

MINUTES OF THE MEETING  
FINANCE AND CLAIMS COMMITTEE  
MONTANA STATE SENATE

March 9, 1983

The 8th meeting of the Senate Finance and Claims Committee met on the above date in room 108 of the State Capitol. The meeting was called to order by Chairman, Senator Himsl at 8:10 a.m.

ROLL CALL: All members present except Senators Story and Tveit.

CONSIDERATION OF HOUSE BILL 185: Rep. Connelly, Flathead, chief sponsor of the bill explained that it was the recommendation of the audit of the Flathead Community College that this would provide for better financial records. Basically it removes a section that was left over when the recodifying was done. In this bill, the section that pertains to community colleges is repealed. They have become more like a University than a High School. This would not apply to anything under construction or a new building. The bill changes the bookkeeping records from a cash basis to an accrual basis. If a bill for electricity used one year but the bill comes in after June 1 it would have to be paid out of next years budget at the present time, and that would be changed.

BILL LANNON, Community College Coordinator for the University System said in 1981 when FCC was being audited it came to my attention from the individual doing the audit. It was proposed by the auditor to change the section that put it on a cash basis. When the laws were recodified this section on the community colleges was left in. I agreed with the auditor at that time that it should be changed at the next legislature to make it possible for better fiscal planning, and wrote a letter to the effect that we would seek rectification of this in the next legislature. This does not affect the funding of the community college, it simply puts them in an accrual basis instead of a cash basis.

GEORGE SIROGIANNIS, Business manager of the Flathead Valley Community College said the certified public accountants recommend University Systems including Community Colleges should be on an accrual basis. Expenses recorded when they occur and revenues when earned. This is a bookkeeping method so they can comply with the national recommendations.

There were no further proponents, no opponents, and Senator Himsl asked if there were questions from the committee.

SENATOR REGAN: If you go on an accrual basis does this mean you can carry over funds from one biennium to the next? Bill Lannon: Incumbered expenses could be paid but you could not carry over funds that were not encumbered. Unrestricted funds in a Community College Budget would be used to reduce the mandatory levy. That is in the law.

SENATOR REGAN: I thought the law said all other funds be expended before state funds were expended.

SENATOR HIMSL: Accrual basis and if expenses occur in one year they can be paid even in the next year.

SENATOR REGAN: Unencumbered funds carry over.

SENATOR HIMSL: Those funds not committed and they would be used to carry over.

REPRESENTATIVE CONNELLY: In closing, said this was recommended by the National Association of Colleges and Business Managers. This is the method of accounting they prefer.

Senator Himsl declared the hearing on House Bill 185 closed.

CONSIDERATION OF HOUSE BILL 861: Representative Quilici, the chief sponsor of the bill said this is a little bill that transfers money to the Department of Administration from the Highways. The money comes from the gas and fuel tax, goes to the Highway Department and then to the Department of Administration to allocate to the cities and towns for transportation purposes. The Director of the Department of Administration said there is more paper work involved in this type of work allocating these funds. If we keep them within the Department of Highways they can allocate to the cities and towns and we save the taxpayers quite a bit of money in administrative process. I asked the question why in the first place and was told it used to go into the state treasurer, when the treasurer combined with the Dept. of Administration it went out of there and now we would like to transfer it to the Highway Department.

MORRIS BRUSSETT, Department of Administration, Director, said there is another reason this came about. Last Legislative session we forgot to put it into our budget since it didn't relate to us. We were embarrassed and surprised. It is all earmarked money, and they might as well write the checks as they have all the information.

There were no further proponents, no opponents, and Senator Himsl asked: This does not change the accountability --it is all earmarked revenue of the Highway Department. Representative Quilici answered that this was correct.

Senator Himsl declared the hearing closed on House Bill 861.

CONSIDERATION OF HOUSE BILL 805: Steve Waldron, Representative from Missoula and the chief sponsor of the House Bill said this bill was requested by House Appropriations Committee.

