

HOUSE BILL 488

Introduced by O'Keefe, et al.

1/31	Introduced
1/31	Referred to Human Services & Aging
1/31	First Reading
1/31	Fiscal Note Requested
2/05	Fiscal Note Received
2/07	Fiscal Note Printed
2/11	Hearing
2/12	Committee Report--Bill Passed
2/15	Rereferred to Appropriations
3/19	Hearing
3/22	Tabled in Committee

1 *House* BILL NO. *488*  
 2 INTRODUCED BY *Steve Bayliff*  
 3 *Yellowtail* *Hamington* *Mozart*

4 A BILL FOR AN ACT ENTITLED: "AN ACT TO REQUIRE THE  
 5 DEPARTMENT OF FAMILY SERVICES TO USE THE USDA ESTIMATES OF  
 6 THE COST OF RAISING A CHILD IN ESTABLISHING THE DAILY RATE  
 7 OF PAYMENT FOR FOSTER CARE; AMENDING SECTIONS 41-3-1103,  
 8 41-3-1122, AND 53-4-112, MCA; AND PROVIDING AN EFFECTIVE  
 9 DATE."

10  
 11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

12 **Section 1.** Section 41-3-1103, MCA, is amended to read:

13 "41-3-1103. Powers and duties of department. (1) The  
 14 department shall:

15 (a) administer all state and federal funds allocated to  
 16 the department for youth foster homes, youth group homes,  
 17 child-care agencies, and detention facilities and services  
 18 for youth in need of care, youth in need of supervision, and  
 19 delinquent youth, as defined in 41-5-103;

20 (b) exercise licensing authority over all detention  
 21 facilities as defined in 41-5-103, youth foster homes, youth  
 22 group homes, and child-care agencies;

23 (c) collect and disseminate information relating to  
 24 youth in need of care, youth in need of supervision, and  
 25 delinquent youth;

1 (d) provide for training of program personnel  
 2 delivering services;

3 (e) in cooperation with youth care facility providers,  
 4 develop and implement standards for youth care facilities;

5 (f) maintain adequate data on placements it funds in  
 6 order to keep the legislature properly informed of the  
 7 following:

8 (i) the breakdown of youth in need of care, youth in  
 9 need of supervision, and delinquent youth by category in  
 10 out-of-home care facilities;

11 (ii) the cost per facility for services rendered;

12 (iii) the type and level of care of services provided by  
 13 each facility;

14 (iv) a profile of out-of-home care placements by level  
 15 of care; and

16 (v) a profile of public institutional placements; and

17 (g) administer all funds allocated to the department  
 18 for residential alcohol and drug abuse treatment for  
 19 indigent youths in need of care, indigent youths in need of  
 20 supervision, and indigent delinquent youths who require such  
 21 treatment.

22 (2) The department may:

23 (a) enter into contracts with nonprofit corporations or  
 24 associations or private organizations to provide facilities  
 25 and services for youth in need of care, youth in need of



1 supervision, and delinquent youth;

2 (b) accept gifts, grants, and donations of money and  
3 property from public and private sources to initiate and  
4 maintain community-based services to youth;

5 (c) adopt rules to carry out the administration and  
6 purposes of this part.

7 (3) The department shall pay for room, board, clothing,  
8 personal needs, transportation, and treatment in youth  
9 foster care homes and youth group homes for youths committed  
10 to the department who need to be placed in such facilities.  
11 Payments for the placement of youths in youth foster homes  
12 must be made in accordance with the daily rate established  
13 by the department under [section 3]."

14 **Section 2.** Section 41-3-1122, MCA, is amended to read:

15 "41-3-1122. Payment for support of youth in need of  
16 care, youth in need of supervision, or delinquent youth --  
17 reimbursement by county. (1) Whenever a youth who is a youth  
18 in need of care, a youth in need of supervision, or a  
19 delinquent youth is placed by the department of family  
20 services in a youth care facility, the department shall pay,  
21 within the limits of the appropriation for that purpose, a  
22 foster care payment to the youth care facility at a rate  
23 established by the department for board, clothing, personal  
24 needs, treatment, and room of the youth. The rate of payment  
25 for foster care must be established in accordance with

1 [section 3].

2 (2) On or before the 20th of each month the department  
3 shall present a claim to the county of residence of the  
4 youth for no more than one-half of the nonfederal share of  
5 the payments so made during the month. The county must make  
6 reimbursement to the department within 20 days after the  
7 claim is presented.

8 (3) Except as provided in subsection (4), when a  
9 county's level of expenditure for any year reaches the level  
10 of reimbursement for foster care in fiscal year 1987, the  
11 county has no further obligation for foster care  
12 expenditures.

