revenue Commodity Supplemental Food Program	15
NP - 2009 - Reduce Appropriation for Orphan Fund.....	15

OVERVIEW

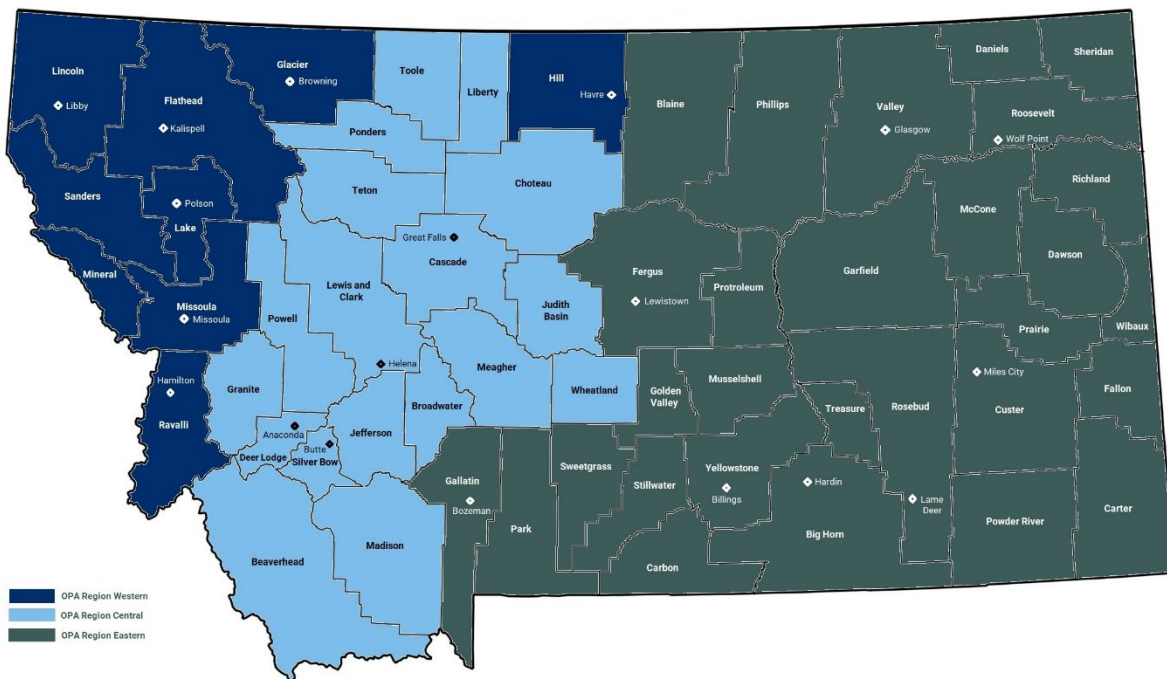
The Human and Community Services Division (HCSD) offers economic safety net programs for eligible Montanans. In total, HCSD programs provide services to over 200,000 Montanans. These programs are designed to help households with no or limited income to meet basic needs for food, shelter, water, heat, and health care. Many of the division's programs include expectations to work or to engage in work training and education programs, with the goal of helping households achieve economic self-sufficiency.

The division manages eligibility for block grant programs and entitlement programs. An entitlement program guarantees benefits to those who meet the federal eligibility requirements; therefore, expenditures vary depending on program enrollment. Examples of entitlement programs include Medicaid and the Supplemental Nutrition Assistance Program (SNAP). For block grant programs, states receive a set amount of funding and have greater flexibility over program administration, including how funding will be allocated and the eligibility requirements for the program. Temporary Assistance for Needy Families (TANF) and Low-Income Home Energy Assistance Program (LIHEAP) are examples of block grant programs.

HCSD employs just under 500 PB and has expenditures for personnel, operations, and distributed benefits just below \$300,000,000. Approximately 85% of the division's PB are dedicated to local offices throughout the state.

There are 19 Offices of Public Assistance (OPA) across three regions.