We ran across a situation where we had an agency that got some revenue to be spent in the next fiscal year, they took the cash and spent it in the previous year. It was not clear if it was illegal. If you have an appropriation authority and not enough revenue, there is some little tricks you can use. They spent it in the year where they did not have enough cash. This bill was introduced to make it clear in the law that it is illegal.

There were no proponents, no opponents, and Senator Hims1 asked if there were questions from the committee.

SENATOR STIMATZ: On line 13 and 14 did you take out the University System? On line 21 we refer to them as an agency.

REPRESENTATIVE WALDRON: They should have been included.

SENATOR STIMATZ: Are they an agency of the state Government?  
Waldron: I am sure they are, we appropriate money to them.

SENATOR HIMSL: Could I ask you, Senator Van Valkenburg?

SENATOR VAN VALKENBURG: They are not included in the agencies I work on. I think we have enough difficulty understanding it we should put it in there. We could add on line 21, after agency, "including any unit of the University System."

REPRESENTATIVE WALDRON: I have no further closing remarks.

Senator Hims1 declared the hearing closed on House Bill 805.

CONSIDERATION OF HOUSE BILL 449: Representative Bardanouve as chief sponsor, explained the bill. He said this is relatively a housekeeping bill. It was introduced to clarify how inter account loans can be made. There were some amendments made to it in the House and so we will not run the risk of placing any financial jinx by playing with money between agencies.

Representative Bardanouve said that sometimes an agency must borrow until they receive federal funds, for such things as flood or hail damage, etc. and that this bill would put a time limit on the loan at the end of the fiscal year and it would tighten up the language in the original bill.

MORRIS BRUSSETT, Administrator, Department of Administration, said the bill was introduced at the request of the department, and gave some back ground as to why. He said they used to tap funds to take care of the school foundation program and it was just assumed it would be paid back. He said this is now changed and they borrow money to make the loans. He said he had found where some loans had been carried beyond the year end and they requested the bill so that the loans would either be legal or stopped. He said when federal funds are

due (medicare, for example) some of them have to be paid before they get the federal money and loans still must be made to handle the expenditure. He said the amendments, however, made the operation quite difficult.

Mr. Brussett said page 2, line 6 "loans must be repaid before the end of the year, etc." He said their intent was to be a written justification, recognizing that if we are somewhat "loose" the auditor or fiscal analyst would make criticism and we would have to make changes. The House amendment crossed out and wrote in new language which makes it a real problem to many of the agencies. Line 13 and 14 says, "No loan may be extended into the next fiscal year unless it is for the sole purpose of repairing or replacing , etc". In the case of the Capitol Land Grant Account the Legislature appropriated \$5 million to renovate the capitol. We had to make payments on the bonds as well as set aside money. It was an error. As of the end of this year we will still owe \$685,000. It is in a special account, and we will have to come to this body to get special language in or something or we will be illegal. Many of my departments have problems and I have asked them to come today unless they can live with the language in the bill as amended.

JIM FLYNN, Department of Fish, Wildlife and Parks said, I would defer to Brussets statement and refer to the language on page 2, line through 25. We have a couple of cases where we feel it would be detrimental. Murray Springs Fish Hatchery, built by the Corps of Engineers and the agreement the state had with the Corps. We pay the operating costs and then on a periodic basis they pay us back. Every time we take the money out, it is a loan, then when we put it back the loan is paid. This is the way we operate with a lot of things, expecially with the Dingle-Johnson-Pitman-Robertson funds. These lines in the bill could cause difficulty.

KEITH KELLY, Director, Department of Agriculture, pointed out the same things the other two had addressed. This would prevent loans in the last quarter and create a cash flow problem. Many times we have to get a loan and then wait for the federal funds to come in. Senate Bill 316, the Beginner Farmer bill, this likewise, would be a loan from general fund until a bond was sold, and this would carry over from one fiscal year to another.

JACK NOBLE, Deputy Director for Finances for the University System said he would refer to line 17, page 2. These 3 items belonged to our agency. We thought it would be okay for us to operate. We need two more exclusions. One is the millage account--it was short the first year of this biennium. We transact a general fund loan to the millage account. We do not know if it is in the red until June before we find out if the account will come in the black. He also mentioned the designated sub funds.

