

THE MINUTES OF THE MEETING OF THE LOCAL GOVERNMENT COMMITTEE
November 16, 1981

The meeting was called to order by Chairman Bertelsen at 2:00 p.m., November 16, 1981 in room 437 of the Capitol Building. Roll call was taken and all members but REPRESENTATIVE SALES and REPRESENTATIVE HURWITZ were present.

The members of the committee are:

REPRESENTATIVE VERNER BERTELSEN	REPRESENTATIVE WALTER SALES
REPRESENTATIVE ORREN VINGER	REPRESENTATIVE DEAN SWITZER
REPRESENTATIVE BURT HURWITZ	REPRESENTATIVE STEVE WALDRON
REPRESENTATIVE AARON ANDREASON	REPRESENTATIVE GERALD KESSLER
REPRESENTATIVE TONI BERGENE	REPRESENTATIVE ANN MARY DUSSAULT
REPRESENTATIVE LES KITSELMAN	REPRESENTATIVE GAY HOLLIDAY
REPRESENTATIVE BUDD GOULD	REPRESENTATIVE KATHLEEN MC BRIDE
REPRESENTATIVE TOM HANNAH	REPRESENTATIVE PAUL PISTORIA
REPRESENTATIVE JOHN MATSKO	REPRESENTATIVE JAMES AZZARA
	REPRESENTATIVE TED NEUMAN

BOB PYFER, Legal Council was also present.

HOUSE BILL No. 7 was introduced and was presented by REPRESENTATIVE WALDRON (EXHIBIT A). A Bill Summary was also handed out by Legal Counsel (EXHIBIT B).

REPRESENTATIVE WALDRON stated that one of the biggest complaints is lack of flexibility in setting their own rules for persons coming for county assistance and flexibility on how they will make payments to recipients of county general assistance. This bill does two things: 1. Allows the counties to setup their own plan how they will disburse their county general assistance with S.R.S. approving that plan, and 2. it allows the county government the flexibility of disbursing payments whether they use vouchers or warrants to recipients or a voucher to a vendor.

GARY BLEWETT, Administrator of Economic Assistance Division of SRS was introduced and presented written testimony (EXHIBIT C).

MIKE STEPHENS, representing the Montana Association of Counties spoke as a proponent commented on page one of the Bill where the assistance standards are established by the board and approved by the department, that this in keeping with the ability to keep the local control management of funds which is presently is a property tax responsibility. It also recognizes the different welfare needs in different counties. The second portion address a mechanism that will address that a needy welfare person will get help and assistance; on the other hand, it does eliminate the situation where there has to be shown, or some reasonable doubt that the individual is not going to use the money for some other purpose rather than the intended

purpose. As it stands now, they must violate that rule or some investigation or proof of default must be established.

QUESTIONS were asked from members of the committee.

REPRESENTATIVE MC BRIDE asked how it would effect counties over the 13.5 mill levy. MR. STEPHENS said it should only give them flexibility.

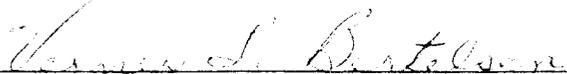
REPRESENTATIVE HANNAH referred to lines 20 and 21, page 1 of the Bill, regarding the standards established by the board and approved by the department, and asked if they were proposing other rules that are not currently in effect. MR. STEPHENS stated that they were.

It was asked if one county could not sell themselves better than another. It was established that each county must submit their set of rules in advance. The disbursements will be set up on a nondiscrimination rule. If a recipient does misuse the money, it will be disbursed differently. Appeals can be made to the fair-hearings office, and from there to three members of the board, or finally to the court.

REPRESENTATIVE WALDRON closed asking for support of H.B.7.

REPRESENTATIVE GOULD MOVED that HOUSE BILL NO. 7 DO PASS.
REPRESENTATIVE WALDRON seconded the motion. The MOTION PASSED UNANIMOUSLY.

MOTION was made to adjourn the meeting at 2:45 p.m.



CHAIRMAN VERNER BERTELSEN



Leona Williams, Secretary

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House BILL NO. 7 (SST)
Walton

INTRODUCED BY _____
BY REQUEST OF THE DEPARTMENT OF
SOCIAL AND REHABILITATION SERVICES

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FOR
ESTABLISHMENT OF RULES AND STANDARDS FOR GENERAL RELIEF
ASSISTANCE BY COUNTY BOARDS OF PUBLIC WELFARE WITH THE
APPROVAL OF THE DEPARTMENT OF SOCIAL AND REHABILITATION
SERVICES; PROVIDING THAT GENERAL RELIEF ASSISTANCE MAY BE
PROVIDED BY DISBURSING ORDERS; AMENDING SECTIONS 53-3-301
AND 53-3-302, MCA; AND PROVIDING AN EFFECTIVE DATE."

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

Section 1. Section 53-3-301, MCA, is amended to read:

"53-3-301. Amount of general relief assistance to be
determined by county board. The amount of general relief
assistance granted any person or family shall be determined
by the county board of public welfare, according to the
rules and standards of assistance established by the board
and approved by the department."

Section 2. Section 53-3-302, MCA, is amended to read:

"53-3-302. Payment by check or disbursing order. All
general relief disbursements by county departments of public
welfare shall be by warrant or check. ~~However, if the county~~

a promise to pay...

