

MEETING MINUTES  
HUMAN SERVICES SUBCOMMITTEE  
FEBRUARY 19, 1987

The meeting of the human services subcommittee was called to order at 8:00 a.m. on February 19, 1987 in room 108 of the state capitol by Chairman Richard Manning.

ROLL CALL: Rep Winslow was excused, all other members were present.

PUBLIC TESTIMONY

Fred Doolittle, Manpower Demonstration Research Corporation, spoke on workfare programs and their impact and effectiveness on AFDC and general assistance caseloads. His testimony was based on the booklet "Reforming Welfare with Work" (exhibit 1). He presented a brief history of work programs and those now in operation. He noted that in a severely depressed economy, work programs do not have much impact on the unemployed populations. He stated the top three (3) priorities for a successful work program were: (1) A reorganization to provide a coordination of efforts (2) Determining your target group and available funds. He noted those who are unemployed range from low motivation with few skills to those who are highly motivated with numerous transferable skills. He stated the highly motivated usually require little assistance to employment, while those at the lower end of the spectrum need other services to enhance their employability, are more costly to serve, and workfare is not always appropriate. He stated the middle range of these individuals is a good target group, as they are likely to have transferable skills, are motivated, and are the most likely to succeed after receiving work program services. (3) Develop a management information system to monitor program progress.

OTHER PROPONENTS FOR WORK PROGRAMS

Jim Smith, HRDC  
Jim Warden, HRDC  
Howard Schwartz, Missoula County Commissioner

DEPARTMENT OF LABOR

Exhibit 1 is an organizational structure of the department.

Peg Hartman, acting commissioner, presented an overview of the Commissioner's Office and budget.

Bob Robinson, administrator of the Workers' Compensation Division (WCD), presented an overview of the division, the budget issues, differences, and modified requests. He stated the program insures 26,000 of the 34,000 employers in the state. Currently \$65 million is paid into the fund as premiums but \$72 million is being paid out in claims; with the premium level 20% lower than it should be. He said there is a possibility of a shortfall in unfunded liability in excess of \$80 million. He added that the state fund currently has 8,000 open cases, and the division has a total of 1/4 million actives files. He stated the division is understaffed and overworked. Claims examiners have a caseload of 540 per person, while a high caseload is considered 150 to 200. There are 2,000 compliance cases per individual and 1,000 policies per worker. Some of the issues addressed by Mr Robinson are:

The necessity of a computer system for the administrative support bureau to update the current antiquated check processing system.

Payment on the bonds for the new building are due in 1989. The division is requesting \$9,000 for 1988 and 440,000 for 1989 to meet this obligation.

Requests for more staff, including six (6) early contact workers who deal with newly injured individuals. He noted poor services to injured individuals fosters litigation.

The division's goal of maintaining the current two (2) week processing level for claims.

The division's decision to change their catastrophic insurance policy to a less expensive coverage. They had maintained a policy of \$5 million in excess of \$1 million deductible, and the new policy is \$5 million in excess of a \$3 million deductible.

He stressed the need for increased funding for operating expenses, gasoline, postage, preventive maintenance for electrievers, and cars. Due to budget shortfalls in other areas, travel was limited and equipment purchases were delayed. The division is requesting the equipment be provided in this biennium.

Montana is one of the few states approved to conduct OSHA inspections, for which they receive reimbursement.

Mr Robinson discussed the importance of the Insurance Compliance Bureau, which provides regulatory responsibility and deals with duplication of cases. He stated this program is cost effective.

Silicosis Benefits and Social Security Offset Benefit payments, which are both funded with general fund. Mr Robinson stated less is being paid out each year in these benefits.

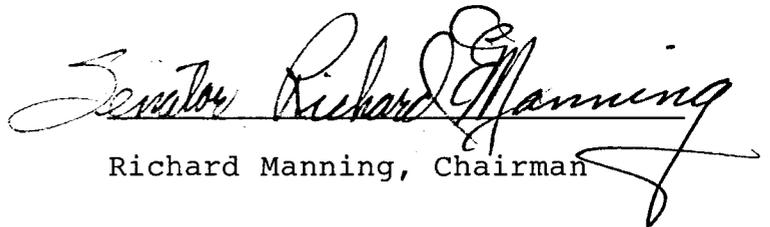
The Crime Control Division of the Department of Justice will be responsible for the Crime Victims Program under HB 309. The program is funded with 18% of Highway patrol fines, which generate \$300,000 to \$400,000 a year.

Discussion included the current level benefits, contracted employees, the insolvency of the Great Western Sugar Company, and the Subsequent Injury Program.

In response to a question from Rep Connelly, Mr Robinson stated Rep Darko's legislation for increased staff was over and above the department's request.

