

VISITOR'S REGISTER

HOUSE HUMAN SERVICES SUB COMMITTEE

BILL _____

DATE March 4, 1983

SPONSOR _____

NAME	RESIDENCE	REPRESENTING	SUP- PORT	OP- POSE
Judy Merdinger	Helena	LWV MT		
Hacy Flaherty	Helena	Women's Lobbyist Fed		
Gayle Shirley	MT Elder	← Helena		
Jess Toole	Helena	Reg. Nurses		
Brenda Skye	Glasgow			
Joe Roberts	Helena	DD / Leg. Action Com.		
Rose Skoog	Helena	Nrc. Health Care Assn.		
Ray Weiss	"	of BPP		
Charles Buffs	"	Governor's Office		

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

WHEN TESTIFYING PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

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

March 4, 1983

The meeting was called to order at 8 a.m. by Chairman John Shontz. All subcommittee members were present.

Also present were: Ray Hoffman, from the Department of Health; John LaFaver and Ben Johns from the Department of SRS; Norman Rostocki, Peggy Williams and Larry Finch from the Legislative Fiscal Analysts office and many others who were not registered.

Begin Tape 49 Side 1

EXECUTIVE ACTION ON HEALTH BUDGET

The first item the committee discussed was a leftover issue from the Department of Health. Chairman Shontz explained that through the step process there were a couple of changes made that now require language changes. As he recalled, the committee took hypertension money and put it into health education and later on the committee said this money should go to EMS for local grants. The way the motion states now, the committee has to state if the money does not go to hypertension it goes to EMS local grants. SEN. STORY so MOVED. MOTION CARRIED.

Norman Rostocki explained the remaining issue involves the EMS certification testing. At the present time, the board of medical examiners does the testing and there are certain expenses and training materials involved with the test and the health department gets some of the revenue from the tests and abates the expenditures. They are asking for authority to spend the money that they get rather than abating the expenditures. Ray Hoffman explained the issue is that currently within the EMT training program the Department of Commerce, by law, sets the fee for the service. At the present time, it is approximately \$35 per person and of this \$2.50 is used for the certification process at the Department of Commerce and \$32.50 is passed back through the Department of Health to pay for expenses of the EMT training program. The department is requesting approximately \$30,000 per year of earmarked revenue that would be generated from the fees for the EMT program itself. If this were to be put into the appropriations bill now, it would preclude them from having to go through the budget amendment process.

Chairman Shontz asked if he was asking for any additional funds and Ray explained, yes, he is, he is asking for \$30,000 per year for the EMS program for EMT training but nothing additional over the revenue already appropriated. Ray added that at the present time they receive the money from the Department of Commerce and they have already spent the money from one of their other funding sources and when they get it, they bring the money back in and abate it. SEN. REGAN made a MOTION to accomplish this and to prepare the appropriate language. MOTION CARRIED.

EXECUTIVE ACTION ON SRS BUDGET

ASSISTANCE PAYMENTS PROGRAM

Chairman Shontz explained the two large spread sheets prepared by the LFA were a recap of all figures, showing general funds and total funds and these are broken out in several categories; FY82 actual expenditures, FY83 appropriated expenditures, executive budgets, revised numbers for both executive and LFA, and the differences. (See exhibit 1)

Assistance Payments was the first program discussed. Chairman Shontz explained there are basically three or four issues where there are budget differences.

SEN. REGAN made a MOTION to remove the LIEAP audits from the base and have the department do what they have in the past, which was to take the LIEAP audits out of benefits. Her motion is to adjust the figures accordingly and this would include the \$110,064 for the 2 FTE. MOTION CARRIED.

In Communications costs, Chairman Shontz explained the current level sets the base at where they were at. Sen. Regan felt the base in the book might be a little low because of phone rate increases. She stated she would support some kind of an in-between figure. Peggy Williams noted they looked at whole phone rates and applied inflation for what they felt they had increased statewide. A discussion on phone rate increases was held prior to a MOTION by REP. WINSLOW to take current level of \$66,187 for FY84 and \$76,874 for FY85 in communications. MOTION CARRIED.

The next area discussed was the repairs and maintenance. The executive is lower than the LFA figures. The executive deleted \$4,000 for tires and tubes. SEN. AKLESTAD made a MOTION to accept the executive budget. MOTION CARRIED.

Chairman Shontz asked for a motion to adopt the executive request for the administration portion of the assistance payments budget. REP. WINSLOW made a MOTION to accept the current level for travel minus 10% due to the drop in oil prices.