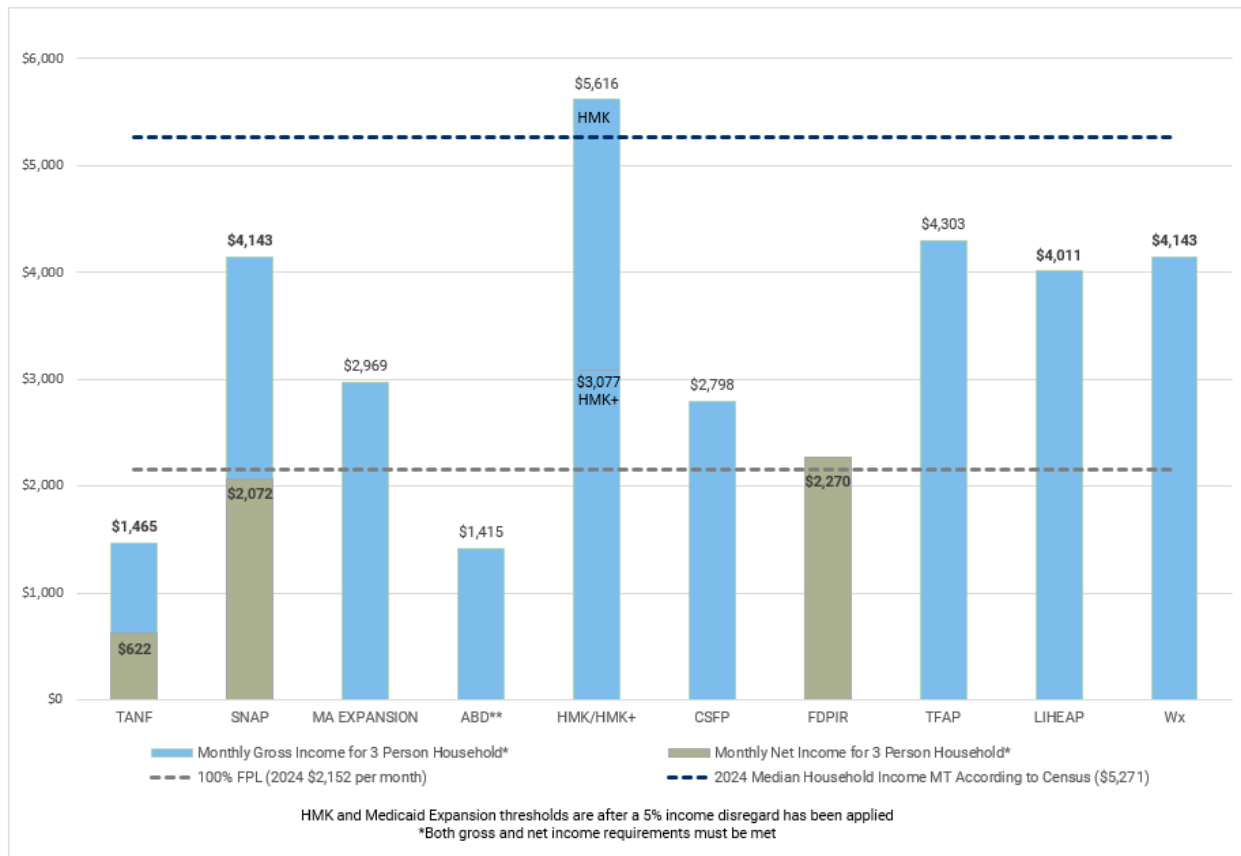
FIGURE 1: OFFICES OF PUBLIC ASSISTANCE



GENERAL PROGRAM ELIGIBILITY

The following chart shows the various programs and the maximum “countable” income a family of three must have to qualify for assistance. Note that program eligibility is not based solely on countable income since other qualifying conditions may exist, depending on the specific program.

PROGRAM ELIGIBILITY THRESHOLD



- Temporary Assistance for Needy Families (TANF)
- Supplemental Nutrition Assistance Program (SNAP)
- Medicaid Expansion (MA Expansion)
- ABD (includes Aged, Blind, Disabled, Medically Needy; Long-term Care)
- Healthy Montana Kids (HMK/CHIP) and Healthy Montana Kids Plus (Medicaid)
- Commodity Supplemental Food Program (CSFP)
- Food Distribution Program on Indian Reservations (FDPIR)
- The Emergency Food Assistance Program (TEFAP)
- Low-Income Home Energy Assistance Program (LIHEAP)
- Weatherization Assistance Program (Wx)

SUMMARY OF MAJOR FUNCTIONS

ELIGIBILITY AND COMMUNITY SERVICES

The division's services are accessible to the public through various channels depending on the programs and services they seek. The following programs are accessed through the 19 OPAs:

- SNAP
- TANF
- Medicaid and Children's Health Insurance Program (CHIP)

In addition to visiting an OPA, individuals can apply and update their cases online at apply.mt.gov, by mail or fax, or by phone.

