

## MINUTES

### MONTANA HOUSE OF REPRESENTATIVES 52nd LEGISLATURE - 1st SPECIAL SESSION

#### SUBCOMMITTEE ON HUMAN SERVICES & AGING

Call to Order: By Rep. Dorothy Bradley, Chair, on January 6,  
1992, at 2:40 p.m.

#### ROLL CALL

**Members Present:**

Rep. Dorothy Bradley, Chair (D)  
Rep. John Cobb (R)  
Rep. John Johnson (D)  
Sen. Dennis Nathe (R)

**Members Excused:**

Sen. Mignon Waterman, Vice Chairman (D)  
Sen. Tom Keating (R)

**Members Absent:** None

**Staff Present:** Taryn Purdy, Senior Fiscal Analyst (LFA)  
Carroll South, Senior Fiscal Analyst (LFA)  
Sandra Whitney, Senior Fiscal Analyst (LFA)  
Jeanne Krumm, Committee Secretary

**Please Note:** These are summary minutes. Testimony and  
discussion are paraphrased and condensed.

#### HEARING - GENERAL FUND OPERATIONAL BUDGET REDUCTIONS

Mr. South said that the percentages are operational cuts only. If an agency did a fund switch, which actually didn't reduce expenditures, it is not reflected in the percentages. The percentages are true general fund cuts of the agency's operational budget. Operational budget means personal services, operations, and equipment, not benefits. EXHIBIT 1. If there was a general fund agency that also had state special funding and there was extra money in the state special account, you could actually negate a budget cut by switching the funding. If you had a state special account in an agency that had money in it, you could transfer that to the general fund and that all counted towards your 8% cut. If an agency was funded totally with general fund money and didn't have any other options, in most instances there was a full 8% cut. There has been discussion about the equity of doing that and especially what is going to happen going into the next biennium. In the operational area we do incremental budgeting. Those agencies who had to take a straight general fund cut, would go into the 1995 biennium with a reduced budget relative to those that handled their cut by

funding switches.

In an effort to give the legislature an option to equalize some of those cuts we have come up with three options that apply only to operational cuts. Each one of the three options has only a maximum 5% operational cut in 1992. This is done primarily because that is the absolute maximum that can be cut in operational budgets given the fact that half of the year has elapsed. In 1993 there are three other options: 5%, 6% and 8% cut of operational budgets. The chart shows the additional amount that has to be taken out of various state agencies to get the 5% level. There are certain exceptions which are elected officials for which state agencies that fund those elected officials have no control over whether the position is vacant or the salary. EXHIBIT 2

Pat Melby, asked if the percentage figures include both the reductions, and the supplementals. Mr. South said, the supplementals are totally excluded. These are actual gross cuts that we're manipulating here. There are only two state agencies that have operational supplementals, Department of Revenue and Corrections & Human Services. All other supplementals are in benefits.

REP. COBB said we are cutting administration, which are the people that do the work.

Mr. Hoffman said if you were not given credit for that, does that mean that the agency would get a double hit? The first hit we had decreased the general fund and put it in the increased earmarked revenue. If we decrease the general fund revenue by another 5% or 6%, it will double the cuts within that program.

Mr. South said the Department of Health and Environmental Sciences cut, the Director's Office \$8,500 with no increase in state special account. Vital statistics bureau by general fund was reduced by \$3,400 and increased state special account by \$3,400. So the expenditures haven't been decreased. Mr. Hoffman said we have decreased the general fund appropriations and if we cut it again, it will be decreasing it twice.

REP. BRADLEY said as a matter of fairness, should those agencies who are able to get fee money not be allowed to suffer from the cuts, where others who don't have that availability have to actually suffer those cuts.

Mr. South said there is a difference between increasing fees into a state special account and using the increased fees in lieu of general fund, as opposed to having extra money in your state special account lying around. Having worked on all of the global aspects of this budget there are very few bonafide fee increases involved in the executive budget. Most of it is simply the effect that the agency has additional money. In that regard, that would be not different from saying we will give you \$30,000 of that at the end of the year and put it in the general fund.

The philosophy here is if the legislature would like to equalize the actual budget reductions where people may have to be laid off, as opposed to paying them with another fund source.

REP. BRADLEY said that there are summary sheets explaining what the subcommittee has done in the three previous meetings.

EXHIBIT 3

DEPARTMENT OF HEALTH & ENVIRONMENTAL SCIENCES

EXECUTIVE ACTION - NO. 16 END STAGE RENAL DISEASES

Tape 1, Side A, 445

Motion/Vote: SEN. NATHE moved to accept the Executive Budget Proposal of an \$18,500 reduction in FY92 and FY93. MOTION FAILED with REPS. BRADLEY, COBB and JOHNSON voting no.

DEPARTMENT OF SOCIAL & REHABILITATION SERVICES

EXECUTIVE ACTION - NO. 6 AGENCY-WIDE OPERATING COSTS

Tape 1, Side A, 472

Motion/Vote: SEN. NATHE moved to accept the Executive Budget Proposal of a \$119,374 reduction in FY92 and a \$156,137 reduction in FY93. MOTION FAILED with REPS. COBB and JOHNSON voting no.

