

MINUTES OF THE MEETING  
LEGISLATIVE APPROPRIATIONS COMMITTEE

8:00 A.M.

February 17, 1979

Room 104

State Capitol

Subject: House Bill 418

House Bill 410

House Bill 282

House Bill 556

The meeting was called to order at 8:05 A.M. by Chairman Francis Bardanoue. All members of the committee were present. The Chairman stated that the first order of business would be the consideration of House Bills 282 and 418 and that the two bills would be considered together. He then called on Representative Gould, the sponsor of House Bill 282.

Representative Gould directed his opening remarks to that bill, stating that he thinks this is an excellent bill. He explained that in 1977 the Sliding Day Scale was first before this committee, and that Region 5 was established as a pilot program. He also stated that the figures that will be presented today will point out this being a good program. The intent of the program is to help people remove themselves from the Welfare program. He hopes that the committee will give serious consideration to the program and give the bill a Do Pass.

At this point Representative Kemmis, the sponsor of House Bill 418, gave his opening presentation on that legislation. He stated that his bill increases the allowable amount that goes to day care facilities.

Jim Mallard, representing the MONTANA Coalition for Human Services, addressed the Day Care program in Montana. He stated that both bills need to pass. He stated that several people are present at the hearing today that wish to testify to these bills. Again, he emphasized that the bills should be passed together. Mr. Mallard went on to say that the intent of the legislation was to insure that children would be in healthy and hazard free homes. The rates vary from \$4 to \$8 per day for child care and that the parents make the decision where the children will be cared for.

At this point Mr. Mallard called on Jeannie Duncan of Missoula. She spoke on the goals and benefits of Sliding Scale. She stated that she has been on the task force for a year and one half in the pilot program. During Fiscal Year 1978, 101 families participated in the Sliding Scale project. The average family size was 2.9 or 3 people. Most of the participants were single parent families. The average income was \$5,334 per year. She

stated that this obviously is not a program for rich people. She also stated that an average of 54% of the costs were paid for by SRS and 46% were paid for by the parents. The average length of participation in the program was 4.8 months. They felt that a lot of people would have been going on welfare if the program had not been available. The cost of the program was considerably less than the \$190,000 which had been appropriated. The actual cost for Fiscal Year 1978 was \$27,635. She stated that the current fiscal year costs in the western region were \$33,000. She also stated that Sliding Scale families are not eligible for Medicaid. There are no administrative costs and she went on to say that Sliding Scale is a "phase out program" and that no family on the sliding scale program returned to welfare. Without Sliding Scale, a negative work incentive exists. Many families are financially better off to quit work and go on AFDC than they are to work and pay full day care costs. She followed this statement with examples. She then stated that Sliding Scale allows low income working families to good quality care for their children. In effect, this reduces the number of situations that lead to child abuse and neglect. They feel that the committee should consider funding Sliding Scale statewide and that it be established at 80% of the median income. The projected cost of this program on a statewide basis would be \$25,000 annually, based on the 80% median.

Chairman Bardonoue inquired how the committee was formed that prepared this information.

Ms. Duncan replied that the committee was comprised of people who had worked on Sliding Scale legislation last session. They are all people who are concerned about Sliding Scale working.

Joan Christopherson, representing the League of Women Voters, was the next proponent.

While Ms. Christopher handed out her testimony, Chairman Bardonoue stated that he has received more correspondence on this legislation than any other bill before the House and Senate at the present time. He realizes the importance of the legislation and the concern of the public.

Ms. Christopher stated that the League of Women Voters supports House Bill 282. They support the concept of separation of powers upon which our government is founded. The central question for the committee to consider is, what kind of care should the state expect parents to provide for their children? She stated that the first 6 years of life are the foundation of a child's development, and that living in a secure home with one's parents is the ideal way to achieve this.

She went on to say that the League of Women Voters has a strong interest in promoting employment opportunities for women, particularly as an alternative to dependence on welfare. They see Sliding Scale Day Care as a critical service which enables

parents to seek employment in order to improve their economic status. This in turn would allow them to pay taxes rather than absorb them. They urge the support of House Bill 282.

Representative Manning was excused at this time.

Marion Hill spoke in favor of the bill. She stated that she is currently on Sliding Scale. She has two children, ages 10 and 3. She has never been on welfare. When she first began working, her income was \$370 per month before taxes. Day care for her children ran her \$110 without sliding scale. She now earns \$409 a month before taxes and is paying more for day care than before. If she had to pay the full cost of day care she would have to go on welfare, and she really has no desire to do that.

