VISITOR'S REGISTER

HOUSE HUMAN SERVICES SUB COMMITTEE

BILL ______________________ DATE 2/11/83

SPONSOR ______________________

NAME	RESIDENCE	REPRESENTING	SUP-PORT	OP-POSE
John LaFaver		SRS		
Ben Johns		SRS		
Jack Lowney		SRS		
Gary Walsh		SRS.		
Ron Weiss		OFBP		

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR LONGER FORM.

WHEN TESTIFYING PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

FORM CS-33

MINUTES OF THE MEETING OF THE JOINT APPROPRIATIONS SUBCOMMITTEE ON HUMAN SERVICES

February 11, 1983

Begin Tape 38 Side one

The meeting was called to order at 8:15 a.m. by Vice-Chairman Sen. Pete Story. All subcommittee members were present except for Chairman Shontz who was excused. Rep. Francis Bardanouve, Chairman of Appropriations committee was also present.

Also present were: John LaFaver, Ben Johns, Jack Lowney, and Gary Walsh from the Department of SRS; Ron Weiss from the OFPP and Peggy Williams and Mason Niblack, Fiscal Analysts.

LIEAP PROGRAM

Peggy Williams, LFA, gave a presentation of the LIEAP program. She first explained handouts from their office: (1) a result of the survey of the neighboring states AFDC caseloads, (2) information on the average cost per case for AFDC grants from the states of Idaho, North Dakota and Oregon. This compares with the LFA's current level analysis for $313 in 1984 and $333 in 1985 for beneifts. see exhibit 1, 2 and 3

Peggy explained the different ways to allocate the LIEAP money. The Act authorizing it allows 10% to go to administration, 10% be transferred to social services, 15% may be transferred to the weatherization program and 25% may be carried over to a succeeding year. The LFA assumed a grant level of $10.3 million. The Department projected yesterday it might be as low as $7.7 million. The LFA had not included the $500,000 "windfall" that the department referred to yesterday. They also had projected carrying this over to 1984. Both the LFA and the executive increased administrative expenses of the LIEAP program by 6% a year. In addition, the LFA transferred 10% of the grant to social services block grant and the executive did not make this transfer. The executive transferred 15% of their grant to the weatherization program and the LFA did not. The LFA did not make this transfer because weatherization grants can continue at current level and still have a fund balance at the end of the biennium.

Sen. Regan asked Peggy to elaborate on this. Peggy explained that even if money is not transferred to weatherization, the weatherization grants increase at 6% a year. By the end of the biennium, assuming reasonable spending, there will be a fund balance of $213,000. Based on assumptions above, the LFA ends the biennium with fund balance of about $9,000,000. The executive proposes a deficit of $4,000,000. The executive had made different assumptions; they had increased grants at a higher rate than the LFA.

Mr. LaFaver disagreed with Peggy's figures of a $9 million balance and discussion ensued as to how the LFA arrived at this figure. Mr. LaFaver explained that the maximum amount to be carried over under federal rules is 25%. The "bottom line" that the LFA is illustrating the amount of money available to be put into the grant amounts or in weatherization. The carryover amount is currently $2.8 million for FY84. If Congress appropriates the Reagan proposal, the department could carry over only approximately $800,000. If they appropriate at the level the analyst suggests, the carryover would be $2 million dollars higher. Mr. LaFaver said that what the department was trying to point out yesterday was that if the federal government appropriated at the $10.3 million level and if the grant amounts were to be increased at 13% in 1984 and 10% in 1985 (which is substantially less than all the projections they see for utility costs) and a full 15% were to be transferred to Weatherization, they would then end the biennium with a $500,000 carryover. This also assumes that HB 217 passes which would restore the $1.7 million and no further transfer out be allowed.

WEATHERIZATION

The Department had nothing further to add on this area except that they were advocating that 15% of the LIEAP grant be transferred to this program. In FY83, they anticipate spending $2.9 million. Mr. Lowney explained weatherization activities in FY82 and FY83 noting that they used 15% of the LIEAP block grant in addition to the Department of Energy Weatherization moneys. The move of 15% of the LIEAP grant award moneys was a maintenance of current activities. They carried over $900,000 into 1984 and are not anticipating any carryover in weatherization in 1985.

Peggy Williams said the LFA continued the grants at 6% increase and they calculate a balance at the end of the biennium of $218,000 and this does not include a transfer from the LIEAP program. The LFA showed a carryover from '83 to '84. SRS says they are going to spend all the funds in '83 and if this is so the LFA figures would be incorrect.