Discussion: REP. COBB asked if the general fund of \$57,475 in FY92 has been reverted money in executive order and is that agency operating costs. Julia Robinson, Director, Department of Social & Rehabilitation Services, said no, SRS hasn't done this.

EXECUTIVE ACTION - NO. 12 HOSPITAL RATE INCREASE

Tape 1, Side A, 538

Motion/Vote: REP. NATHE moved to accept the Executive Budget Proposal of a \$920,613 general fund reduction and a \$2.3 million federal fund reduction in FY93. MOTION FAILED with REPS. BRADLEY, JOHNSON and SEN. NATHE voting no.

Discussion: REP. BRADLEY said it is incredibly unfair that they weren't given anything in the first year. In our careful evaluation of this was the promise to do the study the first year and forego any increase the first year. There is always the chance of this going onto the private sector.

EXECUTIVE ACTION - NO. 22 DD PART H REDUCTION

Tape 1, Side A, 578

Motion/Vote: SEN. NATHE moved to accept the Executive Budget Proposal of a \$200,000 reduction in FY92. MOTION FAILED with REPS. BRADLEY, COBB, and JOHNSON voting no.

**Discussion:** REP. BRADLEY asked if the committee removed \$300,000 of the original sum appropriated by this committee. Mike Henshaw, SRS, said that is correct it was taken away in the last hours of the regular session.

REP. BRADLEY said this reduction is for speech and physical therapy. Mr. Henshaw said it is for a whole range of services.

**EXECUTIVE ACTION - NO. 23 OTHER BENEFIT REDUCTION**

**Tape 1, Side A, 630**

**Motion/Vote:** SEN. NATHE moved to accept the Executive Budget Proposal of a \$119,150 reduction in FY92.

**Discussion:** REP. BRADLEY said the committee voted last week to eliminate the state startup funds for the homes. She asked what happens to those homes that have already been contracted on that were under construction. Mr. Henshaw said there are five homes that are under construction and that appropriation was in the first year and has already been spent. The money that was cut by the subcommittee last week was \$400,000 for the second five homes that would serve people from the community and that money is appropriated in FY93.

REP. BRADLEY asked where are the contracted homes being built. Mr. Henshaw said Butte, Havre, Miles City, Anaconda, and Billings.

REP. BRADLEY said those people who got into the first round get different treatment than those who are desperate for the second round. Mr. Henshaw said the people that were in the first round are people placed from the institutions and they are current residents of Montana. The people in the second round are from the community waiting list. SRS is trying to find other options that doesn't involve building five new structures to serve those people.

REP. BRADLEY asked if there was any money left over in No. 23, could that money be used to help the waiting list situation. Mr. Henshaw said that SRS would go through the process of issuing requests for proposals and seeing what the bids call for. There will be some requirement for startup funds.

REP. BRADLEY asked if the committee could take the sum that was not spent this year and allow use of it the second year for the startup money for the homes we have already taken \$400,000 away from. This committee last week cut out the general fund appropriation in the second year that was to provide startup funds for group homes. The committee has been trying to find a balance between the demands of taking individuals out of the Montana Development Center and dealing with the population by putting them into the communities. The court order made that necessary. We are giving preference by taking people out of the Development Center and foregoing the help to the people that are

in the communities that desperately need the help.

REP. COBB asked if there would be the flexibility to use the \$250,000 if it were left over from the homes that were built. Mr. Henshaw said it depends on what the committee wants SRS to do with the money. The SRS program has a bottom line that they cannot cross. There is need above the line and the resources are below the line. SRS moves money as close to that target as it can. Today the money may be for a group home and tomorrow it may be spent on some organization. When SRS was making these cuts it was faced with the choice; is SRS going to save this kind of money or decrease the number of people SRS is going to serve. SRS chose to take out the startup funds. SRS had enough proposals and interest that would require that much startup if SRS could get within striking distance of bringing all five of these projects in without that money.

REP. BRADLEY asked if SRS could do it, then why didn't they do it with the last six that were all for people coming out of the development center. Mr. Henshaw said SRS didn't have a notion that there was enough interest, expertise and enough people who believed that they could do this.

REP. BRADLEY asked what type of waiting list is there in the communities. Mr. Henshaw said there are 92 people waiting for this service.

REP. COBB said if this money is left in, what is the impact and what would SRS do with it. Mr. Henshaw said SRS would spend it on startup. SRS will select the vendors by the end of this fiscal year.

SEN. NATHE withdrew his motion on Other Benefit Reduction.

DEPARTMENT OF FAMILY SERVICES

EXECUTIVE ACTION - NO. 1

PERSONAL SERVICES 6% VACANCY SAVINGS

Tape 1, Side A, 0160

Motion/Vote: REP. COBB moved to take out 3% vacancy savings in FY92 and FY93. MOTION CARRIED with REP. BRADLEY voting no.

Discussion: REP. BRADLEY asked if this would take vacancy savings to 8% in management support. Mr. South said that this would take vacancy savings to 5%.

REP. BRADLEY said we have 2% in right now.