The division contracts with Human Resource Development Councils (HRDCs) to assist applicants in applying for LIHEAP and the Wx program. HRDCs also provide various community-level services on the division's behalf, such as homelessness prevention assistance to Montanans.

FOOD SECURITY

Commodity Food Distribution Program (includes CSFP, FDPIR and TEFAP)

Through the state-owned warehouse for USDA foods, HCSD houses and inventories meals for vulnerable populations across Montana. DPHHS warehouse truck drivers delivered just over nine million pounds (nearly 310,000 cases) of food to hungry Montanans in SFY 2024.

- 29% supports food distribution on Indian Reservations
- 27% supports the school lunch program through OPI
- 23% feeds low-income seniors
- 21% supports emergency food needs through food banks, homeless shelters, and soup kitchens

SNAP

SNAP provides food assistance to low-income Montanans. On average, 41,795 households receive SNAP benefits each month. The average monthly benefit amount is \$332 per household, and the average SNAP household receives SNAP benefits for 18 months. The federal government sets the eligibility criteria for this entitlement program. One in every 11 Montanans receives SNAP benefits, and nearly two-thirds of SNAP participants are children, elderly, or have disabilities.

Of those receiving SNAP in SFY 2024:

- 40% children
- 16% disabled non-elderly adults
- 11% seniors

ENERGY ASSISTANCE

Energy assistance includes the LIHEAP and Wx programs, both of which are centered on helping low-income households reduce their energy burden. Funding for LIHEAP comes from a block grant, while weatherization funding combines multiple federal and utility sources. During SFY 2024, 15,592 households received assistance with their seasonal heating bills. Based on financial eligibility, the average household subsidy through LIHEAP for the 2023-2024 heating season is about \$193 monthly.

Of those receiving LIHEAP assistance in SFY 2024 (recipients may be included in multiple designations):

- 34% disabled
- 50% elderly
- 14% households with children aged zero to five

The Wx Program benefits low-income recipients by investing in energy-saving measures to reduce heating costs and lower overall energy consumption. Weatherization lowers the energy burden for the household, resulting in long-term savings. Weatherization supports low-income families in maintaining safe, stable, and affordable housing.

Houses are prioritized based on dwelling eligibility and high energy burden, with a preference for households with elderly people, persons with disabilities, or children. Through SFY 2024, 444 households received weatherization assistance, reducing annual energy costs by an average of approximately 25%. Of the supported households, 84% own their homes.

Of those households receiving weatherization support in SFY 2024:

- 37% disabled
- 50% elderly
- 16% households with children aged zero to five

COMMUNITY INVESTMENT

The Community Services Block Grant (CSBG) and local HRDCs support community-specific efforts to address poverty through youth employment, job counseling, skills training, money management classes, transportation, and emergency assistance. In SFY

2024, approximately 65,309 individuals benefited from these community services provided through the HRDCs. Through the efforts of the homeless assistance program in SFY 2024, 897 Montanans received rapid rehousing and homeless prevention assistance.

AmeriCorps VISTA projects focus on building permanent infrastructure in organizations and programs to help them more effectively lift individuals and communities out of poverty. VISTAs are the “behind-the-scenes” capacity builders who help build the systems, services, and/or programs necessary for nonprofit organizations and government agencies to effectively reach their target demographics. During SFY 2024, 1,293 low-income youth, 548 adults or youth experiencing homelessness, and 52 adults in job training programs were served by VISTA programs in Montana.

HEALTH CARE COVERAGE

Eligibility for Medicaid coverage, which the OPAs determine, covers a wide range of the state’s population, from infants to senior citizens to children and adults with disabilities needing community services and long-term care. Each month, approximately 224,000 Montanans receive health care coverage benefits. Eligibility and enrollment on tribal reservations are supported through partnerships with four tribal governments: Confederated Salish and Kootenai Tribes, the Chippewa Cree Tribe, the Blackfeet Tribe, and Fort Belknap Tribe.

EMPLOYMENT AND FAMILY SUPPORT

TANF

The Montana TANF program is temporary assistance designed to help families become stable, able to work, and financially secure. To be eligible for TANF, the household must have a child or include a pregnant woman in her third trimester. The federal limitation on temporary assistance is 60 months in a lifetime. In addition to the state-run TANF program, four tribes manage their own TANF programs: the Blackfeet Tribe, Chippewa Cree Tribe, Fort Belknap Tribes, and Confederated Salish and Kootenai Tribes.

