

MINUTES

MONTANA HOUSE OF REPRESENTATIVES
51st LEGISLATURE - REGULAR SESSION

SUBCOMMITTEE ON HEALTH & HUMAN SERVICES

Call to Order: By Rep. Dorothy Bradley, Chairman, on February 21, 1989, at 7 a.m.

ROLL CALL

Members Present: All members were present with the exception of Rep. Cody.

Members Excused: None

Members Absent: Rep. Cody

Staff Present: Taryn Purdy, LFA
Lois Steinbeck, OBPP

Announcements/Discussion: Executive Action, Community Services Division, Department of Family Services (DFS)

DISPOSITION OF DEPARTMENT OF FAMILY SERVICES

Rep. Grinde stated his inquiries elicited negative feedback insofar as a need in the communities.

Jim Smith of the Human Resource Development Council responded that the key to the need is finding licensed day care. Many parents can find persons for day care but they are not aware of which persons or organizations are meeting licensure requirements. He stated that \$4,000-6,000 per community to hire a one-half to one-third FTE to coordinate criteria developed by a community member board, day care recipients have a contact to inform them on licensure requirements and licensed people or facilities.

Discussion followed. Rep. Cobb asked how do they find acceptable day care now. Mr. Mullen presented information that DFS attempts to get this information out but local contacts would be able to handle requests and much more quickly.

Ms. Steinbeck reminded the subcommittee the federal welfare reform act could provide matching funds for future use if the \$60,000 were available at the state level.

Mr. Grinde stated he did not feel that the referral and resource funding was a priority.

Chairman Bradley then requested members to proceed to executive action on provider rate increases and the day care funding options (see attachments, exhibits 1 and 2). She asked the subcommittee to take into account that the 2% proposed rate increase was below the actual rate out there in the community; she stated the proposed rates were non-competitive to that received by AFDC recipients and DFS recipients would not be able to purchase adequate licensed day care.

Sen. Keating asked Ms. Purdy to present dollar figure for per day/day care costs for the four options listed on exhibit 2.

Ms. Purdy stated that day care providers are currently paid a rate per day based upon the setting in which the service is provided; \$8.00/day in family care, \$8.50 in group care, and \$9.00 in day care center care.

Under option 1, Ms. Purdy said the rates would be \$8.80, \$9.35 and \$9.90 in 1990 and \$9.68, \$10.29 and \$10.89 in 1991.

Under option 2, the rates would be \$9.60, \$10.20, and \$10.80 in 1990 and \$11.52, \$12.24 and \$12.96 in 1991.

Under option 3, the rates would be \$8.50, \$9.00 and \$9.50 in 1990 and \$9.00, \$9.50 and \$10.00 in 1991.

Under option 4, the rates would be \$10.00, \$10.25 and \$11.00 in 1990 and \$10.25, \$11.00 and \$11.25 in 1991.

Ms. Purdy also reported that in 1988, the average rates were \$7.93, \$8.50 and \$8.49; with the 2% increase, these rates would reflect \$8.16, \$8.67 and \$9.18.

Testimony was requested on the basic private rate. Chris Volinsky, DD advocate from Missoula, stated the minimum in her area of reliable day care was \$10.00 per day.

Discussion followed. Sen. Hofman inquired about state run day care centers. Ms. Steinbeck stated that the state contracts with private providers for their services for recipients of state funded programs, e.g., AFDC, protective services, DFS clients, etc.

Rep. Grinde inquired if providers were paid directly and Ms. Steinbeck said yes.

Sen. Keating proposed that the subcommittee accept option 3. Further discussion and questions regarding recipients ability or requirement to pay day care if able were referred to Doug Matthies; also a request to know where the money went if recipients did repay state costs. Mr. Mathies said clients do not have to pay for foster care but if they did want to pay, that money was returned to the foster care

budget.

Rep. Grinde presented a substitute motion.

Motion by Rep. Grinde to increase current day care funding by \$.50 per day in 1990 and by \$1.00 more per day in 1991.

Motion carried with Sen. Van Valkenburg and Rep. Bradley dissenting.