Diana Burgess from Billings also spoke in favor of House Bill 282. She stated that she is the mother of 7 children and that her husband was in an accident which forced her to go back on AFDC to support herself, her husband and family. She feels that Sliding Scale would help her tremendously so she could get off AFDC and go to work.

Representative Bengtson was excused at this point.

Ann Bolington then spoke in favor of the bill. She stated that she resides in Hamilton, having come to Montana from the east. When she first came to Hamilton she didn't want to go on welfare. She found part time work in accounting areas in Hamilton and used the Sliding Scale program for her child care. At the end of 3 months she had a full time job and went off the program completely. She thinks this is an excellent program and she would like to see it continued on a statewide basis.

Mary Ann Recette, stated that she is a single parent and that she has been on welfare since she was 17 years old. She has raised two children and she resides with her young son in Billings. She feels that if she had to pay child care, she would probably have to leave her son in a foster home. She would like to continue working with the help of Sliding Scale.

Kay Simons stated that she is actually a college graduate and that she has 4 children, 3 of them at home. She has received no child support in 9 years. Her approximate income after taxes is \$650.00. She can not afford child care even for the minimum amount of time that her children are out of school. She could not have afforded to go back to work if not for day care. She stated that she feels that this bill would actually save children.

Dave Netterfield, the President of the Montana Day Care Association 4 years ago, and now the owner of a Christian Child Care Center in Billings, spoke in favor of House Bill 418. Mr. Netterfield stated that the Legislature granted them a rate increase in 1975 to \$5.00 per day for care of the children. They are still being paid that amount 4 years later. In January of 1975, the day care centers charged \$4.00 a day for child care and that they expect to raise their rates to \$6.00 very soon. They do receive some donations which supplement their income. Mr. Netterfield realizes that money is tight and they cut their budget to the bare bones. He stated that wages constitute 78% of their monthly expenditures, explaining that state and federal laws require them to have one adult in the facility for every ten youngsters, with a minimum of two adults present at all times the place is open for business. It is his belief that the young people must be looked after as they are Montana's greatest resource. He concluded by stating that they need the rate increase recommended by House Bill 418.

Sheila Rice, the Director of the 4-C's Program in Great Falls also stated that they haven't received a rate increase for 4 years. She stated that in order for parents to make appropriate choices in the care of their children, two conditions must exist: (1) They must be able to afford adequate and appropriate care; and (2) the child care facility must be available. House Bills 282 and 418 would ensure these conditions. She went on to explain the need for an increase in reimbursement for the day care centers stating that the present rate is increasingly lagging behind the private sector rate. The costs of adequate day care can be documented to be higher than the present rate and the present system of day care payments to those below 150% of the AFDC standards has created a "notch" effect. She concluded by saying that the state and federal government subsidize day care for the very low income and the middle and higher incomes, but that they offer nothing to those "in-between" parents who are above the AFDC standards, but not earning enough to qualify for the child care tax credit. She urged the committee to demonstrate their concern for children by the passage of these two bills.

Douglas Srsen, representing the Montana Day Care Association in Glendive, spoke in favor of the rate increase. He stated that the needs in the day care centers have risen 40 to 50%. He stated that private homes and centers have raised their rates to \$6 or \$8 a day. He stated that their home is used 3 or 4 nights a week for children who stay overnight and that their home is open 24 hours a day, 7 days a week. They have also experienced a drastic increase in utilities. He concluded his presentation stating that this is simply a case of attempting to maintain the present quality of care for the children. In order to do this, a rate increase is necessary.

Jan Watson from Missoula spoke on the actual costs of maintaining a day care center. She had prepared a budget to document what the actual costs per child are in a center or home. She stated that House Bill 418 would increase the pay from \$5 to \$6 per day. She stated that the difference at the present time is being covered by a reduction in the Director's salary. She went on to

explain that day care home providers are the only licensed homes taking care of infants. Their average work day is 10 hours per day and that home providers are not even earning minimum hourly wages. She also stated that Day Care is not a get rich business. She said that Day Care is here to stay, it is a needed service that will continue to grow and develop and that day care can only be a savings to our government, not a loss.

Representative Bengtson returned to the meeting at this point.

Senator Bob Palmer rose in support of these bills. He stated that he had sponsored both of these bills in the past. He explained that the State will be saving money in the long run by the passage of the legislation.

Representative Hurwitz arrived.

Senator Palmer concluded saying that Day Care and Sliding Scale are critical and are vital for the continuation of quality service.