EXECUTIVE ACTION - NO. 3

PERSONAL SERVICES 4% VACANCY SAVINGS

Tape 1, Side A, 0240

**Motion/Vote:** REP. COBB moved to take out 2% vacancy savings in FY92 and FY93. MOTION CARRIED with REP. BRADLEY voting no.

**Discussion:** REP. BRADLEY said this would create vacancy saving requirements for social workers. Cutting out social workers increases foster care costs.

**EXECUTIVE ACTION - NO. 4 PARENTAL ASSETS RULE**

Tape 1, Side A, 0305 -

Tape 1, Side B

**Motion/Vote:** REP. COBB moved to accept the Executive Budget Proposal of a \$233,693 reduction in FY92 and a \$928,493 reduction in FY93. MOTION FAILED with REPS. BRADLEY and JOHNSON voting no.

**Discussion:** REP. COBB said if there is no sliding scale then either you are eligible or you have to pay. Tom Olson, Director, Department of Family Services, said that is correct. EXHIBIT 4

Jim Smith, said when parents have to spend down to Medicaid eligibility means assets of no more than \$2,000 and very limited resources. It amounts to family impoverishment in order to get your child treatment. This is a bad move on the State of Montana.

Pat Melby said he has reviewed many case files for purposes of appeals for medical necessities and determinations made by Mental Health Management of America. These people are not doctors and lawyers, they are regular people. The Medicaid eligibility list is determined by AFDC eligibility. A family of four that made \$12,760 would not be eligible to have Medicaid to pay for their child that was placed in a psychiatric facility. Neither DFS or SRS has any idea of how much money they would save from this, if any. They have no idea where these children are going to end up.

SEN. NATHE asked how other states handle this problem. Mr. Melby said that Montana is one of the few states that doesn't consider the parental assets and doesn't have a state institution for youth who for one reason or another cannot get into these hospitals. There are going to be many children that don't go to Rivendell, Yellowstone Treatment Center or Shodair because families aren't going to want to go bankrupt to send them. These children will be bouncing around in the community and someone is going to have to provide the service for them.

REP. BRADLEY said it is frustrating because of the lack of information. If DFS gets more information about this and does some analysis, and if they think this is a wise thing to pursue without this committees approval, they have that authority to do it through administrative rule.

**EXECUTIVE ACTION - DEPARTMENT OF FAMILY SERVICES**

Tape 1, Side B, 234

Motion/Vote: REP. COBB moved to accept the language for the Department of Family Services. EXHIBIT 3, Page 6. MOTION CARRIED UNANIMOUSLY.

EXECUTIVE ACTION

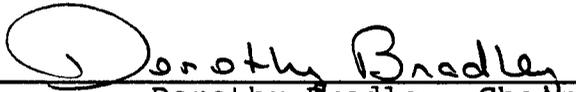
DEPARTMENT OF SOCIAL & REHABILITATION SERVICES

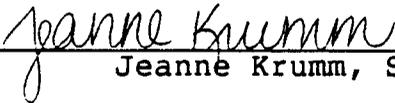
Tape 1, Side B, 250

Motion/Vote: REP. COBB moved to accept the language for the Department of Social & Rehabilitation Services. EXHIBIT 3, Page 3. MOTION CARRIED UNANIMOUSLY.

ADJOURNMENT

Adjournment: 4:50 p.m.

  
\_\_\_\_\_  
Dorothy Bradley, Chair

  
\_\_\_\_\_  
Jeanne Krumm, Secretary

DB/jk

HOUSE OF REPRESENTATIVES  
HUMAN SERVICES SUBCOMMITTEE

ROLL CALL

DATE 1-6-92

NAME	PRESENT	ABSENT	EXCUSED
REP. JOHN COBB	✓		
SEN. TOM KEATING			✓
REP. JOHN JOHNSON	✓		
SEN. DENNIS NATHE	✓		
SEN. MIGNON WATERMAN, VICE-CHAIR			✓
REP. DOROTHY BRADLEY, CHAIR	✓		



TERESA OLCOTT COHEA  
LEGISLATIVE FISCAL ANALYST

STATE OF MONTANA

*Office of the Legislative Fiscal Analyst*

STATE CAPITOL  
HELENA, MONTANA 59620  
406/444-2986

EXHIBIT 1  
DATE 1-6-92  
HB \_\_\_\_\_

January 6, 1992

TO: Members of the House Appropriations Committee  
FROM: Teresa Olcott Cohea  
Legislative Fiscal Analyst *Teresa Olcott Cohea*  
RE: Overview of House Bill 2 Revisions

### Net Reduction

The subcommittees have approved a net reduction of \$12,223,687 general fund in House Bill 2. In addition, they have reduced general fund miscellaneous appropriations ("cats and dogs") by \$1,906,080. Lastly, they have included language in the bill directing agencies to transfer \$7,321,769 in fund balances or increased revenue to the general fund. In total, the subcommittees have endorsed "budget balancers" totalling \$21,451,536.

### Supplementals

The Executive Budget requested \$20.8 million in general fund supplementals in House Bill 2. The subcommittees approved general fund supplementals totalling \$20.0 million.

### Percentage Reductions

The following table shows the impact of the subcommittee reductions on agencies' operating budgets. In this table, reductions that don't impact the agencies' internal operations--such as reductions in pass-through funding or benefits, funding switches, and fund balance transfers--are excluded. Only reductions in personal services, operating, and equipment are included.