Clients eligible for TANF services may be eligible to receive cash assistance and/or other supports to meet goals such as family stability, employability, and financial security. An average of 3,669 Montanans in 1,631 households receive TANF in the form of cash assistance each month. On average, a TANF client receives assistance for 10 months before exiting the program. In SFY 2024, 82% of TANF participants were children.

The TANF program uses the Montana Family Bridge (Bridge) model, which allows caseworkers to work with clients to assess needs, set goals, and evaluate outcomes. The Bridge addresses three primary areas: family stability, employability, and financial security. TANF families often have barriers to employment that can impede their ability to complete training or go to work. Common barriers for TANF clients include physical health, child care, child education, housing, and caring for a family member.

When a client identifies a barrier to employment, the advocate works with the client to set goals and provide support through referrals or services designed to address the barrier. Advocates assess the nature of a participant's temporary barrier, coordinate referrals and/or engage onsite community supports, follow up to help ensure the needed service was secured, or provide alternative referrals and continue to closely monitor the participant to confirm that progress is made.

HIGHLIGHTS AND ACCOMPLISHMENTS DURING THE 2025 BIENNIUM

SUMMER EBT PROGRAM

DPHHS and the Office of Public Instruction (OPI) launched a new Summer Electronic Benefit Transfer (SEBT) program to issue funding for qualified families in 2024 and 2025. The program intends to provide additional food security during the summer when schools are closed. The program issued benefits in October 2024 and will issue an additional round of benefits in the summer of 2025. Families who qualified received \$120 per eligible child and information on how their benefits can be utilized. Benefits paid to families are 100% federally funded, and state costs for the technology system and staff to manage the program receive a 50% cost match by the USDA Food and Nutrition Service. The October 2024 issuance was for over \$9 million in benefits to approximately 46,000 households, including over 76,000 children.

MEDICAID REDETERMINATION

The federal Public Health Emergency (PHE) was a significant event during which most rules governing ongoing Medicaid eligibility were suspended. As a condition for receiving enhanced federal financial participation in the program, individuals determined to be eligible for Medicaid from March 2020 through the end of the PHE were given a continuous enrollment condition. This means that individuals already enrolled in March 2020 and those who applied later and were found eligible were not disenrolled from Medicaid during the PHE with very few exceptions. During the PHE, it

was understood that this suspension of the ordinary redetermination process would end when the PHE was declared to have ended or when states were given directives from the Centers for Medicare & Medicaid Services (CMS) to begin redetermining the eligibility status of all Medicaid recipients. This review process is commonly called the “PHE unwinding period” or “redeterminations.”

DPHHS elected to begin the unwinding activities in April 2023. Over the last 18 months, the OPAs have processed 440,773 renewals and applications.

OPERATIONAL IMPROVEMENTS

HCSD is working to improve performance in public assistance eligibility determinations. Following the public health emergency unwinding process, DPHHS conducted an operations analysis to identify efficiencies and opportunities for improvement for all programs. Several initiatives are in progress to improve the client experience and internal processes.

- The Public Assistance Help Line will be redesigned to allow for a queued call-back system, a statewide staffing model, and improved client navigation.
- Targeted trainings to improve understanding of policy.
- Workflow and process enhancements to the CHIMES eligibility system to increase efficiencies and accuracy.
- Correspondence updates to increase clarity and help reduce confusion, missed requirements, and contact requests.
- Improved internal coordination efforts among field managers, policy staff, and training teams to prioritize critical needs that benefit staff and clients.
- Focused examination of casework requirements to determine efficiencies to staff and clients.
- Programmatic process alignment where possible to create efficiencies for field staff and clients.

EMPLOYMENT AND TRAINING PROCUREMENT

HCSD has two employment and training programs for participants. The TANF program requires many participants to meet employment and training requirements through the Pathways program. Additionally, the SNAP Employment and Training (SNAP E&T) program helps SNAP participants enhance skills, training, or work experience to obtain regular employment that leads to economic self-sufficiency. Montana currently has SNAP E&T programs in a total of 10 counties. These counties are Big Horn, Cascade, Deer Lodge, Flathead, Gallatin, Lincoln, Silver Bow, Yellowstone, Missoula, and Lewis and Clark.