JOHN MATHEWS, Assistant Administrator, Fiscal Services, Department of Justice, said we have the same concerns with the amendments. We could find ourselves in the position where we could find ourselves in trouble at the end of the year if there is no flexibility.

DALE HARRIS, Department of Commerce, said they had the same concerns, but also had an additional concern, and that is the impact of House Bill 700, the legislation that was approved by the House of Representatives. This is financed first and repaid later. We have had the Board of Housing before. The loan was repaid in full when operating. This would be used to finance the Montana Development Program and this language would prohibit it.

BILL SALISBURY, Administrative Services, Department of Highways said we approve of the bill but do have concerns about the amendments. In the case of condemnations, awards that may not be resolved, it is federal, but state funds and adjusted later. We incur loans in the first part of the year and some may not be recovered yet in the last part and may have to be carried over.

There were no further proponents, no opponents, and Senator Himsl asked if there were questions from the committee.

SENATOR HAMMOND: It seems to me that we will have to make some amendments. A bill in State Administration allows for 5 hundredths of 1% a day by the bills not paid on time. If we have this left in, it could cost the state a lot of money. 18.25% interest if that bill should go through. Any claim in the state if not paid.

REPRESENTATIVE BARDANOUVE: That does not apply here. Only when an agency borrows from another agency here.

SENATOR HAMMOND: If the agencies do not have any money and can't appropriate the money in time it will be double jeopardy.

SENATOR HIMSL: Those of you that are testifying for the bill. The original came in as written in lines 7 through 10 where no new language extends. You would be required to make the payment within the year unless it was okayed by the Department of Administration. Can everyone live with that? The objection comes in the LFA language that ties it down so close you can't live with it. (Nods indicated that this was the correct assessment)

SENATOR DOVER: Now a certification. We will tighten up our criteria. We do not want this to be a permanent revolving fund. With the letters of credit would it make a lot more paper work?

Brussett: In federal monies we are asking them to get letters of credit. I don't think the paper work would change. We still require sufficient evidence anyway.

SENATOR HIMSL: Representative Bardanouve, in putting the amendments into the bill in the house, did you have any evidence of abuse that would appear to make this necessary?

REPRESENTATIVE BARDANOUE: Not particularly in Montana. We run a pretty tight ship. It is probably one of the best states in the union. Time changes, administrators change, and in many instances in America at different levels there has been severe abuses of agencies where they concealed their fiscal situation. It has cost tremendous problems and loss of control of our obligations and abuse of agencies governing us and our loans. If the language is too restrictive you may have to make some change but I would be reluctant to wipe out all of it. I don't know if the Highway Department ever looks at a letter. It would relieve some of the concerns of the Highway Department. The Housing board's concerns can be easily handled. This Legislative body which is responsible for all finances will be aware of all loans being made. You have to weigh against harassment of agencies. I think you should take a real look at this and come up with some compromise language.

SENATOR STIMATZ: How would a letter of credit work? Bardanouve: From one Department to another. If \$5 million from medicaid is due the federal agency is obligated.

SENATOR STIMATZ: It is just another piece of paper. Nobody gives them money just because of a letter of credit.

BRUSSETT: In answer to Senator Stimatz. Under the old system the agency sent a letter to the Federal Government. With a letter of Credit, it is an agreement you can get the money when you need it. All state agencies don't do that. In attempting to work with the federal monies, sometimes we just have to spend first, but this is an attempt to get the money up front.

REPRESENTATIVE BARDANOUE: In closing, The purpose of the bill is comendable. If there are deep concerns you may wish to change the language. I would be somewhat concerned if you strip the language. We have a fiscal analyst that is concerned about spending money, the Legislative auditor and Fiscal Analyst are equally concerned that Montana follow very carefully its manner of using our money. I feel the amendment assures us that there will be control. This is the only way to avoid fiscal irresponsibility. When that many agencies have concerns, there may be a problem but many times they are worries that never occur, but you should look at it.

Senator Himsel declared the hearing closed on House Bill 449.