Percentage reductions in agency operating budgets range from 0 percent for three agencies to 10.8 percent. The average percentage reduction is 3.7 percent.

Table 1  
General Fund Operational Budget Reductions by Percent

Agency	% Cut FY 1992	% Cut FY 1993	% Cut Biennium
Department of Labor & Industry	10.87%	10.78%	10.82%
Department of Agriculture	8.00%	8.00%	8.00%
Department of Transportation	8.00%	8.00%	8.00%
Department of Fish, Wildlife & Parks	8.00%	8.00%	8.00%
Commissioner of Higher Education	1.67%	10.05%	5.89%
Library Commission	7.74%	4.00%	5.87%
Commissioner of Political Practices	9.80%	0.00%	5.77%
Legislative Council	6.43%	5.00%	5.72%
Department of State Lands *	5.50%	5.11%	5.31%
Legislative Fiscal Analyst	5.41%	5.11%	5.26%
Crime Control Division	8.00%	2.49%	5.17%
Office of Public Instruction	5.00%	5.00%	5.00%
Montana Arts Council	3.82%	5.08%	4.41%
Department of Natural Resources & Conservation	4.00%	3.31%	3.65%
Office of the Governor	2.79%	4.38%	3.57%
State Auditor's Office	2.87%	4.17%	3.50%
Secretary of State	6.58%	0.00%	3.37%
Legislative Auditor	6.17%	0.25%	3.17%
Department of Health & Environmental Sciences	3.24%	2.62%	2.92%
Department of Administration	2.95%	2.89%	2.92%
Historical Society	3.57%	2.12%	2.85%
Board of Public Education	2.67%	2.54%	2.61%
Environmental Quality Council	2.32%	2.45%	2.39%
Department of Justice	3.55%	0.70%	2.11%
Department of Military Affairs	3.20%	0.84%	2.06%
Judiciary	1.82%	1.50%	1.66%
Department of Revenue	1.31%	1.83%	1.57%
School For Deaf & Blind	1.34%	1.66%	1.50%
Department of Social & Rehabilitation Services	2.15%	0.56%	1.34%
Department of Corrections & Human Services	1.71%	0.63%	1.17%
Department of Family Services	0.05%	0.19%	0.12%
Department of Livestock	0.00%	0.00%	0.00%
Public Service Regulation	0.00%	0.00%	0.00%
Department of Commerce	0.00%	0.00%	0.00%
Average	4.13%	3.21%	3.70%

### Comparison with Executive Budget

The attached sheet provides a comparison of subcommittee action with the Executive Budget by agency and subcommittee. In total, the net reduction approved by the subcommittees was \$6.9 million less than requested in the Executive Budget.

The Executive Budget proposed a net reduction of 23.8 FTE. The subcommittee recommendations would increase FTE by 31.9 in fiscal 1992 and 36.5 in fiscal 1993.

TOC3E:lt:hsapprop1-6.92  
cc: Legislative leadership

EXHIBIT 1DATE 1-6-92**LEGISLATIVE FISCAL ANALYST**

**SUBCOMMITTEE ACTION  
Over/(Under)  
EXECUTIVE BUDGET**

Subcommittee/Agency	Fiscal 1992 General Fund	Fiscal 1993 General Fund	Biennium General Fund
<b>GENERAL GOVERNMENT &amp; TRANSPORT.</b>			
Legislative Auditor	(\$18,512)	\$57,550	\$39,038
Legislative Fiscal Analyst	0	25,002	25,002
Legislative Council	0	65,164	65,164
Environmental Quality Council	0	0	0
Consumer Counsel	0	0	0
Judiciary	66,429	292,077	358,506
Governor's Office	0	0	0
Secretary of State	0	0	0
Commissioner of Political Practices	0	0	0
State Auditor	0	0	0
Crime Control Division	0	0	0
Highway Traffic Safety	0	0	0
Justice	0	0	0
Transportation	0	0	0
Revenue	0	0	0
Administration	(50,000)	0	(50,000)
State Fund	0	0	0
Public Employee's Retire. Board	(9,583)	4,000	(5,583)
Teacher's Retirement Board	0	0	0
Military Affairs	(5,100)	5,100	0
<b>TOTAL</b>	<b>(\$16,766)</b>	<b>\$448,893</b>	<b>\$432,127</b>
<b>HUMAN SERVICES</b>			
Health & Environmental Sciences	\$36,485	\$36,485	\$72,970
Labor & Industry	0	0	0
Social & Rehabilitation Services	562,921	1,904,221	2,467,142
Family Services	1,089,543	1,752,926	2,842,469
<b>TOTAL</b>	<b>\$1,688,949</b>	<b>\$3,693,632</b>	<b>\$5,382,581</b>
<b>NATURAL RESOURCES AND COMMERCE</b>			
Public Service Regulation	\$0	\$0	\$0
Fish, Wildlife and Parks	0	0	0
State Lands	(800,000)	0	(800,000)
Livestock	0	0	0
Natural Resources & Conservation	10,891	40,908	51,799
Agriculture	0	0	0
Commerce	0	0	0
<b>TOTAL</b>	<b>(\$789,109)</b>	<b>\$40,908</b>	<b>(\$748,201)</b>