Motion by Sen. Keating to accept the modified budget for family foster care providers as shown on exhibit 1.

Motion carried with Reps. Bradley and Cobb dissenting.

Chairman Bradley referred subcommittee to 4 on funding for community services division administration (exhibit 3) and management support division (exhibit 4) and asked for motions to accept these two programs.

Motion by Sen. Keating to accept the executive level budget for the community services division administration, DFS, exhibit 3.

Motion carried with Rep. Cobb dissenting.

Motion by Rep. Grinde to accept the executive level budget, as adjusted, for the management support division, DFS, exhibit 4.

Motion carried with Rep. Cobb dissenting.

The costs of providing 85 percent of model rate costs to foster care providers in 1990 and 100 percent in 1991 was presented to subcommittee for action.

Rep. Bardanoue asked the agency if they could give him the offset cost of treating children in Montana when compared to the higher out-of-state costs.

Ms. Steinbeck that costs in and out of state are relative. Cost per day at "Home on the Range" in North Dakota is \$40.00 per day, which would be less costly than some Montana residential care programs. She stated children/youth were placed where most cost effective and most treatment effective.

Rep. Bradley asked the agency and Ms. Steinbeck if they could develop a spread sheet on offsets relative to comparing in and out of state costs for Rep. Bardanoue, which will be completed for him.

Motion by Senator Keating to accept the costs of providing 85 percent and 100 percent of model rate costs to foster care providers, PFS, exhibit 5.

Motion carried with Rep. Grinde dissenting.

The last funding to be approved was for additional supplemental security income (SSI) following action by the Human Services Subcommittee of adding the "Farmer in the Dell" and a 52-bed specialized service and support organization (SSSO) in the Developmental Disabilities Division of the Department of Social and Rehabilitation Services.

Motion by Sen. Keating to accept Supplemental Security Income (SSI) funding budget, DFS, exhibit 6.

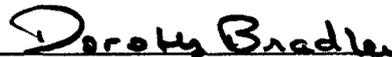
Motion carried with Rep. Grinde dissenting.

Discussion followed on advisability of respite care budget due to costs of administration; also the small numbers of recipients receiving benefits. Sen. Keating stated the respite care is advantageous for parents availing themselves of this service.

The chairman thanked the committee for all of their work and for completing their budget work on time.

ADJOURNMENT

Adjournment At: 8 a.m.


REP. DOROTHY BRADLEY, Chairman

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MODIFIED BUDGET
DEPARTMENT OF FAMILY SERVICES
COMMUNITY SERVICES DIVISION

Provider Rate Increases

This modified budget is the revised executive budget to provide a 2 percent per year incremental increase for foster family providers and for day care providers.

| Family Foster Care Providers | <u>1990</u> | <u>1991</u> |
|------------------------------|---------------|---------------|
| Non-Operating Expenses | \$61,054 | \$123,330 |
| <u>Funding</u> | | |
| General Fund | \$45,717 | \$ 92,349 |
| Federal Funds | <u>15,337</u> | <u>30,981</u> |
| Total Funding | \$61,054 | \$123,330 |

| Day Care Providers | <u>1990</u> | <u>1991</u> |
|------------------------|--------------|--------------|
| Non-Operating Expenses | \$10,600 | \$21,294 |
| <u>Funding</u> | | |
| General Fund | \$6,300 | \$12,666 |
| Federal | <u>4,300</u> | <u>8,628</u> |
| Total Funding | \$10,600 | \$21,294 |

Committee Issues

Committee Action

Executive Budget Reference: Page 376

February 20, 1989

2-21-89
Exhibit 2

HUMAN SERVICES SUBCOMMITTEE

DAY CARE FUNDING OPTIONS

The following are various options for increasing day care funding from the LFA current level and executive levels in the 1991 biennium. All figures are the increase over actual fiscal 1988 expenditures.

Day care providers are currently paid a rate per day based upon the setting in which the service is provided: \$8.00/day in family care, \$8.50/day in group care, and \$9.00/day in day care center care. In addition, providers can receive additional funds for a special needs child, and hourly rates are available.

