

**VISITOR'S REGISTER**  
**HUMAN SERVICES SUB**

# HOUSE

## COMMITTEE

# BILL

DATE 2/17/83

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MINUTES OF THE MEETING OF THE JOINT APPROPRIATIONS SUBCOMMITTEE  
ON HUMAN SERVICES  
February 17, 1983

The meeting was called to order at 8:15 a.m. by Chairman John Shontz. Sen. Pete Story, Sen. Gary Aklestad, Chairman John Shontz and Rep. Dan Kennis were present.

Also present were: Mr. John LaFaver, Norma Vestre, Lee Tickell, Ben Johns and Marian Morgan from the Department of SRS; Mr. Ron Weiss from the OBPP, Peggy Williams and Mason Niblack from the LFA and many more who signed the register.

Begin Tape 43 Side 1

SOCIAL SERVICES PRESENTATION

Mr. John LaFaver introduced Norma Vestre, Administrator of Community Services. Norma briefly related the role of the community services division the major elements of which are to keep families together, to assist adults and aging individuals to be independent and remain in their own homes. When necessary for a child or adult or senior citizen to be placed outside of their own home, the division assists in placing them in the least restrictive setting.

They achieve this by providing a variety of services: (1) in local counties and districts, staff such as social workers, home attendants and human service aids; (2) contracted services, which include programs for senior citizens across the state, Big Brothers and Sisters, legal services and others; (3) payments to providers of day care, foster care, subsidized adoptions, and to recipients of supplemental security income.

Norma explained her view of areas of difference between the LFA and the executive. The aging services program is aimed at keeping seniors independent and in their own homes, so the division provides services across the state to seniors with local, state and federal funds. The department contracts with area agencies on aging to provide such services as congregate meals, home-delivered meals, transportation, outreach, information referrals, homemaker services, home health aids, legal services, etc. in senior centers. During budget preparation, the division expected that the fiscal year 1982 funding level of \$2.9 million for Title 3B, C1 and C2 funds would continue for both FY84 and FY85. However, they were notified on January 14, 1983 that the funds for these titles had been increased to \$3.1 million for FY83. Federal funds for aging must be matched with state or local funds and the match provided by the analyst was incorrectly calculated for the new federal funding level that have been estimated for FY84 and FY85. The match necessary is \$182,370 per year for the \$3.1 million. Historically, however,

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more match has been provided by the legislature than was technically required. If the state only provides the match technically required, some aging services will be cut from the current level by \$55,000. Also included in aging programs are funds the legislature appropriated last session for HB217 which provides for in-home services. The department has requested an inflationary increase for this program for both years, but the LFA does not provide for any inflation.

In Foster Care, Norma referred the committee to exhibit 1, a departmental foster care summary. The executive budget has a 6% inflationary increase in child care days provided. The LFA recommendation translates to fewer funds and child care days than were provided in FY82. Norma referred to the table as showing the difference in days of care to be 60,000 and a difference in funds of \$2,068,825. The effect of this will be 60,000 less child care days provided than were projected, and the division will not be able to increase rates over the biennium. So fewer days of care for foster children will occur and the rates will be frozen. If a bill that has passed the house (HB24) on single state agencies passes the entire legislature, money will be transferred from the Department of Institutions for foster care. In the corrections budget it would be \$601,000 for 1984 and \$637,000 in 1985. From the mental health division, money for foster care would be transferred in the amount of \$157,320 in FY84 and \$166,759 for FY85.

A program related to foster care is the expansion request from the division for a community-based alternative for emotionally disturbed children. The department has requested the expansion for programs to serve emotionally disturbed children in communities as an appropriate alternative to institutional treatment. Based upon surveys conducted, the department believes there are over 300 children who are emotionally disturbed and who could be treated in communities rather than in institutions. There has been a dramatic increase in the numbers of children placed in out-of-state treatment facilities, so there is a known need for more and better community based services. The request is for \$250,000 each year, which would enable the division to develop placement prevention programs, and specialized foster care programs. Placement prevention programs or home-based programs would be developed for 75 children at a cost of \$1700 per year or a total of \$127,500 each year. Specialized foster care would be developed for 25 children at an average monthly cost of \$800 per child for an average stay of 6 months. This would total \$120,000 a year. Without the expansion, the department estimates that some of these children would go into residential treatment facilities at an average monthly cost now of over \$2000.