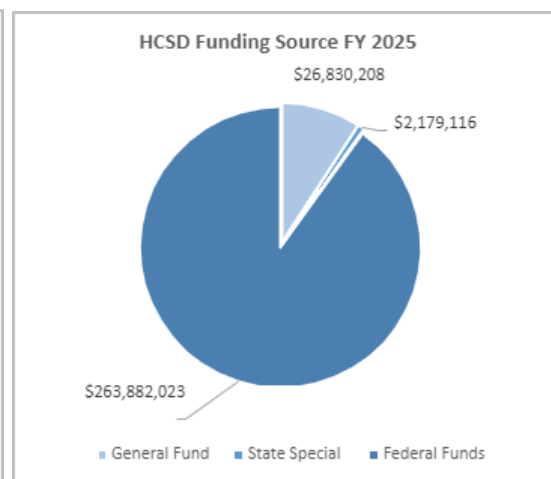
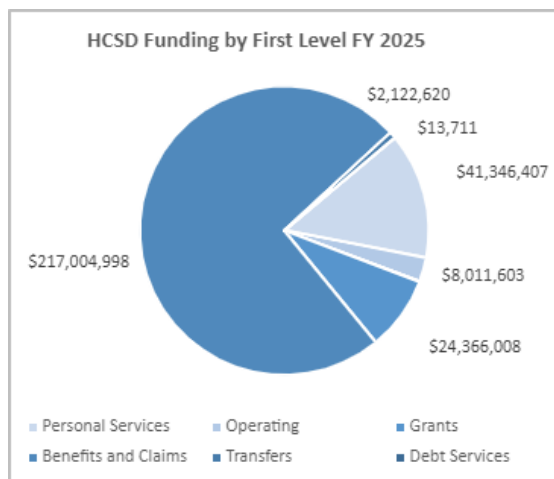
HCSD procured a single statewide vendor for both programs through a pay-for-performance contract. This procurement was led by the Department of Administration through a request for proposal (RFP). The new employment and training vendor, Maximus, will ensure the delivery of statewide services through 20 service locations. Maximus will continue to expand SNAP E&T services by aligning the necessary funding with intentional expansion into additional counties.

LOW-INCOME HOME ENERGY ASSISTANCE PROGRAM

Eligibility for LIHEAP was moved into the integrated eligibility system, CHIMES, to streamline processes for clients needing assistance. Clients can apply for health, food, cash benefits, and energy assistance in one location. Many clients eligible for other benefits are also eligible for LIHEAP assistance. The integration also streamlined processes for eligibility staff, who can provide comprehensive assistance to clients. Data and reporting for the division's primary public assistance programs are in one location. This integrated eligibility system supports the department's efforts to implement client-centered approaches and reduce data silos.

FUNDING AND POSITIONS BUDGETED (PB) INFORMATION

HUMAN AND COMMUNITY SERVICES DIVISION	FY 2025 BUDGET	FY 2026 REQUEST	FY 2027 REQUEST
PB	492.5	504.5	504.5
Personal Services	\$41,346,407	\$40,183,796	\$40,259,489
Operating	\$8,011,603	\$8,705,419	\$8,462,617
Equipment	\$26,000	\$26,000	\$26,000
Local Assistance	\$0	\$0	\$0
Grants	\$24,366,008	\$24,149,708	\$24,149,708
Benefits and Claims	\$217,004,998	\$53,862,376	\$53,862,376
Transfers	\$2,122,620	\$2,122,620	\$2,122,620
Debt Services	\$13,711	\$13,711	\$13,711
TOTAL COSTS	\$292,891,347	\$129,063,630	\$128,896,521
	FY 2025 BUDGET	FY 2026 REQUEST	FY 2027 REQUEST
General Fund	\$26,830,208	\$26,645,194	\$26,547,604
State Special Fund	\$2,179,116	\$2,120,784	\$2,124,069
Federal Fund	\$263,882,023	\$100,297,652	\$100,224,848
TOTAL FUNDS	\$292,891,347	\$129,063,630	\$128,896,521



CHANGE PACKAGES

PRESENT LAW ADJUSTMENTS

SWPL 1 – Personal Services

The budget includes reductions of \$2,467,211 in FY 2026 and \$2,386,221 in FY 2027 to annualize various personal services costs including FY 2025 statewide pay plan, benefit rate adjustments, longevity adjustments related to incumbents in each position at the time of the snapshot, and vacancy savings.

	General Fund	State Special	Federal Funds	Total Request
FY 2026	(\$928,499)	(\$70,919)	(\$1,467,793)	(\$2,467,211)
FY 2027	(\$901,797)	(\$67,650)	(\$1,416,774)	(\$2,386,221)
Biennium Total	(\$1,830,296)	(\$138,569)	(\$2,884,567)	(\$4,853,432)

SWPL 3 – Inflation Deflation

This change package includes reductions of \$1,533 in FY 2026 and \$1,035 in FY 2027 to reflect budgetary changes generated from the application of deflation to state motor pool accounts.