CONSIDERATION OF HOUSE BILL 659: Representative J. Jensen, chief sponsor of the bill, said this bill would authorize the funding of community service block grants in Human Services in the state. It sets guide lines for distribution and use of the funds. I am sure you will remember some of this from the special session. The heart of the bill is the local governing body has the ability to have many of the work plans under the program plans submitted to them for approval. Page 5.

SHIRLEY ISOBEL, spoke on Human Resource Development Councils in the state. Each county is served in some manner by these agencies. Following her testimony she handed out a fact sheet attached as exhibit 1. Her testimony is covered by the fact sheet.

BOB WALTMIRE, LISCA, Columbia Falls, said he was representing the Senior Citizens who have worked for several years with HRDC. He said in speaking for the Senior Citizens, we find HRDC is very effective. When we ask for help we do not feel degraded like in some places when you ask for help. They are effective in determining human needs. They get local people to help solve local problems. There is federal, state and local levels of government, and the local need. If we divide these monies up and give it to 56 counties, it is much too small to do any good. If it is brought into the HRDC and handled, it is all a part of the plan.

ART KLEINIAN, County Commissioner from Blaine County spoke for the bill, his testimony, exhibit 2 is attached.

JEFF RUPP, representing Gallatin and Park County as well as the Board of Directors in District IX Human Resources Development Council, spoke and his testimony is attached as exhibit 3.

HAROLD GUTHRIE, Livingston spoke for the bill, his testimony is attached as exhibit 4.

Jim Casey, Butte-Silver Bow, said he supports the bill without any further amendments. HRDC in Butte will continue to be relied upon to deliver the services. It is the most cost effective. We on the council do have close coordination and cooperation with the HRDC and take work programs and plans that they would need to carry out and be approved by the Council in Butte-Silver Bow. We would ask you to approve the bill without further amendments.

MERLE THORSTAD, County Commissioner from Blaine County gave testimony, attached as exhibit 5.

ORDELL KLINDWORTH, County Commissioner from Blaine County spoke for the bill, his testimony is attached as exhibit 6.

Marsh Bonne (not positive of name), read a letter from Mr. JOHN ST. JERMAIN, former Cascade County Commissioners and Chairman of the Board of Directors of Opportunities, Inc., the letter is attached as exhibit 7.

LILLIE McKINNON, City of Superior and HRDC, said living in a small county has given them a chance to see how it works. HRDC's help the people and give local control. I would urge support of House Bill 659. She handed in testimony from the 3 county Commissioners from Missoula County, Noonan, a county Commissioner Chairman from Mineral County and Rose Goss, Ravalli County.--exhibit 8, attached.

RICHARD MANNING, Cascade County said this bill helps people to help themselves.

CARL DONOVAN, Great Falls, Opportunities Inc., MCAP, said he supports the bill as amended.

SENATOR HIMSL: Mr. Donovan, did you say you support the bill as amended?

DONOVAN: As the bill is now amended. He turned in written testimony, exhibit 9, attached.

Ray Labka read a statement from JANE ANDERSON, Administrator Area V Agency on Aging, attached as exhibit 10.

ROBERT McCRAY, said he would oppose any amendments to the bill. He is a county commissioner from Judith Basin County, and his testimony is attached as exhibit 11.

Eileen Sanson, District 6 HRDC read a letter that she did not turn in so it is not attached. It concurred with former statements.

JUDY PERSOL, Midwest Assistance Program, said their main concern is with water, water and sewer. Their staff is small and they must depend on local based people. The HRDC's have worked with us to solve water and sewer problems. They are an entity already in place to help with water quality, water quantity or help people in the area. We strive to find solutions that are cost effective for the whole community that people in the low income group can afford. I would urge your support of this bill.

EDNA FREY, Mineral County, City Council and Superior Senior Citizen, spoke in favor of the bill, testimony attached.  
Exhibit 12.



SENATOR OCHSNER, said he had a telephone call from the county commissioners in his area that he was to represent them at this hearing and relate that they want the bill through.