<b>INSTITUTIONS AND CULTURAL EDUCATION</b>	
Montana Arts Council	
Library Commission	
Historical Society	
Corrections & Human Services	
<b>TOTAL</b>	

\$0
0
0
(572,284)
<b>(572,284)</b>

(\$103,865)
31,281
0
1,603,454
<b>\$1,530,870</b>

(\$103,865)
31,281
0
1,031,170
<b>\$958,586</b>

<b>EDUCATION</b>	
Board of Public Education	
School for the Deaf & Blind	
Office of Public Instruction	
Commissioner of Higher Education	
Vocational-Technical System	
Six University Units	
Agricultural Experiment Station	
Cooperative Extension Service	
Forestry & Conser. Exp. Station	
Bureau of Mines	
Montana Council of Vocational Ed.	
Fire Services Training School	
<b>TOTAL</b>	

\$0
0
394,364
0
0
0
0
0
0
0
0
0
0
0
0
0
0
<b>\$394,364</b>

\$0
0
195,373
697,397
10,608
224,648
9,712
3,742
907
1,648
0
294
<b>\$1,144,329</b>

\$0
0
589,737
697,397
10,608
224,648
9,712
3,742
907
1,648
0
294
<b>\$1,538,693</b>

<b>LONG RANGE PLANNING</b>
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<b>(695,514)</b>
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<b>\$0</b>
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<b>(695,514)</b>
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<b>TOTAL SUBCOMMITTEE ACTION</b>	<b>\$9,640</b>	<b>\$6,858,632</b>	<b>\$6,868,272</b>
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07:33 AM  
01/06/92

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Additional Budget Cuts Required

Agency	5% Cut FY 1992	5% Cut FY 1993	6% Cut FY 1993	8% Cut FY 1993
Department of Labor & Industry	0	0	0	0
Department of Agriculture	0	0	0	0
Department of Transportation	0	0	0	0
Department of Fish, Wildlife & Parks	0	0	0	0
Commissioner of Higher Education	0	0	0	0
Library Commission	0	7,820	15,641	31,281
Commissioner of Political Practices	0	6,104	7,325	9,766
Legislative Council	0	0	21,721	65,164
Department of State Lands *	0	0	79,787	258,504
Legislative Fiscal Analyst	0	0	8,200	26,652
Crime Control Division	0	13,458	18,829	29,573
Office of Public Instruction	0	0	37,198	111,595
Montana Arts Council	1,685	0	1,183	3,744
Department of Natural Resources & Conservation	48,596	83,469	132,726	231,240
Office of the Governor	59,292	15,979	41,751	93,295
State Auditor's Office	51,257	19,173	42,207	88,276
Secretary of State	0	50,700	60,840	81,120
Legislative Auditor	0	61,852	74,865	100,890
Department of Health & Environmental Sciences	65,724	90,342	128,232	204,011
Department of Administration	73,299	76,238	112,393	184,704
Historical Society	19,073	38,104	51,342	77,818
Board of Public Education	2,849	2,930	4,123	6,509
Environmental Quality Council	7,962	7,695	10,714	16,752
Department of Justice	117,346	464,576	574,766	795,147
Department of Military Affairs	40,779	87,713	108,775	150,900
Judiciary	24,421	40,071	65,322	115,823
Department of Revenue	645,888	558,473	745,266	1,118,853
School For Deaf & Blind	101,143	93,699	121,749	177,849
Department of Social & Rehabilitation Services	273,026	444,299	544,408	744,628
Department of Corrections & Human Services	1,047,667	1,733,211	2,168,143	3,038,007
Department of Family Services	462,675	450,271	546,325	738,434
Department of Livestock	40,717	41,614	49,936	66,582
Public Service Regulation	108,959	104,086	124,903	166,537
Department of Commerce	145,227	144,333	173,200	230,933
Highway Traffic Safety				
<b>Total</b>	<b>3,337,586</b>	<b>4,636,208</b>	<b>6,071,871</b>	<b>8,964,586</b>

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## ACROSS THE BOARD REDUCTIONS

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### "Percentage" Reductions

The following table shows the additional biennial general fund savings that would be generated by making "across-the-board" percentage reductions in all state agency and university system general fund budgets above the percentages already taken by the subcommittee. The following options are shown:

	FY92	FY93
Column #1	5%	5%
Column #2	5%	6%
Column #3	5%	8%

If the reduction the subcommittee has already taken is in excess of the reduction in the option, "0" is shown in the column.

Exceptions - Items excluded from the "across-the-board" reductions are:

1) salaries and employee benefits for direct care workers at all state institutions. In most instances, institutional direct care workers are staffed on a staff-to-resident basis or on a posting system, which requires that a minimum level of staff be on shift around-the-clock. Holding direct care positions open to generate savings may require that management call in other workers on an overtime basis to maintain security and licensure requirements.