	General Fund	State Special	Federal Funds	Total Request
FY 2026	(\$471)	(\$50)	(\$1,012)	(\$1,533)
FY 2027	(\$318)	(\$34)	(\$683)	(\$1,035)
Biennium Total	(\$789)	(\$84)	(\$1,695)	(\$2,568)

PL – 2004 – Office of Public Assistance Overtime

This new proposal restores zero-based authority for overtime for the OPA in the HCSD. The increase is necessary to fully fund overtime to maintain the client caseload and what is funded in SWPL 1. This package requests \$505,460 in total funds for the biennium, including \$161,748 in general fund, \$25,274 in state special revenue, and \$318,348 in federal funds.

	General Fund	State Special	Federal Funds	Total Request
FY 2026	\$80,874	\$12,637	\$159,219	\$252,730
FY 2027	\$80,874	\$12,637	\$159,219	\$252,730
Biennium Total	\$161,748	\$25,274	\$318,438	\$505,460

NEW PROPOSALS

NP - 2001 - Summer EBT Administrative and Benefits

This new proposal is necessary to incorporate funding for the Summer EBT Program into the budget for the HCSD. The now-permanent Summer EBT Program, first implemented in FY 2024, provides food assistance to children who are eligible for free or reduced school lunch during the summer when school lunch is unavailable. This package requests \$20,028,638 in total funds for the biennium, including \$584,120 in general fund and \$19,444,518 of federal funds.

	General Fund	State Special	Federal Funds	Total Request
FY 2026	\$352,885	\$0	\$9,783,084	\$10,135,969
FY 2027	\$231,235	\$0	\$9,661,434	\$9,892,669
Biennium Total	\$584,120	\$0	\$19,444,518	\$20,028,638

NP - 2003 - PB for Medically Needy and Summer EBT Programs

This new proposal adds 12.00 PB for the Medically Needy, Summer EBT, SNAP Education, and EBT programs, in the HCSD. The increase is necessary to support compliance with federal and state regulations for the Medicaid, S-EBT, SNAP Ed, and EBT programs. This is funded with 27% general fund and 73% federal funds. This package requests \$2,263,005 in total funds for the biennium, including \$617,599 in general fund and \$1,645,406 of federal funds.

	General Fund	State Special	Federal Funds	Total Request
FY 2026	\$310,197	\$0	\$823,954	\$1,134,151
FY 2027	\$307,402	\$0	\$821,452	\$1,128,854
Biennium Total	\$617,599	\$0	\$1,645,406	\$2,263,005

NP - 2007 - SNAP Benefits Statutory Appropriation

Due to the pass-through and unpredictable nature of permanent federal SNAP benefits, it is more prudent to remove this funding from HB 2 and establish it as a statutory appropriation. This new proposal requests that federal funds be reduced by \$172,572,822 in HB 2 during each year of the 2027 biennium. If the proposed legislation is not approved, then federal SNAP authority will need to be funded at \$172,572,822 in HB 2 in each year of the 2027 biennium. This package is contingent on passage and approval of LCXXX.

	General Fund	State Special	Federal Funds	Total Request
FY 2026	\$0	\$0	(\$172,572,822)	(\$172,572,822)
FY 2027	\$0	\$0	(\$172,572,822)	(\$172,572,822)
Biennium Total	\$0	\$0	(\$345,145,644)	(\$345,145,644)

NP - 2008 - Realign Appropriation with Revenue Commodity Supplemental Food Program

This new proposal reduces the appropriation of federal revenue to the CSFP program to align appropriation with anticipated expenditures. This change package requests a reduction of \$309,000 in federal revenue in each year of the biennium.

	General Fund	State Special	Federal Funds	Total Request
FY 2026	\$0	\$0	(\$309,000)	(\$309,000)
FY 2027	\$0	\$0	(\$309,000)	(\$309,000)
Biennium Total	\$0	\$0	(\$618,000)	(\$618,000)

NP - 2009 - Reduce Appropriation for Orphan Fund

This new proposal reduces the appropriation of federal funds for the Homeless Management Info System fund. This fund has a base appropriation of \$1 per year with no active revenue for the past several years. This change package requests a reduction of \$2 in federal funds over the biennium.

	General Fund	State Special	Federal Funds	Total Request
FY 2026	\$0	\$0	(\$1)	(\$1)
FY 2027	\$0	\$0	(\$1)	(\$1)
Biennium Total	\$0	\$0	(\$2)	(\$2)