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The department also makes supplemental security income payments for aged and DD persons which enables them to live in the most appropriate setting. This caseload has grown since many clients are being placed in semi-independent living situations. (This was authorized by the last legislature.) Eventually, many of these people will be totally self-sufficient. The department estimates a rather slight increase in this caseload. According to Norma, the LFA has not used the caseload information for their 1984 and 1985 projections and the difference is \$118,282 which would possibly affect 110 individuals over the 2 years.

Another program in which payments are made to providers is subsidized adoption. The department currently pays for 26 children in this program and has identified 51 additional children who could be placed in an adoptive placement with a subsidy. They are requesting \$135,000 for this program.

The last area of difference between the executive and LFA discussed by Norma is in the community services division staff. The staff provide a number of services in order to achieve their goal of keeping families together and placing children in local appropriate settings. They provide protective services for children, adults and DD individuals, foster care services, adoption and case management services done by parents and health related services. They also license a number of facilities and approve people for adoptive placement. Some staff work is done with the employment service staff on a work incentive program to train and place AFDC recipients in employment. Over a year's period, the staff provides services to over 26,000 people.

In producing a caseload report on a quarterly basis, it was noted that the average caseload for a social worker at this time is 50. The LFA recommends deleting 18.9 positions when 9 are currently filled. Over the past year, the vacancies were reviewed and transfers were made.

Norma explained why transfers were made to some areas where additional support was needed because of caseload. She pointed out that while vacancies had existed in certain areas, after reviews the department made transfers to counties where the need is more critical. The division continues to need this flexibility. The deletion of 18.9 positions would greatly hamper ability to provide services for people in need. Fewer social workers lead to more foster care placements.

Norma introduced Marian Morgan, a social worker from Missoula, to provide some perspective on what a social worker does and the problems they face. Ms. Morgan said her title is Child Protective Services Caseworker and that her caseload is infants

to 18 year olds. Some of the children are in foster care, but most are in the community with their own families.. The caseload includes children who are chronically neglected, physically abused, sexually abused, and disturbed children. Ms. Morgan works with all levels of community agencies, therapists, attorneys, and the judicial system. She establishes a case plan for each family, assesses the family problems and tries to intervene in a manner to avoid a foster care placement if at all possible, and to protect the children. The bottom line is to put the child in a place with the least risk. If enough staff are available they are not just responding to crisis, but without enough staff, they are able only to intervene in the most extreme cases. Generally, they can't act early enough to prevent serious abuse and neglect, and children and families don't get services until the situation is drastically damaging, then, placement is inevitable and the legal system becomes involved. With adequate staff, they are able to make early decisions and provide preventative programs, providing children with safety and the opportunity to grow.

Peggy Williams discusses the LFA position. (see exhibit 2) They deleted 18 positions while the executive had transferred two. They evaluated positions vacant in FY82, while not all were vacant all year, all were vacant for more than 50% of the year. The LFA believes the legislature wants to decide whether an expansion in other areas is justified when positions are not left in the area in which they were authorized.

Operating expenses were similar to those of the executive. The LFA was slightly higher in several areas as they had inflated it. Peggy noted the large difference in foster care. LFA based foster care on deleting the budget amendment in FY82, then increasing what was left by 6% a year. Consistent with LFA practices for almost all budgets, budget amended funds are not included as part of the base. LFA is concerned about the cost of foster care and the number of cost increases over the last few years was noted. For example, the increase between '81 and '82, in the number of child care days raised the total cost by 3.7%, the mix in child care days increased the cost by .07% and rate increases accounted for over 13%. The LFA sampled 13 group homes and found that the rates increased 26% between July 1979 and July 1980 and the rates increased 23% between July of 1980 and 1981. Rates were then rolled back in FY82 so that appropriations wouldn't be further overspent. LFA is also concerned about the large rate increase in maximum allowable costs. Foster homes were allowed \$835 in March of 1980; this has increased to \$1100 in FY82. LFA is also concerned that SRS is supplanting federal fund sources in foster homes. In sampling 8 homes, they found that the SRS paid portions of the homes budgets had increased from 53%

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in FY80 to 55% in FY82. In one particular home, the federal funds decreased from \$23,000 in FY80 to \$5,500 in FY82 and these costs were picked up by SRS. LFA is concerned about rate increases due to administration problems. In one case, a group home incurred a rate increase of 14% because a new director was hired and LFA feels this kind of situation deserves closer scrutiny. LFA is also concerned about the increase in the general fund program costs. LFA increased the program costs at 6% per year. SRS did overspend what was appropriated in FY82 in foster care, but made it up with other areas within SRS.