Mildren Wehrman explained two private day care centers in Billings. She showed the need for additional day care centers stating that when they opened their day care center 5 years ago, they had 25 children, whereas today they care for 80. She stated that their total profit on wages for last year was \$2,300.

The Director of the Head Start organization in Missoula, Scot Anderson, was the next proponent to speak. He stated that the Head Start Program does not stand to gain from the approval of the Sliding Scale Day Care. Their program is federally funded through the Administration for Children, Youth and Families. Their concern, he stated, is for the large number of families which need but cannot afford quality child care services. He stated that parents must often accept child care arrangements which do not meet minimum standards of quality because they lack financial resources. He concluded stating that the \$1.00 proposed rate increase is the minimum amount necessary that would insure the availability of quality child care services.

Sheila Rice rose again stating at this time that the moderate income family does not qualify for subsidy. Unless sliding scale is passed their income is too high for AFDC and too low to pay enough taxes for child care tax credit. She stated that without sliding scale, the moderate income people are effectively shut out of the subsidy system which is available to upper and very low income groups. These are the very parents who should be

patted on the back for their efforts to support their children independently of the welfare system.

There were no further proponents and no opponents to the legislation. At this point Representatives Gould and Kemmis closed their presentations on the bills. A question and answer period followed and the hearing on House Bills 282 and 418 was closed at 9:25 A.M.

After a short recess, the hearing on House Bill 410 was opened. Representative Day, the sponsor of this legislation, presented his bill explaining that this legislation would appropriate \$145,200 to Makoshika State Park south of Glendive for emergency road repair and maintenance, and providing an immediate effective date. He explained that they are asking for this committee's consideration, stating that it generally would come out of the Governor's budget. However, they are desirous of having an immediate appropriation available so that the repair work can be commenced as soon as possible.

Representative Wood also spoke in favor of this legislation. He stated that there are radio towers on the hill that serve two way radios and oil construction firms that need access. The only way to get to them is via the road in question. He concluded stating that the road is difficult even with a good vehicle and that they badly need the road.

Representative Kvaalen also spoke in favor of the bill.

There were no further proponents and no opponents to the legislation and a short question and answer period followed.

Representative Day closed saying that he would appreciate the committee giving serious consideration to this because the park is really useless without a road.

The hearing was closed on House Bill 410.

At this point the full committee considered a bill that was drafted by the Subcommittee on Institutions. This legislation would have to do with the exemption of the purchase of clothing for the residents at the Boulder River School and Hospital. This bill would be introduced by the full appropriation committee. Question call passed unanimously.

Representative Thoft, the sponsor of House Bill 556 then presented his bill, stating that this bill would appropriate funds to the Montana Agricultural Experiment Station to provide additional support for the biological weed control research program at the Western Agricultural Research Center at Corvallis. He stated that the project is proving its worth. He introduced Jim Story of the Western Agricultural Research Center at Corvallis.

Mr. Story stated that he has been doing research in Corvallis,

and that we have a tremendous weed problem in Montana and that it is getting worse. He stated that they have proof that the use of natural enemies is more effective and less expensive to the landowners. He listed the insects that are controlling some of the problems that have arisen. He stated that they have a tremendous program underway and this would assist their needs 1000-fold.

At this point the following individuals testified on behalf of House Bill 556 stating that they feel the program is extremely worthwhile and that they recommend a Do-Pass:

Bill Riley, rancher and farmer from Stanford  
Jim Freeman, from Great Falls  
Tom Murphy, from Corvallis  
Chris Johnson, from Great Falls  
Doris Milner, from Hamilton  
George Grosskopf, from Belt  
Representative Gene Ernst from Stanford  
Dave Strenfert, from Deer Lodge  
Bill Teets, from Montana State University at Bozeman  
Walt Millimaki, from Stanford  
Ralph Mannix, from Avon  
Curt Hughes, from Stanford

There were no further proponents and no opponents to the bill. At this point Representative Thoft closed stating that this is a viable program and stated that the money is not that big. He hopes that the committee will act favorably on this.

A brief question and answer period followed, after which Chairman Bardanouve stated that this bill would be referred to Representative South, the chairman of the Education Subcommittee, and also to the Long Range Building Subcommittee. He concluded by stating that we may have to segregate this bill into two areas

There being no further discussion, the hearing was closed on House Bill 556.

This concluded the business for the day, and the meeting was adjourned at 10:20 A.M.

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Chairman

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Secretary