NON-RESIDENT GENERAL ASSISTANCE

Peggy Williams explained there is only a difference of $16,000 in the first year and $14,000 in the second year for this program. These funds are for those individuals who don't have residence in a county and provide for emergency medical care for indigent individuals. It is hard to project because it varies over the years from place to place, so the best they can do is to estimate the number of cases they will have. The Department had no arguments or issues on this program.

TRAINING

Mr. Gary Walsh explained the training program involves the social work department of the University of Montana and the social department puts up the match for the training program. It is directed towards providing training for their staff in the field to give the policy and skill training needed to operate at the county department level. The intent is to keep the staff informed and updated, and to develop the knowledge and skill base so they can carry out the programs they are responsible for. The training sessions are held in Helena.

WORKFARE

Mr. Walsh explained that during the 1981 Legislature an act was created to establish a workfare program and targeted towards AFDC recipients and was a program which was to be administered jointly by SRS as well as Department of Labor and Industry.

It was set up to be a pilot project and enough general fund money was appropriated to support 150 cases and the money was to be used for day care expenses plus travel allowance. The funds appropriated did not include any money for administration and they had anticipated that the program could be operated with existing staff in the field. However, they were unable to secure a federal matching rate that was acceptable. They would have required at least 2/3 from federal and 1/3 from state to fund the program and this never came about. The best they could get was a 50/50 rate so because of this plus the fact that they found out later they could not use the WIN staff to operate this, the proposal was not implemented. The Department would not object to this program being pulled from the budget.

COMMUNITY SERVICE BLOCK GRANT

Mr. Walsh explained that from the SRS Department's perspective the only point that is at issue is whether or not the state should have the authority to establish priorities for Human Resources Development Council work plans.

The purpose of the community services block grant is to emunerate the costs of poverty throughout the state. Currently, the Human Resources Development Council receives the funds and are responsible to make an assessment of these interlocalities and to establish a work plan which spells out the kind of services and activities we provide to address these things. The federal history of this has been active the last couple of years. Prior to July 1 of 1981 HRDC received the funds for the block grant and they were funded directly by community services administration. When the Omibus Reconciliation Act was passed in 1981, the community services block grant money was then passed through the states. One of the clauses in that act state that the block grant moneys continue to go through HRDC and they developed a formula which allocated money to the HRDC and provided them with a base amount for each council plus the remaining amount was distributed according to the proportion of low income or poverty population in the different areas. This resulted in some shifts of funding. Following the Reconciliation Act passage in 1981 Congress passed the Sales Amendment which established local control for the community service block grant moneys. The special session incorporated this into the state mandate at that time. So right now the administrative rule incorporates some of both the sales amendment as well as the Schmidt amendment. The money is being distributed to the HRDC and, in addition, they are required to work out a workplan which is approved by the counties which have the authority to establish some priorities for the workplans for the HRDC. The funding base currently for each HRDC is as follows: each receives $50,000 and then the remaining amount of money that is available is distributed on a basis of 50% according to the general population and 50% according to the poverty population and they retain 10% of the block grant moneys and use 5% for administrative purposes and 5% for special projects.

Under the rule, the issue is that they are requiring workplans to not only be approved of by the county, but also require that HRDC may be expected to carry out priorities they have identified. Right now they are having a problem in the distribution of special commodities of cheese and butter. They don't have any moneys in the special commodities program to distribute the food, and they currently have to borrow resources from other programs and they would like to have the authority to make the HRDC develop a workplan that would include this as a part of their work.

Peggy Williams told the committee the amount of money involved is $1.1 million per year. The difference between the executive and the LFA is that the executive included more money in administration by about $13,000 and the LFA included this money in benefits and the total amount is the same.

Mr. LaFaver stated that the President has proposed wrapping the Community Services Block Grant into the Social Services Block Grant and he wanted the committee to be aware that is is possible that this could change.

Sen. Aklestad asked if this program was mandated and LaFaver stated it was a federally enacted program and once the state accepts the money we accept it under the terms of the federal law which they already explained. Sen. Aklestad also referred to the cost of the administration of this program whether or not in effect they were doubling up because there are costs for administration built into all the different programs already.