In discussion Rep. Menahan did not feel that this was that big an item. Sen. Regan felt it was too much. REP. MENAHAN made a SUBMOTION to leave the travel the same. Sen. Aklestad felt some percentage cut might be justified. Chairman Shontz made a suggestion that the elected officials subcommittee be the ones to set the prices of fuel and adjust all the budgets accordingly. The MOTION CARRIED with Rep. Winslow and Sen. Story voting, no.

Sen. Aklestad wanted clarification that if the other subcommittee does not do anything we have the option of coming back on this issue and Chairman Shontz replied we always have that option.

Chairman Shontz asked for discussion on the FTE level. At the present time there are 46.75 FTE. He asked for a motion to accept the executive budget for the administration portion of the assistance payments program. REP. MENAHAN made the MOTION. MOTION CARRIED with Sen. Aklestad voting no.

In AFDC, Chairman Shontz asked Mr. LaFaver to respond first. Mr. LaFaver replied the factor that is driving up the caseload is the non-Indian caseload as the Indian caseload seems to remain constant. SRS feels that the projections they made in January are right on the nose and they continue to feel that revised caseload of 7300 plus for FY84 and 7500 plus for FY85 is a prudent and reasonable estimate; it could go higher than this and it is possible it could be lower, also. They would like to ask that once the committee decides on a caseload figure that they would have the opportunity to work with the staff in developing what total adjustment for general fund dollars would occur. He felt the chart the committee is looking at is low. Sen. Regan then asked if the figures that SRS has show a greater increase of expenditure no matter what number is picked. She also asked by what percentage he was talking about. He said it was less than 5% in general fund and in total funds.

Peggy explained their revised estimate was made by Curt Nichols, LFA, and he made the assumption that the economy would turn around and the caseload will continue to grow until March or April; it is based on the cyclical nature of the caseload. Their cost per case was derived from figures the Department of SRS gave the LFA for the Indian population and then tying the Indian population to the executive request. This resulted in a cost per case of the non-Indian population. SRS is estimating a caseload of 7305 in FY84 and in FY85, 7575; and the LFA is estimating 6315 in each year. Rep. Winslow asked Mr. LaFaver where the caseload was today. He replied it was 6500, and it has been climbing every month for the past year and a half without a letup. Sen. Story asked if the length of time on AFDC has lessened. The average has fallen off according to Mr. LaFaver. Sen. Aklestad added he felt that Mr. LaFaver's projections were based on the very worst of everything and especially the economy. Sen. Aklestad added he felt SRS's figures were calculated during the time that reflects the caseload at its worst time of the year. He then made a MOTION to take the LFA revised figure of 6315 caseloads in each year of the biennium. MOTION FAILED.

SEN. REGAN than made a SUBMOTION to go halfway between the executive and the LFA with the idea that 1984 will be okay, and in 1985, if they start out short, SRS can come in for a supplemental. She is suggesting a caseload of about 6800 in each year of the biennium. Chairman Shontz asked if she would be willing to include in this motion language that if the caseload is not this high, that the general fund portion revert. She agreed. To clarify the motion, it was restated by Chairman Shontz. The MOTION is to set the number of AFDC cases at 6800 in each year of the biennium. In the event the level does not reach 6800, the general fund dollars revert, and, in the event that the caseload goes over this amount, the subcommittee recognizes the department's need to come in for a supplemental request in the next session of legislature. MOTION CARRIED with Sen. Aklestad voting no.

Sen. Regan then asked John LaFaver what the poverty index was currently. She made a MOTION that the subcommittee set the poverty index level at 51% where it is currently. MOTION CARRIED.

The payment level for the non-Indian population according to the LFA is based on the executive's request for '84 and '85. Peggy Williams explained that Mr. Johns from SRS had told her that looking at November of 1982 you come up with a different cost per case for the non-Indian population to keep the poverty level at 51% than you do by using the executive request that the LFA received in September. Sen. Regan asked why the executive request did not reflect the cost. Mr. Johns explained the original executive request was done last summer but the amended request does reflect the higher rate.

Chairman Shontz told the committee they needed to set the average caseload payment. Sen. Regan felt this would automatically fall into place since the poverty index and the caseload had been decided upon already. Mr. LaFaver stated the latest cost per case from a 51% poverty index is \$322.70 and in 1985 it will be \$342.14. Chairman Shontz explained the difference between using these two figures is overall about \$1.4 million additional over the biennium. Sen. Story asked for a clarification that the SRS had changed their figures due to family sizes differing, etc. Mr. LaFaver stated they are basing them now on what they are actually paying in November, 1982. He stated it seems to be a combination of family size, as well as there are fewer people on the welfare roles that are working at the present time.