2) all social and medical benefits in the departments of SRS, DFS; and silicosis/social security offset benefits in DOLI. Expenditures for

major social and medical benefit programs cannot be cut by simply reducing appropriations. Medicaid and Aid to Families with Dependent Children (AFDC) are federally-mandated entitlement programs whose roles and scopes can only be reduced by amending state rules within federal parameters. Other social benefit expenditures fund community services for persons who formerly resided in state institutions. Across-the-board reductions in these benefits may result in increased expenditures at state institutions.

3) social workers in DFS;

4) salaries and employee benefits for county attorneys, district court justices, supreme court justices, and elected county assessors. Since salaries for elected officials are set by statute, vacancy savings cannot be generated by the replacement of an incumbent with a new employee at a lower rate of pay. In addition, state agencies which fund these positions cannot leave elected official positions open to generate savings.

5) all fiscal 1992 pass-through funds for K-12 education. Because local school districts' fiscal 1992 budgets have been set based on anticipated pass-through funding, fiscal 1992 general fund distribution to public schools (such as special education and transportation) are excluded.

6) student assistance programs at the six university units and the five vocational-technical centers.

DEPARTMENT OF HEALTH & ENVIRONMENTAL SCIENCES

1993 Biennium Adjustments

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===== Executive Budget Proposal ===== Fiscal 1992 ===== Fiscal 1993 ===== Fiscal 1992 ===== Fiscal 1993 ===== Difference (Leg. - Exec.) =====

Description	Pgm	Fiscal 1992			Fiscal 1993			Fiscal 1992			Fiscal 1993			Difference (Leg. - Exec.)
		General Fund	Other Funds	Total	General Fund	Other Funds	Total	General Fund	Other Funds	Total	General Fund	Other Funds	Total	
House Bill 2														
1 Director's Office	01	(\$8,495)	\$0	\$0	(\$8,495)	\$0	\$0	(\$8,495)	\$0	\$0	(\$8,495)	\$0	\$0	0
2 Legal Charges	01	(6,632)	0	0	(6,632)	0	0	(6,632)	0	0	(6,632)	0	0	0
3 Vital Statistics Bureau	02	(34,544)	34,544	0	(34,544)	34,544	0	(61,000)	61,000	0	(61,000)	61,000	0	0
4 Chemistry Laboratory	02	(8,093)	8,093	0	(8,093)	8,093	0	(8,093)	8,093	0	(8,093)	8,093	0	0
5 Public Health Laboratory	02	(16,625)	16,625	0	(16,625)	16,625	0	(16,625)	16,625	0	(16,625)	16,625	0	0
6 Air Quality Bureau	03	(53,525)	53,525	0	(53,525)	53,525	0	(53,525)	53,525	0	(53,525)	53,525	0	0
7 Occupational Health	03	(7,775)	7,775	0	(7,775)	7,775	0	(7,851)	7,851	0	(7,851)	7,851	0	0
8 Food and Consumer Safety	03	(14,912)	0	0	(14,912)	0	0	(15,055)	0	0	(15,055)	0	0	0
9 Solid Waste Program	04	(16,433)	16,433	0	(16,433)	16,433	0	(16,433)	16,433	0	(16,433)	16,433	0	0
10 Subdivisions	05	(9,282)	0	0	(9,282)	0	0	(9,282)	0	0	(9,282)	0	0	0
11 Subdivisions Pay Exceptions	05	(611)	0	0	(611)	0	0	(1,080)	0	0	(1,080)	0	0	0
12 Health Planning	06	(1,451)	0	0	(1,451)	0	0	0	0	0	0	0	0	0
13 Family Planning Bureau	07	(4,000)	0	0	(4,000)	0	0	(4,000)	0	0	(4,000)	0	0	0
14 MIAMI Program	07	(13,639)	0	0	(13,639)	0	0	0	0	0	13,639	0	13,639	0
15 Perinatal Program	07	(4,346)	0	0	(4,346)	0	0	0	0	0	4,346	0	4,346	0
16 End Stage Renal Disease	08	(18,500)	0	0	(18,500)	0	0	0	0	0	18,500	0	18,500	0
17 Licensing and Certification	09	(79,153)	0	0	(79,153)	0	0	(58,561)	0	0	(58,561)	0	0	0
Other Appropriation Bills														
18 HB 876 - MIAMI Council	07	(1,120)	0	0	(1,120)	0	0	(1,120)	0	0	0	0	0	0
19 CERCLA/ESOP Fund Balance Trsf.04		0	0	(1,000,000)	0	0	0	0	0	0	0	0	0	1,000,000
<b>Totals</b>		(\$299,136)	\$136,995	(\$1,303,117)	(\$262,651)	\$136,995	(\$266,632)	\$163,527	\$36,485	\$0	\$1,036,485	\$0	\$0	\$0

DEPARTMENT OF LABOR & INDUSTRY

Description	Pgm	Executive Budget Proposal			Legislative Budget Action			Difference (Leg. - Exec.)		
		Fiscal 1992	Fiscal 1993	Fiscal 1993	Fiscal 1992	Fiscal 1993	Fiscal 1993	Fiscal 1992	Fiscal 1993	Fiscal 1993
		General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds	Other Funds
House Bill 2										
1 Silicosis Administration	04	(\$11,199)	\$0	(\$11,139)	0	(11,139)	0	0	0	0
2 Human Rights Commission	08	(27,806)	0	(28,632)	0	(28,632)	0	0	0	0
Other										
3 UT Fund Balance Transfer	NA	(1,500,000)	0			1,500,000	0	0	0	0
<b>Totals</b>		(\$1,539,005)	\$0	(\$39,771)	\$0	(\$39,771)	\$0	\$1,500,000	\$0	\$0