Mr. LaFaver said the major portion of the moneys that go to HRDC are for the administration use for general overhead things that can't be ascribed to a particular service. He feels these questions should be posed to the HRDC people for their response. Every HRDC has its own way of distributing their funds and there are different priorities in each community.
End of Tape 38 Side One Begin Tape 38 Side two

ADMINISTRATION FOR THE ASSISTANCE PAYMENTS PROGRAM

Peggy Williams explained the difference in administration were first of all in the LFA in FTE. In FY82 this program had 44.25 FTE and the executive recommended 46.75 FTE. The LFA current level is 43.25. The LFA deleted 1 FTE which was vacant a large portion of FY82. The executive transferred two people from another division to this program. They did not delete the FTE that was vacant and this accounts for the difference in personal services. There is a difference of contracted services of $118,000, the large part of this is the executive has recommended taking $100,000 from benefits from LIEAP which were previously sent out to the HRDC and the executive has recommended bringing this up to contracted services and administration and letting SRS conduct the audit.

The LFA removed 7 one time LIEAP contracts also in contracted services. In communications there is a difference of $8,000. The executive is higher than the LFA because in telephone charges the LFA looked at the cost of the STS and noticed the costs has risen dramatically in FY82 for a 218% increase which could not be attributed just to rate increases.

Sen. Regan asked Mr. Walsh to respond to this. Mr. Walsh explained that the major reason was because they added 5 field staff and their role is to cover on a regional basis and provide technical assistance and it was mostly done by phone. Part of the increase had to do with $9,000 telephone cost for HRDC's, and they are picking up that cost. Sen. Aklestad thought since they had to do so much phoning perhaps they weren't getting enough out of the training sessions and Mr. LaFaver responded they don't do enough training as it is.

When asked by Sen. Story if they could have taken the cost of telephoning to the HRDC's out of their block grant, SRS said the HRDC's had been cut back enough already. Mr. LaFaver felt the $9,000 cost was an item that was an expression of good faith on the part of SRS that they wanted to continue working together. He felt it should be contained as a part of the executive budget and they would like it to remain where it is.

Sen. Aklestad asked about the FTE and he said the transfer was for 2 people from centralized services who were doing most of their work for EA anyways so they moved them where they could be closer to the people they were actually doing the work for. There are currently 46.75 FTE.

Sen. Regan asked about the difference in contracted services. Mr. LaFaver told her it was for audit costs. The Department is saying that if the spending authority is granted the LIEAP grants have to be audited.

Mr. LaFaver added in closing that the County Grant in Aid needed to be discussed. It will be contained in the supplemental appropriation bill. Last special session this county grant in aid was amended aiming for approximately a $4 million dollar annual expense. They are requesting that the general fund money needs to be appropriated for the county grant in aid to carry out the provisions of the law and the other is because of the AFDC overrun of this year they need language to allow transfer of medicaid money into the AFDC areas so they can finish this fiscal year in the black. Sen. Story felt this item should be taken up with Chairman Shontz.

End of Hearing on Assistance Payments Programs.

Peggy Williams gave a brief preview of what the hearing will be tomorrow morning. The joint hearing with the Institutions Subcommittee and the Human Services Subcommittee will discuss care for children in state custody. The problem is that at the present time care for the children in state custody is now held by two departments, SRS and Institutions. In some cases both departments offer the same service for similar class children, the only difference being which court adjucates custody. HB24 has been introduced addressing this problem, however, it does not place all the category called Youth In Need of Supervision under the jurisdiction of one agency. Children affected would be emotionally disturbed children.

There is a Youth Treatment Center scheduled to take the place of the children's unit in Warm Springs and will be located in Billings and is meant for seriously emotionally disturbed children ages 12 to 18. It will be a 60 bed facility with 30 from Warm Springs and SRS has some 50 from Yellowstone Boys Ranch that might be candidates for this facility.

The whole program of care is to be discussed tomorrow.

The meeting was adjourned at 9:15 a.m.

Enter exhibit 4 a letter from Cascade County supporting the SRS budget as proposed by the Dept. of SRS.