The day care program in Social Services received some attention. LFA inflated the FY82 expenses 7% to get to FY83, then 6% to get to FY84 and FY85. The executive increased those expenses 10% per year. In child abuse and legal services, both LFA and the executive included the same amounts. In spouse abuse, the LFA was slightly above one year and slightly below the next. In subsidized adoption, LFA inflated the FY82 expenses at 6% a year (about \$42,000) by increasing the FY82 expenses at 6% a year and the executive used the FY83 appropriation at \$135,000 a year.

In SSI, LFA used the same number of cases as FY82 and inflated the average cost per case by 6% per year. LFA did not allow for historical increases in the number of cases because such increases were based on only one year from 1981 to 1982, since there was no data prior to 1981. The executive increased the total caseload by about 82 cases to allow for expanded benefits. Last July, SRS changed the eligibility rules for SSI to include semi-independent living. Some of those receiving the benefit before are now getting a cheaper benefit, and others who were receiving no benefit before are receiving benefits now.

Sen. Story asked Norma Vestre to give a breakdown by program of the 26,000 people they serve. She told him 4,378 children 1,229 adults and 61 DD in the child abuse program. They provided on-going services to 4,747 children and 1,636 adults. They investigated referrals for abuse of 61 DD children and 71 DD adults. They provided foster care services to 453 adults, and 1,968 children and placed 114 children into adoption and provided case management for 451 DD children and 1,504 DD adults. They also provided services to 569 unmarried parents, provided information referral to 5,057 people, and provided health-related services to 3,061 people.

Mr. LaFaver added that the major reason why financial problems existed last year was not due to anything the department had done. In his view, the main reason was because the executive, the LFA and the department picked up wrong numbers to start

projecting costs from, so the numbers that came to the subcommittee were substantially lower. Everyone believed they were talking current level, but were not. If the department had not had the budget amendment to mitigate against that error, cutbacks and the "freeze" would have been of a much greater magnitude than it was.

Mr. Dave Tone, Director of Big Brothers and Sisters in Helena, then spoke. He described the program as one which works for kids who come from single parent families. The idea of 11 programs in the state is to recruit, screen, and train volunteers to work with these kids. Forty-five percent of the children in the nation today come from single parent homes and they have a 40% chance of being under-achievers in school, are twice as likely to be truant from school, and three times as likely to be involved in the justice system. Mr. Tone estimated they will put in 370,000 volunteer hours with kids in the next two years. Last year, they evaluated about 26% of the kids and found that 22.4% of the population had shown improvement in at least one area, 76% showed improvement in 3 or more areas. Mr. Tone feels the program is working and that the statistics show that it does.

Over 25% of the referrals come from other state agencies such as probation, or welfare, school and from the mothers themselves. The ratio is about 65% boys and 45% girls. Statistics also show that wherever there is a Big Brothers, Big Sisters group, the crime rate goes down. The belief is that if they can get to the kids first, there is no worry about involvement in the justice system later on.

The Big Brothers program gets some money from the state and they match 25% of this with their own funds. They turn this around and provide volunteer hours.

~~The meeting adjourned at 9 a.m.  
End of Tape 43 Side 1~~

~~John Shontz, Chairman~~

Carol Duval  
Carol Duval, Secretary

FOSTER CARE SUMMARY

The executive budget has a 6% inflationary provider increase for Fiscal Years 1984 and 1985. This is coupled with a 3.74% increase in child care days provided. The legislative fiscal analyst's recommendation translates into fewer funds and child care days than were provided in Fiscal Year 1982. The table below demonstrates the differences between the SRS request and LFA for child care days and funds.