JOHN LAFAVOR, Director, SRS, said I am in favor of the bill with one exception. The bill would put in statute the rule the Department has promulgated to use the money. One section that does not follow these rules. The committee should be aware of the difference. Page 5, line 18 and 19, the way I read the bill, the Department or the state or the Legislature has no power to channel these monies into areas that are felt to be state priority areas. Once we receive a plan from a HRDC we have to approve it unless it conflicts with federal law. It is a broad law. It is administrative money that is used for administrative expenses at the HRDC. I think it is probable and possible that we might want to assure that resources at the local level will be used for state priority needs. One that comes to mind is commodities. We have to distribute these commodities or they will not get used. We have used some of the monies in the past for transportation and storage of these commodities. I think it would be good to have something in the bill--not to have the Department over run the wishes of the Board, but something that would give us the ability to see that it was used on the priorities you have set and is one or two that would need to be taken care of at the state level. Over \$1 million a year to address state priorities. That is one change that I would suggest.

BEVERLY GIBSON, Montana Association of Counties, said she supports the bill. It opens the possibility for the counties and HRDC to sit down and negotiate the best for their counties and their constituents.

There were no further proponents, no opponents, and Senator Himsl asked if there were questions from the committee.

SENATOR JACOBSON: I would address this to John LaFavor. An amendment in the bill, page 3, allowing 5% for special projects. Was that to cover the commodity problem you were discussing? LaFavor: That is the state costs. We incur costs for mileage, warehousing, etc. They are costs incurred beyond that point. I would hope that we would have the ability within the money that they need to include whatever costs for further transportation, storage and distribution of commodities is needed.

SENATOR JACOBSON: Was that specifically what they were trying to deal with? LaFavor: The state costs, not the local costs.

SENATOR HIMSL: Is your prohibition in the federal law that prevents you from approving a plan that would take care of this? Line 18, page 5, it looks like you could approve it.

LaFaver: I could approve it, if they wanted to do it. If their plan came to me without the it, I could not do so.

SENATOR HIMSL: If it came with it, you would have no problem.

SENATOR VAN VALKENBURG: The HRDC and county commissioners don't want to include it in the plan, then you would still want to include it?

LAFAVOR: We have an obligation to see that the commodities get to the places that they are needed in. If the HRDC and the County Commissioners don't want to do it---this money is allocated to the state, and I think we should have the ability to override.

MR. WALTMIRE: We didn't get a dime in the HRDC to distribute commodities. In the last distribution John took some federal money. We distributed 60,000 cheese and 19,000 pounds of butter. That is \$188,000 of federal stuff that comes to us in the 4 county area. We were asked, would the HRDC's do it. Sure. It is community need. I get livid with rage at this type of amendment. We can take care of the problem. We are set up to see the needs and we can handle it. It disturbs me that they are trying to use this as a way to come in the back door.

SENATOR HIMSL: You can handle it without an amendment, is that right? Waltmire: Yes.

SENATOR AKLESTAD: I would like to ask the sponsor, page 5, lines 6 through 9, what difference does it make where you take out the language. What effect the language in the amendment has. Jensen: The reason that is eliminated is to allow the Department to put the money back into the HRDC account without going through this distribution formula. That formula is specifically set up for distribution under the system where the counties and agencies have agreed. In other areas where they did not agree, then the Department has to have a letter of authority to tell them so they can get the money to the people.

SENATOR THOMAS: By the amendments here, it looks like you are going to judicate all the minority wills. The amendments are not eliminating county commissioner control, but if they don't agree you have more jurisdiction over the plan.

LAFAYER: The way the bill originally read, if not agree, as to what the monies will be spent for, it would revert back to the state to go to the other areas. What this amendment does is if a county and HRDC cannot agree, you will bring them both in and listen and the Department would determine where to go, but the area would not lose the money. It was not an amendment we suggested, but I think it has some merit.

SENATOR VAN VALKENBURG: Page 5, line 5, the bill refers to Human Resource Councils. It would appear to be a typographical error, it should read council in the singular--not the plural.

REPRESENTATIVE JENSEN: It is a typo. It should be amended to read council.