Option 1: 10 Percent Rate Increase Per Year

| <u>Funding</u> | <u>Fiscal 1990</u> | <u>Fiscal 1991</u> | <u>Biennium</u> |
|----------------|--------------------|--------------------|-----------------|
| General Fund | \$33,846 | \$ 71,072 | \$104,918 |
| Federal Funds | <u>23,848</u> | <u>50,078</u> | <u>73,926</u> |
| Total | \$57,694 | \$121,150 | \$178,844 |

Option 2: 20 Percent Rate Increase Per Year

| <u>Funding</u> | <u>Fiscal 1990</u> | <u>Fiscal 1991</u> | <u>Biennium</u> |
|----------------|--------------------|--------------------|-----------------|
| General Fund | \$ 67,688 | \$148,909 | \$216,597 |
| Federal Funds | <u>47,694</u> | <u>104,923</u> | <u>152,617</u> |
| Total | \$115,382 | \$253,832 | \$369,214 |

Option 3: \$.50 Per Day Increase Per Year

| <u>Funding</u> | <u>Fiscal 1990</u> | <u>Fiscal 1991</u> | <u>Biennium</u> |
|----------------|--------------------|--------------------|-----------------|
| General Fund | \$19,426 | \$38,849 | \$58,275 |
| Federal Funds | <u>13,688</u> | <u>27,373</u> | <u>41,061</u> |
| Total | \$33,114 | \$66,222 | \$99,336 |

Option 4: \$.50 Per Day Increase Each Year Since Fiscal 1987

| <u>Funding</u> | <u>Fiscal 1990</u> | <u>Fiscal 1991</u> | <u>Biennium</u> |
|----------------|--------------------|--------------------|-----------------|
| General Fund | \$ 77,694 | \$ 97,117 | \$174,811 |
| Federal Funds | <u>54,744</u> | <u>68,429</u> | <u>123,173</u> |
| Total | \$132,438 | \$165,546 | \$297,984 |

2-21-89

WORKSHEET L1

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 AGENCY: DEPARTMENT OF FAMILY SERVICES PROGRAM: COMMUNITY SERVICES DIV. ADMI
 LEGISLATIVE ACTION

| BUDGET ITEM | FY 1988 Actual | Executive | Fiscal 1990 LFA Curr Lvl | Subcommittee | Executive | Fiscal 1991 LFA Curr Lvl | Subcommittee | FY 88-90 % Change |
|-----------------------|--------------------|--------------------|--------------------------|--------------------|--------------------|--------------------------|--------------------|-------------------|
| FTE | 0.00 | 333.08 | 332.55 | 333.08 | 331.95 | 332.55 | 331.95 | 0.00% |
| Personal Services | \$7,215,829 | \$8,110,825 | \$7,659,334 | \$8,269,961 | \$8,101,741 | \$7,690,465 | \$8,260,687 | 14.61% |
| Operating Expenses | 902,465 | 1,157,421 | 973,162 | 1,157,421 | 1,168,805 | 966,542 | 1,168,805 | 28.25% |
| Equipment | 33,328 | 13,365 | 17,562 | 13,365 | 22,365 | 17,562 | 22,365 | -59.90% |
| Non-Operating | 985,327 | 61,434 | 41,470 | 61,434 | 61,420 | 41,470 | 61,420 | -93.77% |
| TOTAL EXPENSES | \$9,136,949 | \$9,343,045 | \$8,691,528 | \$9,502,181 | \$9,354,331 | \$8,716,039 | \$9,513,277 | 4.00% |
| FUNDING | | | | | | | | |
| General Fund | \$6,862,602 | \$6,360,121 | \$5,753,732 | \$6,537,809 | \$6,390,153 | \$5,773,754 | \$6,567,285 | -4.73% |
| State Special Rev | 44,895 | 71,194 | 51,096 | 71,194 | 71,181 | 51,096 | 71,181 | 58.58% |
| Federal Revenue | 2,229,452 | 2,911,730 | 2,886,700 | 2,893,178 | 2,892,997 | 2,891,189 | 2,874,811 | 29.77% |
| TOTAL FUNDING | \$9,136,949 | \$9,343,045 | \$8,691,528 | \$9,502,181 | \$9,354,331 | \$8,716,039 | \$9,513,277 | 4.00% |