DAY'S OF CARE

	<u>ACTUAL DAYS OF CARE FY 1982</u>	<u>DAYS OF CARE FY 1984</u>	<u>DAYS OF CARE FY 1985</u>	<u>TOTAL BIENNIA 1984-1985</u>
SRS	315,672	339,732	352,440	692,172
LFA	<u>315,672</u>	<u>307,296</u>	<u>325,728</u>	<u>633,024</u>
Difference	0	(32,436)	(26,712)	(59,148)

FUNDS

	<u>ACTUAL EXPENDITURES FY 1982</u>	<u>ESTIMATES FY 1984</u>	<u>ESTIMATE FY 1985</u>	<u>TOTAL BIENNIA 1984-1985</u>
SRS	4,141,652	4,941,689	5,434,281	10,375,970
LFA	<u>4,141,652</u>	<u>4,032,595</u>	<u>4,274,550</u>	<u>8,307,145</u>
Difference	0	(909,094)	(1,159,731)	(2,068,825)

The biennium difference shows the LFA recommending \$2,068,825 less than SRS. The affect of this would be to provide 59,148 less days of care than projected. This is with providers receiving no rate increases over their FY 1982 levels. Providers would have had their rates frozen from FY 1982 through FY 1985. The LFA recommendation for FY 1984 translates into less days of care than were provided in FY 1982. Thus, to stay within the LFA recommendation, rates to providers would need to be rolled back or children currently in foster care would need to be taken out.

## Social Services

Foster Care

Day Care

Child Abuse

Legal Services

Spouse Abuse

Subsidized Adoption

Training

Family Teaching Center

SSI

Indo-Chinese

Home Health Foundation

Big Brothers + Sisters

Social Learning Treatment

Aging

**PROGRAM: SOCIAL SERVICES**

**ADMINISTRATION**

	<u>1982 Actual</u>	<u>1983 Approp.</u>	<u>1984 Executive Level</u>	<u>1985 Current Level</u>	<u>Executive Difference</u>	<u>1985 Difference</u>
<b>FTE</b>	384.38	387.38	382.18	365.48	(16.70)	(16.70)
<b>Personal Services</b>	\$6,628,480	\$7,519,325	\$7,943,178	\$7,735,285	(\$207,920)	\$7,724,645
<b>Operating Expenses</b>						(\$216,665)
Contracted Services	164,722	100,280	158,012	158,001	(11)	167,493
Supplies	8,860	10,101	9,952	9,942	(10)	10,554
Communications	92,257	91,160	109,288	109,282	(6)	125,294
Travel	372,518	482,020	403,096	408,430	5,334	422,369
Rent	103,300	127,169	115,422	115,417	(5)	122,338
Repairs	5,322	5,697	6,452	6,651	199	6,840
Other	11,228	58,665	7,692	12,607	4,915	8,153
<b>Total</b>	\$ 758,207	\$ 879,237	\$ 809,914	\$ 820,330	\$ 10,416	\$ 863,051
Equipment	6,859	3,990	5,056	6,865	1,809	2,477
<b>Total Administration</b>	\$7,393,546	\$8,402,552	\$8,758,148	\$8,562,453	\$ (195,695)	\$ 8,806,838
<b>Funding</b>						\$ (203,638)
General Fund	\$1,037,987	\$1,825,526	\$1,104,001	\$ 274,868	\$ (829,133)	\$ 286,759
Third-Party Revenue	...	87,500	...	...	...	\$ 827,667
LIAP	834,362	834,362	...	1,037,719	1,037,749	...
Comm. on Aging	195,334	233,183	229,063	0-	(\$229,063)	1,037,749
Federal Funds	597,039	465,319	758,673	234,868	(\$23,805)	(\$21,579)
County Reimbursement	998,702	1,209,053	1,132,977	1,105,242	(\$27,735)	(529,048)
Social Services Block Grant	3,730,122	3,747,609	5,533,434	5,909,726	376,292	1,135,053
<b>Total</b>	\$7,393,546	\$8,402,552	\$8,758,148	\$8,562,453	\$ (195,695)	\$ 8,806,838
						\$ (203,638)

## PROGRAM: SOCIAL SERVICES

## BENEFITS

SR5:cm:02

## Administration Differences

### FTE

LFA deleted 18.9 FTE because they were vacant most of fiscal 1982.

Exec transferred 2.2 FTE to Elig. Determination

### Operating Expenses

LFA inflated FY82 base

Exec reduced base, then inflated

## FOSTER CARE

There are a number of problems in foster care. These problems have resulted in substantial cost increases. [REDACTED]  
[REDACTED]

### 1. Cost Increases

- (a) Child care days increase
- (b) Mix in child care days
- (c) Rate increases

### 2. Non-Foster Family Rate Increases

- (a) New formula during fiscal 1980
- (b) Large increases in maximum allowable costs
- (c) SRS replacing all declining funding sources
- (d) Administration problems - other than formula

### 3. Foster Care Funding

- (a) Increased general fund cost
- (b) How funding works
- (c) Current level funding - LFA

### 4. Appropriation Level Versus Expenditure Level

- (a) Cost comparison to appropriation levels
- (b) Budget Amendments
- (c) Retroactive Rate Increases

### LFA Current Level Compared to Executive Request

Consistent with legislative policy, the LFA budget analysis has removed the \$683,167 budget amendment from the foster care base. Program costs are projected forward based upon the fiscal 1982 actual expenditures without the budget amendment. The executive request assumes a 3.8 percent annual growth factor. Thus, the two budgets differ by the deletion of the budget amendment and the growth factor.