End of Tape 38, Side 2

John Shontz, Chairman

Carol Duval

Carol Duval, Secretary

exhibit 1
2/11/83

AFDC CASELOAD

	IDAHO	WYOMING	N. DAKOTA	S. DAKOTA	OREGON	Montana
JAN, 1982	6502	2295	3782	5853	28692	4950
FEB	6541	2202	3860	5789	28825	
MAR	6723	2276	3886	5828	29162	
APR	6684	2341	3831	5775	28692	
MAY	6515	2361	3831	5700	28441	
JUN	6404	2348	3856	5675	28100	
JUL	6338	2342	3859	5785	27713	
AUG	6385	2405	3849	5875	27576	
SEP	6387	2414	3810	5812	27570	
OCT	6466	2463	3792	5817	27473	
NOV	6686	2563	3765	5852	27358	
DEC	6764	2655	3936	5976	27434	
JAN, 1983	6951	N/A	N/A	6054	27697	6114
	6.9%	18.3%	4.1%	3.4%	(3.5%)	23.5%

exhibit 2
2/11/83

ACTUAL AND AVERAGE PROJECTED AFDC GRANTS

	ACTUAL 1982	FY1983	FY1984	FY1985
IDAHO	257	259	257	
N. DAKOTA	294	311	328	346
OREGON	283	292	303	318

The Idaho average grant falls in FY1984. This is because incomes are expected to rise faster than the increase in the payment standard. Standards are updated very infrequently by the Idaho legislature and have not changed much since their development in September, 1969.

In N. Dakota the payment standard is being adjusted upwards at 5 percent annually for the projections, which results in increases in the projected grant award of 5.5 percent because incomes aren't expected to rise as quickly.

In Oregon the actual 1982 grant is increased 6 percent, 4 percent, and 5 percent to 1983, 1984 and 1985, respectively.

All of the above payment standards are based on actual studies performed by the states to determine the actual cost of food, shelter and clothing. The studies were conducted in the late 1960's, early 1970's and the payment standards have been adjusted upwards over time as the various state legislature's have found appropriate.

Idaho and Oregon publish payment standards in their administrative rules; N. Dakota does not but incorporates them in their department operating manual.

I suggested to notion of automatic adjustment in the rules. For example, if caseload goes over 6000 the payment standard would equal 55% of the published poverty level; if case-load goes over 6250 the payment standard goes to 50% of the poverty level, etc. All states showed interest in this approach and indicated that there would be no trouble in incorporating such a mechanism in the rules.

The only initial problem that occurs to me is one of administration. For example, as case load rises all counties, and eligibility technicians would have to be notified of changes in payment standards. Because reported caseload can vary substantially from month to month the case load bands would have to be set so as not to precipitate a flood of correspondence generating substantial confusion at the county level.

Second, if caseload rises and standards fall will some people already in the program be eliminated because they now have sufficient income to not meet the payment standards test? If so, do they automatically come back in the program if payment standards rise in response to falling caseloads. This could generate enormous documentation responsibilities at the county level.

exhibit 3
2/11/83

DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES LOW INCOME ENERGY ASSISTANCE PROGRAM	SECTION: ELIGIBILITY DETERMINATION SUBJECT: Eligibility Criteria

ELIGIBILITY CRITERIA:

Considerations for eligibility determination are:

CATEGORICAL ELIGIBILITY--Households which consist solely of members receiving supplemental security income, aid to families with dependent children, or general assistance are automatically financially eligible for low income energy assistance. "Members receiving SSI, AFDC, or general assistance" includes any financially responsible relative or individual whose income and resources were considered in determining eligibility for these programs.

Households which consist of members receiving SSI, AFDC, or general assistance and other individuals whose income and resources were not considered in determining eligibility for SSI, AFDC, or general assistance are not automatically eligible for low income energy assistance.

The income standards in the table below are 150% and 125% of the 1982 U.S. Government Office of Management and Budget poverty level for households of different sizes. Households with income less than 125% of poverty are eligible. Households with income between 125% and 150% of poverty may become eligible by reducing their gross income by the amount of paid nonreimbursable medical expenses for the previous year (see 303-2 for allowable expenses).

Family Size	150%	125%
1	$ 7,020	$ 5,850
2	9,330	7,775
3	11,640	9,700
4	13,950	11,652
5	15,510	13,550
6	18,570	15,475
each additional member	2,310	1,925

RESOURCE LIMITS--The following property resources shall make a family unit ineligible when in total they exceed $5,000 for a single person, $7,500 for a couple, and $500 for each additional member:

(a) cash on hand;
(b) certificate of deposits;
(c) savings accounts;
(d) market value of stocks or bonds.

BUSINESS EQUITY--A family unit containing a member who owns a business equity with a value in excess of $50,000 is ineligible.