SENATOR VAN VALKENBURG: I think it can be done through the amendments coordinator, could you assure that you will do it and that would be the simple way to handle it. Representative Jensen assured the committee that he would do so.

SENATOR THOMAS: Who elects the HRDC? Jensen: The members of the Human Research Council. The federal law lays out guidelines. A representative from the private sector, low income, etc. It is done in each county. Either Shirley Isobel or Jim Smith can address that.

JIM SMITH: The boards are constructed of 1/3 memberships. 1/3 is made up of local elected officials, 1/3 from the private sector and 1/3 of low income people or their representatives. The County Commission (or that 1/3 of the board) has to approve the selections in the other 2/3 of the board.

SENATOR THOMAS: What is the budget going to be for next year?

LAFAYER: The President has proposed a cut. The outlook is probably over \$1 million a year. About the same as before.

REPRESENTATIVE JENSEN, in closing, said he had one remark. The most important aspect of the bill is that there has long been frustration. Local people have no control over the federal funds. We send people off to Washington and have no control over the money that comes back. This bill remedies a lot of this. People can go to local elected officials and give their input.

Senator Himsl declared the hearing closed on House Bill 659.

ACTION ON HOUSE BILL 185: Motion by Senator Dover that House Bill 185 be concurred in. Senator Regan said she would like to have Curt Nichols, Fiscal Analyst take a look at this, he has done a lot of work on community colleges and I would like to wait. Senator Dover withdrew his motion and Senator Himsl said we would hold the bill until the next meeting.

DISPOSITION OF HOUSE BILL 805: Motion by Senator Dover that we amend line 21 after "agency" and put in "include any unit of the Montana University System." Voted and approved.

Senator Van Valkenburg moved to amend line 23 to remove the arabic "1" and put in the word "one". Voted and approved.

Motion by Senator Dover that HOUSE BILL 805, AS AMENDED BE

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CONCURRED IN. Voted and passed, unanimous of those present, Senator Dover to carry.

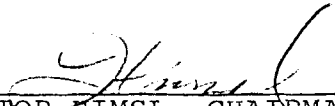
DISPOSITION OF HOUSE BILL 659: Motion by Senator Thomas that House Bill 659 be concurred in. Voted, unanimous vote of those present, in favor of the motion, Senator Jacobson to carry the bill.

DISPOSITION OF HOUSE BILL 861: Motion by Senator Dover that House Bill 861 be concurred in. Voted, passed, unanimous of those present. Senator Dover to carry the bill.

ACTION ON HOUSE BILL 449: Additional time needed to study this bill.

Senator Himsl announced that there would be a meeting of Senate Finance and Claims at 8 a.m. Friday morning to take executive action on House Bill 449 and 185.

The meeting adjourned at 9:59 a.m.

  
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SENATOR HIMSL, CHAIRMAN

ROLL CALL

FINANCE AND CLAIMS COMMITTEE

48th LEGISLATIVE SESSION - - 1983

Date 3/9/83

NAME	PRESENT	ABSENT	EXCUSED
<u>Senator Etchart, VC</u>	✓		
<u>Senator Dover</u>	✓		
<u>Senator Keating</u>	✓		
<u>Senator Smith</u>	✓		
<u>Senator Thomas</u>	✓		
<u>Senator Van Valkenburg</u>	✓		
<u>Senator Stimatz</u>	✓		
<u>Senator Story</u>			✓
<u>Senator Ochsner</u>	✓		
<u>Senator Haffey</u>	✓		
<u>Senator Jacobson</u>	✓		
<u>Senator Regan</u>	✓		
<u>Senator Lane</u>	✓		
<u>Senator Aklestad</u>	✓		
<u>Senator Hammond</u>	✓		
<u>Senator Tveit</u>			✓
<u>Senator Boylan</u>	✓		
<u>Senator Himsl, Chairman</u>	✓		