TO: The Chairman and Members of the House Local Government
Committee

FROM: Bob Pyfer, Alternate Committee Counsel

RE: Bill Summary: HB 7 (SS1) -- Waldron

DATE: November 16, 1981

Section 1 allows the board of county commissioners to establish general assistance eligibility criteria. The criteria must be approved by SRS.

Section 2 allows either direct payments to recipients or, in the discretion of the county, to the provider of goods or services. Deletes requirement that the recipient must be paid unless he has established a habit of dissipating such payments.

LH:hm

I am Gary Blewett, Administrator of Economic Assistance Division of SRS. I am presenting testimony in support of HB 7 which first, allows rules and standards for general relief assistance be set by county boards of public welfare with the approval of SRS; and second, provides that general relief assistance may be provided by disburisng orders..

This bill represents one of a two-part approach SRS is proposing to help relieve county budgets from the impacts of state and federal cutbacks in the ADC program. This bill, HB 7, focuses on improving each county's ability to manage the county general relief program and the county budget. Three other bills, SB 4, 5 & 6, concern the other part of the administrations proposal and would provide \$8.7 million in state general funds for the county poor fund to help offset the cost of new general assistance recipients who are no longer assisted through the ADC program. Although HB 7 can stand alone as a needed improvement to the county welfare management process, the financial support provided in SB 4, 5 & 6 is needed to complete the effort to make the county program both managable by local government and affordable to the property tax payer. My testimony, today is limited to HB 7 which is our proposal to improve local control of county general relief assistance as it was worked out with the Montana Association of County Officials and county welfare director representatives. The financial support bill will be presented to a senate committee tomorrow by John LaFaver.

First I will give testimony concerning the establishment

of general relief standards. Under the current law, the department of SRS is charged with establishing standards of assistance for county general relief assistance. The department has been reluctant over the years to rigorously specify these standards in rules since the entire cost of that assistance is borne by 100% county funds except in those few counties that have exceeded the 13.5 mill limit on the county poor fund, which then involves state grant-in-aid supplementation of those county poor funds. It has been the practice of the department to leave rules about county general assistance standards flexible so that county commissions^{rs} could be free to administer assistance standards they establish in a manner consistent with the budget and mill levies they believe their constituencies are willing to support.

However, in recent years, this flexibility has caused reversals of county general assistance decisions by the state fair hearing process and the courts. Repeatedly, we are seeing county assistance grants to needy individuals challenged and ultimately changed to a higher amount. This is happening because current rules on the subject are too general and do not evidence specific standards for grants to recipients. In place of a specific standard, fair hearings officers and courts have granted the full amount of an ADC grant to county general assistance recipients even though the justification for assistance may have only been a need for a rent payment or gas for the car.

This circumstance has an obvious negative impact on a county's poor fund. Now, with cutbacks in the federal ADC

program, the potential for even more people seeking county general assistance is probable. We estimate that cutbacks in the ADC program will eliminate approximately 1600 households per month from ADC financial support. Many of these people will likely seek county general assistance. Without specific standards to meet specific needs, the cost to county governments could increase significantly beyond their ability to control their budgets within mill levy limits county tax payers are willing to support.

This portion of the bill creates a partnership between each county and the state in setting up rules and standards of assistance in counties. The state's role would be to insure that each county's method of delivering general relief assistance is non-discriminatory, that each applicant is afforded due process in adjudicating conflicts over county decisions, and that each county's general relief program meets the intent of state law. The county's role would be to declare, in writing, the eligibility limits and grant amounts that can be provided to general relief recipients. Through this approach counties can balance the general relief program coverage with the budget and mill levies they believe the county tax payer will support. Counties currently support general relief assistance entirely through county property taxes. The county board of public welfare - county commissioners need to be in substantial control of the impact of general relief assistance in much the same way that state government needs to control ADC grant amounts to limit the impact on the state's general fund.

The only exception to the latitude a county would have in setting eligibility limits and grant amounts would be when state and general funds participate in the cost of the county program. Currently, this only happens when a county's poor fund exceeds 13.5 mills - Cascade, Silver Bow now and probably Deer Lodge next year. If the special session takes action to provide financial assistance to all counties through a general fund percentage for the poor fund, then the exception would apply to all counties. In these cases, the state would set an upper limit on eligibility standards and grant amounts consistent with general fund appropriations. Counties would still have the flexibility to set lower limits within bounds consistent with the intent of state law.

The second aspect of this bill deals with the means by which a general relief recipient can receive a grant. Currently, the law states that a direct payment to the recipient must be made unless the recipient has "dissipated" a general relief allowance, in which case the county will issue a "disubrsing order" for goods or services and make payment to a vendor or landloard instead of the recipient. The change in law we are proposing would not require "disipation" of a grant. Counties could use disbursing orders at the outset.

County welfare directors report that use of disbursing orders is more consistent with the intention of providing emergency relief instead of long-term income maintenance.

This practice clearly signals to the recipient that the assistance is for the purpose of meeting a specific financial need identified when eligibility for assistance was determined. It eliminates the inappropriate interpretation that the assistance is a regular addition to income that could be used for any need the recipient may choose to meet. The use of disbursing orders can help counties meet specific recipient needs while discouraging long-term dependence on county assistance.

Passage of this bill will support counties' ability to control their budgets and the recipient's use of county assistance, thereby limiting, to a degree, the impact of the state and federal cutbacks in the ADC program. This bill enhances local governments' ability to control their property tax based budgets while assuring county applicants for general relief assistance are treated equally under the law.