STUDENTS--Households which contain a member who is enrolled at least half time in an institution of higher education and who was claimed for the previous tax year as a dependent child for federal income tax purposes by a taxpayer who is not a member of an eligible household, are not eligible for low income energy assistance.

GROUP HOMES--Individuals living in licensed group-living situations including recipients of SSI, AFDC, or general assistance, are not eligible for low income energy assistance.

SUBSIDIZED HOUSING--(Section 8) Individuals receiving home heating subsidy shall receive a benefit equal to the LIEAP matrix minus the amount of home heating subsidy.

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DEPARTMENT OF HEALTH & HUMAN SERVICES

Social Security Administration

RECEIVED
FEB 2 1983
SRS

Jack L.

Region VIII
Federal Office Bldg
1961 Stout Street
Denver CO 80294

January 28, 1983

John D. LaFaver
Director
Montana Department of Social and
Rehabilitation Services
P.O. Box 4210
Helena, Montana 59604

2 1983
RATION

Jim Nolan

Dear Mr. LaFaver:

This is to confirm the amount of Montana's allocation for Federal fiscal year 1983 for the Low Income Home Energy Assistance block grant under Title XXVI of the Omnibus Budget Reconciliation Act of 1981. House Joint Resolution 631 (P.L. 97-377), signed on December 21, 1982, provided funding of $1.975 billion for Low Income Home Energy Assistance for FY 1983. Of this amount, Montana's allocation, excluding the set-aside for Indian tribal programs, is $11,704,418.

We trust that this information will be of value to you.

Sincerely,

Florence Aitchison

Florence Aitchison
Assistant Regional Commissioner
for Office of Family Assistance

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Sincerely,

Florence Aitchison

Florence Aitchison
Assistant Regional Commissioner
for Office of Family Assistance

exhibit 4
2/11/83

Cascade County
State of Montana
TELEPHONE: (406) 761-6700

Great Falls, Montana 59401

February 9, 1983

The Honorable John M. Shontz, Chairman
House Appropriations Subcommittee on Human Services
Montana State Legislature
Helena, Montana

Mr. Chairman and Members of the Committee:

Cascade County would like to be on record as supporting the budget proposed by the Administration for the Department of Social & Rehabilitation Services. We have concern over proposals by the Legislative Fiscal Analyst which recommends lower levels of appropriations in many areas.

As your committee is aware, the responsibility for carrying out many of the programs addressed in the SRS budget is delegated by law to the counties. We are the administrative board for public welfare programs which carry out all of the Economic Assistance and many of the Community Services Divisions programs. We also administer aging service programs and deal closely with agencies that provide services by contract such as legal services and spouse abuse.

Our open door policy to constituents places us on "the firing line"; we are therefore very much aware that current economic conditions creates greater demand on human service resources.

A fact which bears careful consideration is the mix of federal, state and county dollars which fund most SRS programs. The federal match represents on average, 60¢ of each dollar expended. The failure to appropriate state funds will result in a much greater financial loss than the state dollars alone.

It is painfully evident to us that the counties are the "human service safety net". As the elected administrators of Cascade County government, we will not knowingly permit our citizens to go hungry, be without decent shelter nor be denied necessary medical care. You share with us a constitutional obligation to assure that all people in need will have those needs met at a standard compatible with decency and health.

The present economic climate is creating increased demand on the assistance and service programs we are responsible for. To illustrate the degree of dependence and increasing difficulty people have in coping with economic stress, we cite the fact of a 16% increase in the numbers of people qualifying for Food Stamp benefits (in January, 6,181 Cascade County residents were served); our Social Workers investigated 70 complaints of child abuse in January compared to an average of 40 a year ago.

The Honorable John M. Shontz
Re: SRS Budget
February 9, 1983
page 2

We feel the SRS budget proposals are very modest when considered in light of our experiences. Foster care for children increased by 20% in the past year while the SRS budget asks for funds to handle a 3.75% increase during each year of the biennium; the budget also proposes a 6% rate increase which would represent a 50¢ to 60¢ daily increase to those dedicated private families who open their homes to 24 hour 7 day a week care for dependent and neglected children.

The personnel required to serve needy people cannot be reduced without seriously affecting the ability of agencies to carry out legal mandates.

We appreciate the consideration the committee may give to our concerns.

Very truly yours,

CASCADE COUNTY
BOARD OF COUNTY COMMISSIONERS

Jack T. Whitaker, Chairman

Richard L. Gasvoda, Member

Patrick L. Ryan, Member