13 (4) If a county's level of expenditure for foster care  
14 in fiscal year 1987 is \$10,000 or less, the county's level  
15 of expenditure for purposes of determining the county's  
16 reimbursement specified in subsection (3) is the level of  
17 expenditures for fiscal year 1987 or the average of  
18 expenditures for fiscal years 1984 through 1987, whichever  
19 is less.

20 (5) The department shall conduct or arrange for the  
21 review required under 41-3-1115 of a youth placed in a youth  
22 care facility if the youth is placed by the department."

23 **NEW SECTION. Section 3.** Daily rate of payment for  
24 foster care. (1) The department shall establish a daily rate  
25 of payment for the care of youths placed by the department

1 in youth foster homes. The rate of payment must be  
2 established using the USDA estimates of the cost of raising  
3 a child, less education and health care expenses, based on  
4 the youth's age.

5 (2) For purposes of this section, "USDA estimates of  
6 the cost of raising a child" means the annual estimates of  
7 the cost of raising a child, adjusted for geographical  
8 region, published by the family economics research group of  
9 the U.S. department of agriculture.

10 **Section 4.** Section 53-4-112, MCA, is amended to read:

11 "53-4-112. Duty to strengthen child welfare services.  
12 The department shall make provision for establishing and  
13 strengthening child welfare services, including protective  
14 services, and for care of children in licensed family foster  
15 homes, child care agencies, group homes, or treatment  
16 facilities. Payment provided under this section is made  
17 under the provisions of 41-3-1122 and ~~41-3-1115~~ [section  
18 3]."

19 NEW SECTION. **Section 5.** Codification instruction.

20 [Section 3] is intended to be codified as an integral part  
21 of Title 41, chapter 3, part 11, and the provisions of Title  
22 41, chapter 3, part 11, apply to [section 3].

23 NEW SECTION. **Section 6.** Effective date. [This act] is  
24 effective July 1, 1991.

-End-

STATE OF MONTANA - FISCAL NOTE  
Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HBO488, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act to require the Department of Family Services to use the USDA estimates of the cost of raising a child in establishing the daily rate of payment for foster care; amending sections and providing an effective date.

ASSUMPTIONS:

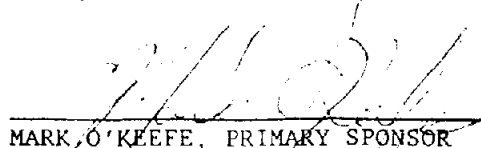
1. New daily rates under the act are calculated from the USDA Family Economics Review - Volume 2, No. 4, June 1989; moderate cost level. From this publication an average daily rate of \$15.17 (youth 0 - 12) and \$18.58 (youth 13 - 18) was calculated.
2. Current daily rates are \$9.66 (youth 0 - 12) and \$12.10 (youth 13 - 18). The current estimated cost of family foster care based upon FY91 expenditure projections of 1-8-91 are \$3,651,779.
3. The average cost difference between current level and the 1989 USDA rates are \$6.00 per day of care. From 1987 to 1989, the USDA cost increased 9.56%, an average of 4.78% per year. This average increase applied to the \$6.00 difference gives an average cost increase for a day of care of \$6.29 in FY92 and \$6.59 in FY93.
4. Current level costs are those estimated for FY91. In FY91, a projected 345,089 days of care will be required. This same number of projected days was carried into FY92 and FY93.
5. Increase for FY92 = \$6.29 \* 345,089 days of care = \$2,170,610. Increase for FY93 = \$6.59 \* 345,089 days of care = \$2,274,137.
6. Current federal participation is 41.5% of all clients. Federal matching rates are estimated to be 71.71% in FY92 and 71.90% in FY93. Federal share FY92 = 41.5% \* 71.71% = 29.76%; and FY93 = 41.5% \* 71.90% = 29.84%.

FISCAL IMPACT:

Department of Family Services:

	FY 92			FY 93		
	Current Law	Proposed Law	Difference	Current Law	Proposed Law	Difference
<u>Expenditures:</u>						
Benefits & Claims	3,651,779	5,822,389	2,170,610	3,651,779	5,925,916	2,274,137
<u>Funding:</u>						
General Fund	2,565,010	4,089,646	1,524,636	2,562,088	4,157,623	1,595,535
Federal Special	1,086,769	1,732,743	645,974	1,089,691	1,768,293	678,602
Total	3,651,779	5,822,389	2,170,610	3,651,779	5,925,916	2,274,137
General Fund Increase			1,524,636			1,595,535

  
 ROD SUNDSTED, BUDGET DIRECTOR  
 Office of Budget and Program Planning  
 DATE 2-5-91

  
 MARK O'KEEFE, PRIMARY SPONSOR  
 DATE 2/7/91

Fiscal Note for HBO488, as introduced.

**HB 488**

APPROVED BY COMM. ON HUMAN SERVICES AND AGING

1 INTRODUCTION BY *House* BILL NO. *488*  
2 *Yellowtail* *Hanning* *Morgan*  
3

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