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19-Feb-89

AGENCY: DEPARTMENT OF FAMILY SERVICES

LEGISLATIVE ACTION

PROGRAM: MANAGEMENT SUPPORT DIVISION

| BUDGET ITEM | FY 1988 Actual | Executive | Fiscal 1990 LFA Curr Lvl | Subcommittee | Executive | Fiscal 1991 LFA Curr Lvl | Subcommittee | FY 88-90 % Change |
|-----------------------|--------------------|--------------------|--------------------------|--------------------|--------------------|--------------------------|--------------------|-------------------|
| FTE | 0.00 | 43.50 | 43.50 | 43.50 | 43.50 | 43.50 | 43.50 | 0.00% |
| Personal Services | \$1,225,238 | \$1,265,803 | \$1,236,837 | \$1,291,633 | \$1,268,649 | \$1,239,625 | \$1,294,537 | 5.42% |
| Operating Expenses | 639,602 | 672,062 | 694,507 | 672,062 | 603,427 | 638,636 | 603,427 | 5.08% |
| Equipment | 46,056 | 9,236 | 9,236 | 9,236 | 8,618 | 8,618 | 8,618 | -79.95% |
| Non-Operating | 542 | 0 | 0 | 0 | 0 | 0 | 0 | -100.00% |
| TOTAL EXPENSES | \$1,911,438 | \$1,947,101 | \$1,940,580 | \$1,972,931 | \$1,880,694 | \$1,886,879 | \$1,906,582 | 3.22% |
| FUNDING | | | | | | | | |
| General Fund | \$1,146,439 | \$1,442,489 | \$1,436,104 | \$1,459,626 | \$1,393,660 | \$1,399,673 | \$1,413,169 | 27.32% |
| Federal Revenue | 764,999 | 504,612 | 504,476 | 513,305 | 487,034 | 487,206 | 493,413 | -32.90% |
| TOTAL FUNDING | \$1,911,438 | \$1,947,101 | \$1,940,580 | \$1,972,931 | \$1,880,694 | \$1,886,879 | \$1,906,582 | 3.22% |

DEPARTMENT OF FAMILY SERVICES

Costs of Providing 85% and 100% of Model Rate Costs to
Foster Care Providers

The following figures show the total cost of subcommittee action taken on February 17 providing 85 percent of the model rate costs in fiscal 1990 and 100 percent of the model rate costs in fiscal 1991 to foster care providers. The figures assume the passage of House Bill 304. Therefore, only DFS placements at Intermountain Deaconess and Yellowstone Treatment Center are included.

| <u>Funding</u> | <u>1990</u> | <u>1991</u> | <u>Biennium</u> |
|----------------|---------------|----------------|-----------------|
| General Fund | \$736,712 | \$1,296,315 | \$2,033,027 |
| Federal Funds | <u>87,369</u> | <u>160,039</u> | <u>247,408</u> |
| Total Funding | \$824,081 | \$1,456,354 | \$2,280,435 |

Committee Issues

Committee Action

DEPARTMENT OF FAMILY SERVICES
Supplemental Security Income (SSI)

Action by the Human Services Subcommittee adding the Farmer-in-the-Dell and a 52 bed specialized service and support organization (SSSO) in the Developmental Disabilities Division of the Department of Social and Rehabilitation Services necessitates additional state SSI payments by the Department of Family Services. The department is not currently budgeted for this increase. The figures below assume operation of the Farmer-in-the-Dell for the full biennium, and operation of the SSSO beginning in November of fiscal 1991. Full year costs for both facilities total \$67,680.

| | <u>1990</u> | <u>1991</u> |
|--|-------------|-------------|
| Non-Operating Expenses and General Fund | \$9,024 | \$48,128 |

Committee Issues

Committee Action