**LANGUAGE FOR DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES**

**The department must transfer to the general fund from the Child Support Enforcement account all cash balance remaining at the end of fiscal 1992. Any cash balance in the account in excess of \$500,000 at the end of fiscal 1993 shall be deposited in the general fund.**

DEPARTMENT OF SOCIAL & REHABILITATION SERVICES

1993 Biennium Adjustments

P:\69011\0000000.LBP Executive Budget Proposal Fiscal 1992 Fiscal 1993 Fiscal 1993 Fiscal 1992 Fiscal 1993 Fiscal 1993 Fiscal 1992 Fiscal 1993 Fiscal 1993 Fiscal 1992 Fiscal 1993 Difference (Leg. - Exec.)

Description	Pgm	Fiscal 1992		Fiscal 1993		Fiscal 1993		Fiscal 1992		Fiscal 1993		Fiscal 1993	
		General Fund	Other Funds										
1 Legal Services Contract	01	\$0	\$0	\$0	\$0	(\$50,000)	\$0	(\$50,000)	\$0	0	0	0	0
2 Child Care Rate Increase	01	(33,404)	33,404	(33,404)	33,404	(57,550)	57,550	(57,550)	57,550	0	0	0	0
3 Project Work Program	01	(100,000)	0	(100,000)	0	(100,000)	0	(100,000)	0	0	0	0	0
4 AFDC Caseload Increase	01	1,236,536	3,433,792	1,236,536	3,433,792	1,150,899	3,231,807	1,150,899	3,231,807	0	0	0	0
5 GA Caseload Increase	01	444,698	0	444,698	0	437,615	0	437,615	0	0	0	0	0
6 Agency-Wide Operating Costs	NA	(119,374)	16,899	(156,137)	16,899	(11,250)	0	(11,250)	0	57,475	0	111,137	0
7 Grant Writing	04	(11,250)	0	(11,250)	0	(11,250)	0	(11,250)	0	0	0	0	0
8 Operating Costs	05	0	(17,235)	0	(17,235)	(115,000)	(27,613)	(115,000)	(27,613)	0	0	0	0
9 Personal Care Contract	07	(85,000)	0	(85,000)	0	(97,238)	0	(97,238)	0	0	0	0	0
10 Durable Medical Equipment	07	0	0	0	0	(307,900)	(787,830)	(307,900)	(787,830)	0	0	0	0
11 OBRA 1990 Delay	07	(155,300)	(393,657)	(155,300)	(393,657)	(210,000)	(532,312)	(210,000)	(532,312)	0	0	0	0
12 Hospital Rate Increase	07	(210,000)	(532,312)	(210,000)	(532,312)	(282,390)	(722,531)	(282,390)	(722,531)	0	0	0	0
13 OB/GYN Services @ 85%	07	0	0	0	0	(2,044,014)	(5,230,057)	(2,044,014)	(5,230,057)	0	0	0	0
14 Managed Care @ 16%	07	(400,000)	400,000	(400,000)	400,000	(800,000)	800,000	(800,000)	800,000	0	0	0	0
15 Medicare Buy-In	07	3,939,406	0	3,939,406	0	2,390,622	0	2,390,622	0	0	0	0	0
16 State Medical Increase	09	(150,000)	(150,000)	(150,000)	(150,000)	0	0	0	0	0	0	250,000	(250,000)
17 County Computer Costs	09	0	0	0	0	0	0	0	0	0	0	0	0
18 TEAMS	09	0	(1,333,333)	0	(1,333,333)	0	0	0	0	0	0	0	0
19 SEARCHS	09	0	0	0	0	0	0	0	0	0	0	0	0
20 Rate Increase Delay	NA	0	0	0	0	(522,471)	(251,131)	(522,471)	(251,131)	0	0	522,471	251,131
21 DO Part H Fund Switch	14	(120,000)	120,000	(120,000)	120,000	0	0	0	0	0	0	0	0
22 DO Part H Reduction	14	(200,000)	0	(200,000)	0	0	0	0	0	200,000	0	0	0
23 Other Benefit Reduction	14	(119,150)	0	(119,150)	0	0	0	0	0	119,150	0	0	0
24 Supported Living 30 Slots	14	(86,296)	(221,904)	(86,296)	(221,904)	0	0	0	0	86,296	221,904	0	0
25 Phase IV Start-Up	14	0	0	0	0	(400,000)	0	(400,000)	0	0	0	0	0
26 Day Care Service Increase	01	0	0	100,000	253,482	0	0	100,000	253,482	100,000	253,482	100,000	246,260