Table 2 shows the general fund cost of foster care.

Table 2  
General Fund Cost of Foster Care

	Actual Fiscal 1982	Appropriated Fiscal 1983	-----Budgeted-----	
			Fiscal 1984	Fiscal 1985
6 % Inflation	\$1,546,200	\$1,419,374	\$1,504,536	\$1,594,808
LFA	1,546,200	1,419,374	1,488,864	1,594,480
OBPP	1,546,200	1,419,374	1,886,808	2,102,827

In fiscal 1982, the legislature appropriated \$1,254,333 of general fund and \$1,546,200, or \$291,867 more, was expended.

In total funds, the legislature appropriated \$3,356,980 while \$4,141,652 were expended.

As shown in Table 2, even though the LFA removed the budget amended funds of \$683,167 from the base, the general fund still grew faster than a 6 percent inflation from the fiscal 1983 appropriated general fund level. This was possible due to SRS using other programs' appropriated funds which were not line-itemed for foster care in fiscal 1982 to increase the base even above the budget amended funds.

### In Care

LFA inflated FY82 expenses 7.7% to get FY83,  
6% to get FY84, and 6% to get FY85

Exec inflated FY82 expenses 10% per year

### In Abuse

Both LFA and exec. included the department's  
request of \$73,245 /year

### Child Services

Both LFA and exec. continued the past  
funding level of \$100,000 /year

### House Abuse

LFA included \$122,430 in FY84; 129,776 in FY85

Exec included 121,744 in FY84; 130,875 in FY85

### Subsidized Adoption

LFA inflated FY82 expenses at 6% /year

Exec used FY83 appropriation

## Training

Both LFA and exec included the department's request of \$295,625 in FY84 and \$317,797 in FY85

## Family Teaching Center

LFA inflated FY82 expenses at 6% per year

Exec inflated FY82 expenses at 8.75% to get FY83, 8.75% to get FY84, and 7.5% to get FY85

## SCT

LFA used same number of cases as fiscal 1982 and inflated the average cost per case by 6% per year

Exec increased the number of cases by 82 cases, assumed a 3.2% / yr growth in caseload, and kept average benefit constant

## Indo-Chinese

Both LFA and exec funded this program at \$100,000 per year

### Home Health Foundation

Both LFA and exec funded this program  
at \$26,875 in fiscal 1984 and \$28,891 in fiscal 1985

### Big Brothers and Sisters

LFA inflated FY83 appropriation at 67% /year  
Exec inflated FY83 appropriation at 7.5% /year

### Social Learning Treatment

Both LFA and Exec funded this program  
at \$6,395 in FY84 and \$6,875 in FY85

## AGING

	2	3	4	5	6	7
	84	84	85	85	85	85
	Exec	LFA	Exec	LFA	Exec	LFA
			over (under)		over (under)	
			LFA		LFA	
ederal						
amt	3,400,593	3,400,593	-0-	3,400,593	3,400,593	-0-
information						
+ Referral	130,075	128,260	1,815	139,831	135,956	3,875
H+	217	144,677	125,000	19,677	155,527	125,000
Rate Match	202,560	170,329	32,231	217,752	170,329	47,423
Total	3,877,905	3,824,182	53,723	3,913,703	3,831,878	81,825

## Aging

### Federal Grant

Both LFA and exec have included \$3,400,593 per year for federal grants

### Information and Referral

LFA inflated FY83 appropriation 6% / year

Exec inflated FY83 appropriation 7.5% / year

### 217 ('81 session)

LFA continued the \$125,000 per year approp. granted by the '81 Leg. (even though the bill was for the '83 biennium)

Exec added \$9,583 (not spent in FY82) to the '83 authorization and inflated at 7.5% / year

### State Match

LFA applied the state match requirement to the anticipated federal grant

Exec inflated the FY83 appropriation by 7.5% per year.