End of Tape 49 Side 1 Begin Tape 49 Side 2

SEN. REGAN made a MOTION to accept the executive figures of \$327.70 for FY84 and \$342.14 for FY85 as the average payment. The MOTION failed.

Sen. Aklestad asked what the freeze figures were now. Peggy Williams stated they were at the 1983 level of payment and this is based on what the executive said in their budget request that was distributed in December. SRS is saying now though that the non-Indian payment is higher than the \$294.39 that is frozen at the present.

After discussion by the committee REP. WINSLOW MOVED that \$311.15 be the average payment for 1984 and \$331.84 for 1985. MOTION CARRIED, with Sen. Aklestad voting no. Peggy Williams stated in 1984 the total would be \$25,097,292 and in 1985 the total would be \$26,737,104.

In AFDC Day Care Peggy Williams stated that we are proposing to make the average payment about \$6 per day. Larry Finch stated in the executive book, day care rates were proposed at \$4.50 in FY80, \$5.00 in FY81, \$5.50 in FY82 and \$6.00 in FY83. For the centers it is \$5.50 in 1980, \$6.00 in 1981 and \$6.50 in 1982 and \$7.00 in 1983.

REP. MENAHAN MOVED that the committee take the executive on day care rates, and that the payments be allowed to go up to but not exceed the new rates. Rep. Winslow was not sure about this much of an increase. REP. WINSLOW then made a SUBMOTION to go with the LFA recommendation of the \$64.10 for FY84 and \$68.23 for FY85 for AFDC Day Care and the \$15.42 for FY84 and \$16.91 for FY85 for WIN Day Care. Peggy Williams stated this totaled \$540,736 in FY84 and \$578,952 in FY85. This would represent a .50 cent per day increase. MOTION CARRIED.

The next budget area under discussion was LIEAP and weatherization. Chairman Shontz explained the major issue here is the 10% transfer of funds from LIEAP to the Social Services Block Grant. SEN. REGAN made a MOTION to implement this transfer. She further explained the transfer would be 10% but if more moneys come in as grant award, 10% of them will also be transferred. She suspects more than this will come in. MOTION CARRIED.

The dollar level for the grant was the next item discussed. Peggy Williams explained the basic grant in FY82 was \$10.4 million and they actually received \$11.1 and a bit more than this in 1983. The President's budget at the present time says there will be \$7.7 million, but from all indications the LFA sees this as a very low number. Chairman Shontz asked for a motion accepting the assumption that the grant will be \$11,107,295. REP. WINSLOW made this MOTION, and if they get more, then 10% of the additional would also go to the block grant.

Sen. Regan asked Mr. LaFaver to respond as to what he figured the grant amount will be. Mr. LaFaver stated he would not make a guess. He stated he has suggested to the committee that they lay out a set of priorities about what they would do with the

Minutes of the Meeting of the Joint Appropriations Subcommittee
on Human Services

March 4, 1983

Page 6

amount of money that came in and if it is high enough, he would agree to the transfer that the committee made, and if it is low, he thinks that the motion will reduce LIEAP benefits and the only way to put this in place is with language that sets out those priorities.

A discussion ensued on the extra funds that were received in this area last year. Rep. Winslow asked Jim Jensen to respond. He replied the \$500,000 is actually part of \$867,000 that the state received and this was actually the second source of funds that came to Montana from alleged oil price overcharges. He stated there are still over half a billion dollars sitting in escrow accounts awaiting disposition and they are working hard to have DOE and the oil companies adopt a state plan approach which would mean that additional funds could well be coming to the state of Montana. Rep. Winslow stated with this in mind, that he felt option A of \$11,107,295 was appropriate.

Sen. Aklestad asked why the eligibility was based on 125% of poverty. Mr. LaFaver stated it seemed like the most logical number. Chairman Shontz asked if it would be fair to say that the appropriation drives what the maximum is going to be. Mr. LaFaver stated this was one of the factors. The MOTION CARRIED.

Chairman Shontz asked Mr. LaFaver a question concerning what happens when someone is put on the LIEAP program and they are receiving benefits and they move from the state before the benefits have expired, if the funds are then returned to the state. Mr. LaFaver stated the funds belong to the individual; so if there are funds left after 7 years, he believed they went to the credit of the public schools. When the department makes a grant to an individual for LIEAP or AFDC, the state loses that money after it is granted and the legislature can not change this.