Other

EXHIBIT 3  
DATE 1-6-92  
HB

1993 Biennium Adjustments

Description	Executive Budget Proposal			Legislative Budget Action			Difference (Leg. - Exec.)		
	Fiscal 1992	Fiscal 1993	Fiscal 1992	Fiscal 1993	Fiscal 1992	Fiscal 1993	Fiscal 1992	Fiscal 1993	
Pgm	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds	Other Funds
27 Revenue Increase	(217,235)	0	(27,613)	0	(217,235)	0	0	0	0
28 Fund Balance Transfer	0	0	(500,000)	0	0	0	0	0	0
29 Unreconciled Account	(1,000,000)	0	0	0	(1,000,000)	0	0	0	0
Totals	\$2,613,631	\$1,355,654	(\$2,663,030)	(\$5,035,395)	\$3,176,552	\$1,831,040	\$562,921	\$475,386	\$1,904,221
					(\$758,809)	(\$2,432,614)			\$2,602,981

EXHIBIT 3  
DATE 1-6-92  
HB \_\_\_\_\_

**LANGUAGE FOR DEPARTMENT OF FAMILY SERVICES**

Item \_\_ is a biennial appropriation to fund development of a plan to increase federal funding of children's services. The general fund appropriated shall be matched with appropriate federal funding. The Departments of Family Services, Social and Rehabilitation Services, Corrections and Human Services, Health and Environmental Sciences, and the Office of Public Instruction shall cooperate in developing the plan.

DEPT. OF FAMILY SERVICES

P:\6911\40000000.LBP  
 1993 Biennium Adjustments  
 Executive Budget Proposal      Legislative Budget Action      Difference (Leg. - Exec.)

Description	Pgm	Fiscal 1992		Fiscal 1993		Fiscal 1992		Fiscal 1993		Fiscal 1992		Fiscal 1993	
		General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
House Bill 2													
1 Personal Services 6% VS	01	(995,878)											
2 Training Funds	01	(7,500)		(7,500)									
3 Personal Services 4% VS	02	(335,104)		(348,545)									
4 Parental Assets Rule	02	(233,693)		(928,493)									
5 Delay Foster Care Rate Inc.	02	0	(70,585)	(194,772)									
6 Day Care Rate Increase	02	(38,706)		(58,083)									
7 IV-B Revenue Increase	02	(75,697)	75,697	(75,697)	75,697								
8 Corrections Div. Operating	02	(20,000)		(20,000)									
9 Cap Alcohol & Drug Treatment	02	(12,100)		(13,300)									
10 Domestic Violence 8% Red.	02	(10,800)		(10,800)									
11 Big Brothers 8% Red.	02	(13,860)		(14,553)									
12 Misc. Federal Recovery	02	(295,931)	295,931	(324,962)	324,962								
13 Resid. Treatment Continuum	02	(599,919)		(599,919)									
14 Foster Care Increase	02	2,202,939		2,202,939									
15 Personal Services 3% VS	03	(54,684)		(56,422)									
16 Personal Services 2% VS	01	(65,424)		(67,812)									
17 Develop Federal Recovery Plan 01	01	0	0	150,000	150,000								
Other Appropriation Bills													
18 HB 569 - MIS	01	(260,750)		(260,750)									
19 HB 371 - Aging 50%	02	(100,000)		0									
20 HB 491 - Respite Care 50%	02	(50,000)		(50,000)									
Totals		(865,109)	\$371,628	(\$2,406,927)	\$330,074	\$1,026,434	\$521,628	(\$654,001)	\$400,659	\$1,089,543	\$150,000	\$1,752,926	\$70,585

EXHIBIT 3  
 DATE 1-6-92

Amendments to ARM 46.12.4002, 46.12.4004 and 46.12.4006 will require inclusion of parental income when determining eligibility for persons under age 21 who are receiving inpatient treatment in a psychiatric facility except when the child is in the custody of the Department of Family Services or has been committed to the Department of Family Services by district court. The amendments to eligibility in this area will bring this aspect of the program into accord with other areas of eligibility for Medicaid services. Thus, only persons who meet the usual eligibility requirements for AFDC-related Medicaid, such as deprivation of parental support, and income and resource limits when parental income and resources are counted will be eligible. This more restrictive eligibility requirement will result in a savings to the Medicaid program.

#### FISCAL IMPACT NOTE:

During FY 91, Mental Health Management of America, Inc. (MEMA) certified 32,080 bed days as being medically necessary. Based upon statistical information from the facilities, 35% of the admissions utilized a combination of funding sources (private pay, private insurance and Medicaid) while 65% of the admissions utilized only Medicaid (were determined eligible prior to admission.)

Assumptions: 1) The number of approved days will remain the same over FY 92 and FY 93.

2) Sixty-five (65%) percent of the admissions will continue to qualify for Medicaid through AFDC, Foster Care, or other eligibility categories that considered parental resources. DFS placements would continue to qualify under these categories.

3) Thirty-five (35%) percent of the admissions that utilized combination funding would not qualify for Medicaid due to parental resources that were previously not taken into consideration.

	<u>FY 92*</u>	<u>FY 93</u>
General Fund (28%)	\$ 233,693.00	\$ 928,493.00
Federal Fund (72%)	<u>592,369.22</u>	<u>2,286,510.47</u>
Total Savings	\$ 826,062.22	\$ 3,215,003.47

\* Estimate based on 3 months with rule change effective 4/92.