Mr Robinson said one issue that was not in the budget was funding to reimburse the State Auditor's office for warrants.

The meeting was adjourned at 10:00 a.m.

  
Richard Manning, Chairman

rm/gmc/2.19 -



EXHIBIT 1  
DATE 2/19/87  
HB \_\_\_\_\_

REFORMING WELFARE WITH WORK

by

Judith M. Gueron

---

**MDRC**

**MANPOWER  
DEMONSTRATION  
RESEARCH  
CORPORATION**

Three Park Avenue  
New York, New York 10016

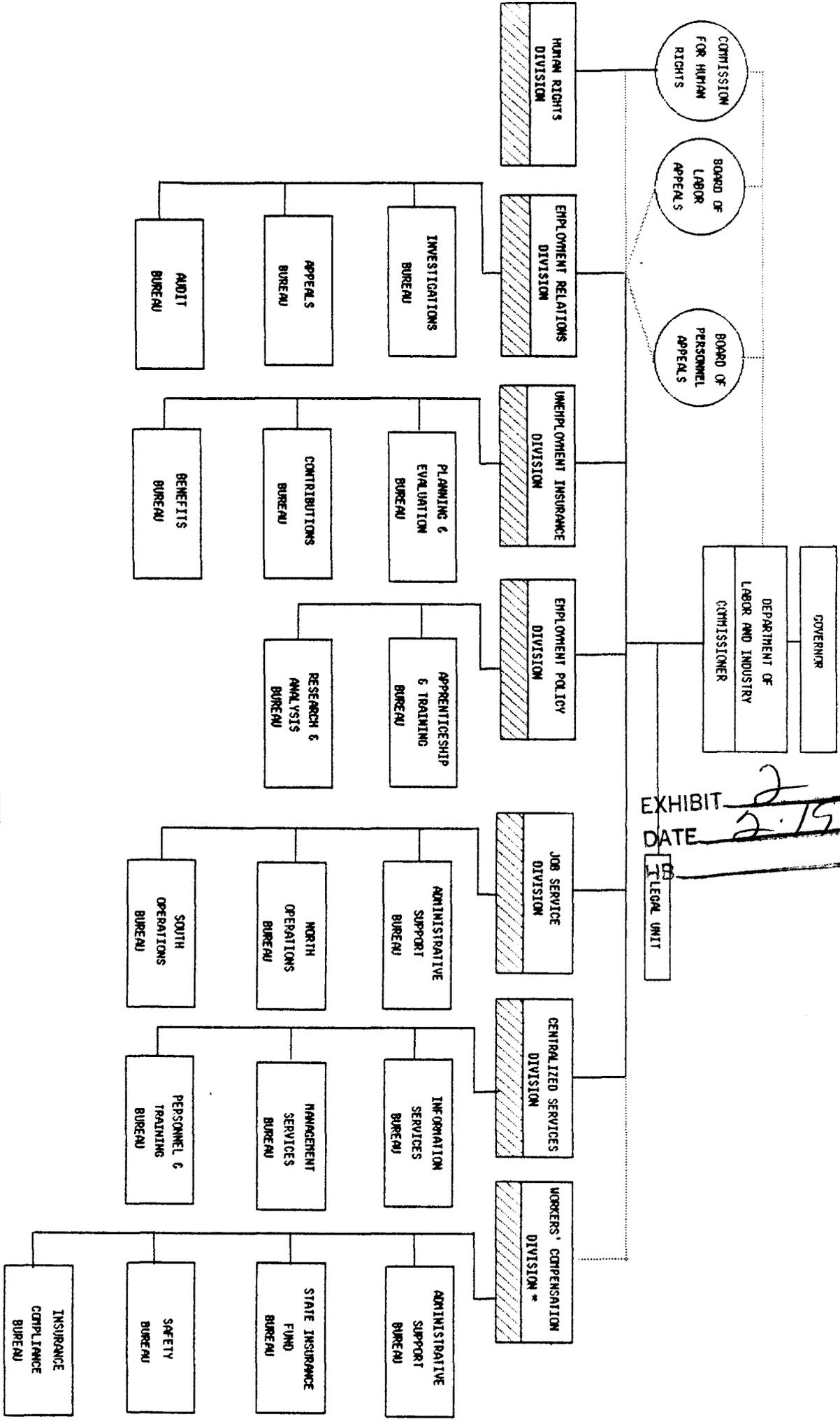


EXHIBIT 2  
DATE 2-19-87

LEGAL UNIT

DEPARTMENT OF LABOR AND INDUSTRY  
JUNE 1986  
*Richard A. ...*  
COMMISSIONER  
GOVERNOR