Sen. Aklestad asked for a clarification that in the \$10 million dollar figure there were about 20,000 families involved. Peggy stated that in the executive figure they are assuming that there will be about 20,000 on LIEAP this winter and they have \$9 million in direct grants. At the present time, 14,000 families are receiving benefits. Rep. Menahan stated if people knew they could qualify for this program there would more than likely be many more people who would apply.

Mr. LaFaver asked for a clarification. He asked if it was the view of the committee that the state should not audit LIEAP and they should leave this to HRDC. Sen. Regan stated yes, the SRS would have the ability to require the HRDC to do the audits.

The final issue in assistance payments is whether to transfer dollars from LIEAP to weatherization. Sen. Regan stated she felt that Mr. LaFaver should have this flexibility to decide how much of the LIEAP funds to to weatherization. REP. MENAHAN MOVED that we take the executive request for weatherization for FY84 and FY85. Rep. Winslow stated the executive request is lower than the LFA request and this is a program that would save dollars down the road. Sen. Regan asked Mr. LaFaver to respond. He stated under federal law they have authority to transfer a maximum of 15% of the LIEAP grant to weatherization. If the grant is not adequate to accomodate a 10% transfer out and to keep benefits in place, than one of the places they would forgo would be weatherization. In other words, if the committee accepts part of the executive and part of the LFA and don't give him the flexibility, he will have a disaster that he can not administer. Rep. Menahan asked if we left the motion the way it is and allow him to have the flexibility, if this would work. The motion again is to adopt the executive in weatherization and allow Mr. LaFaver the flexibility to move LIEAP funds. REP. WINSLOW than made a SUBMOTION that the committee accept the executive minus the 10% transfer. MOTION CARRIED.

In the Community Services Block Grant, Chairman Shontz stated there is a bill going through this legislature that will basically determine how this money will be appropriated. REP. WINSLOW MOVED that the executive budget be adopted. MOTION CARRIED.

SEN. REGAN made a MOTION to eliminate the Workfare program. MOTION CARRIED.

In non-residence general assistance, REP. MENAHAN MOVED to accept the executive budget.

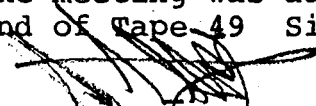
Peggy Williams noted that the executive put in \$50,000 a year for non-resident general assistance. In 1982 they spent \$28,000; in 1981 they spent \$43,000; and in 1980 they spent \$19,000. The LFA took a three year average and inflated it 6% to end up with \$34,000 and there is a difference of about \$16,000 in FY84 and \$14,000 in FY85. Chairman Shontz asked if Rep. Menahan would like to amend his motion to read if there are any funds left over they revert to the general fund. He agreed. MOTION CARRIED.


In training, SEN. STORY MOVED to accept the executive budget. MOTION CARRIED.

In food stamps issuance, Peggy explained there is a difference of \$28 in FY84 and \$87 in FY85. REP. WINSLOW made a MOTION to accept the LFA. MOTION CARRIED.

The meeting was adjourned until 8 a.m. March 5, 1983.

End of Tape 49 Side 2


John Shontz, Chairman


Carol Duval, Secretary

SRS - GENERAL FUND

Program	FY 1983 Annual	FY 1983 Appropriation	Executive	LEA	Executive Over Charge		Executive		Executive		Executive	LEA	Executive	LEA	Executive	LEA	Executive
					Revised	Original	Revised	Original	Revised	Original							
10 ASSISTANCE PAYMENTS	526770	526770	405529	580052													
Administration	526770	526770	405529	580052													
AFRC																	
LIENP																	
Welfare																	
Other Programs																	
Total	526770	526770	405529	580052													
02 Social Services	1091507	1091507	1196326	1196326													
Administration	1091507	1091507	1196326	1196326													
Family Care																	
Home Care																	
Home Services																	
Other Programs																	
Total	1091507	1091507	1196326	1196326													
03 Eligibility Determination																	
04 Administration & Support	405529	405529	405529	405529													
07 Medical Assistance	580052	580052	580052	580052													
Administration	580052	580052	580052	580052													
Nursing Home																	
Institutional Care																	
Other Programs																	
Total	580052	580052	580052	580052													
08 Adult and Program Committee																	
10 Vocational Rehabilitation	357154	357154	357154	357154													
Administration	357154	357154	357154	357154													
Services																	
Total	357154	357154	357154	357154													
11 Disability Determination																	
12 Visual Services																	
Administration																	
Benefits																	
Total																	
14 Developmental Disabilities																	
Administration																	
Benefits																	
Total																	
15 DD PAC																	
30 Veterans Affairs																	
Administration																	
Benefits																	
Total																	
Grand Total	6999999	6999999	6999999	6999999													

SEPA