COMMITTEE ON

DATE

3-9-83

Finance & Claims

## VISITORS' REGISTER

NAME	REPRESENTING	BILL #	Check One	
			Support	Oppose
Harold Guthrie	# 4 HRDC	659	✓	
Jeff Ryan	"	"	✓	
Eileen Sansom	Dist 6 HRDC	"	✓	
JOHN MATHEWS	DEPT OF JUSTICE	449	✓	
Tudy Piersol	midwest Assistance Program	659	✓	
Steve Benninghoff	MT University System	449		✓
Jane Mathis	FWP	449	X	<del>✓</del>
Jim Flynn	DEPT FWP	HB449	X	<del>✓</del>
John LaFave	DRS	HR659	X	
ROBERT CHARLES W. GELMIRE	LISCA	659	✓	
MADE WILKISON	LISCA	659	✓	
Art Kleinjan	County Comm.	659	✓	
Orde H. Klund	North County Comm	659	✓	
Wendy Thorstad	County Comm	659	✓	
Marcia Bond	Opportunities INC	659	✓	
Gayle J. Donovan	OPP-INC. MCAP	659	✓	
Barbara Schell	Dist 4 HRDC	659	✓	
Jim CASEY	BUTTE-SILVER BOW GOV	659	✓	
Ray Jean Saar	MCAP	659	✓	
Beverly Gibson	HACO - Helena	659	✓	
Sen. Richard E. Manning	Senate Dist 18	659	✓	
Billie Mc Kinnon	City of Superior & HRDC	659	✓	
Edna E. Oray	City of Superior & Superior Sen Ctl	659	✓	

HB 659 FACT SHEET

THE COMMUNITY SERVICES BLOCK GRANT ACT, 1983

QUESTION: WHAT IS THE COMMUNITY SERVICES BLOCK GRANT (CSBG)?

ANSWER: A program of federal aid to the state of Montana for certain activities. One of nine block grants to states established with the passage of the Omnibus Budget Reconciliation Act, 1981 (OBRA), in November of 1981.

QUESTION: IS THIS PROGRAM FUNDED BY THE STATE OF MONTANA?

ANSWER: No. This program is funded by the federal government.

QUESTION: WHAT STATE AGENCY ADMINISTERS CSBG?

ANSWER: CSBG is administered by Montana Department of Social and Rehabilitation Services (SRS).

QUESTION: HOW IS CSBG ADMINISTERED LOCALLY?

ANSWER: Historically, the program has been administered locally by the ten Human Resource Development Councils (HRDCs). The HRDCs are presently the local administering agencies for CSBG funds in all Montana counties.

QUESTION: DOES THE CSBG HAVE ANY LEGISLATIVE HISTORY OR PRECEDENTS?

ANSWER: The CSBG is successor legislation to the Community Services Act, 1975, and to the Economic Opportunity Act, 1964. It was this early federal legislation that enabled the creation of the HRDCs, and that has funded them since that time.

QUESTION: WHAT IS THE INTENDED PURPOSE OF THE CSBG?

ANSWER: Originally, these were "anti poverty" funds. The OBRA, 1981 describes CSBG in the following way:

"to provide a range of services and activities having a measurable and potentially major impact upon the causes of poverty in the community or those areas of the community where poverty is a particularly acute problem."

QUESTION: WHAT ARE THE HRDCs?

ANSWER: HRDCs are non-profit community organizations representing one or more of the Governor's substate planning districts. The HRDCs are either "public agencies" created by interlocal agreement, or "private, non-profit corporations." In either case, HRDCs are eligible to receive certain federal, state, and local funds. Finally, HRDC Board of Directors are structured to include County Commissioners from all of the Counties in each of the Governor's sub-state planning districts, so as to assure local control.

QUESTION: HOW ARE HRDC BOARD OF DIRECTORS STRUCTURED?

ANSWER: They are structured so that 1/3 of the total Board membership is composed of local elected officials (county commissioners or their representatives); 1/3 of the total are representatives of low income people themselves; and 1/3 of the total is composed of representatives of the private sector of the community (business, labor, church and civic groups, and other community leaders).

QUESTION: WHY ARE HRDC BOARDS STRUCTURED ALONG THESE 1/3, 1/3, 1/3 LINES?

ANSWER: This is the "three part" Board. It is so structured for several reasons: to ensure local government control of these funds and involvement in their local use; to ensure that a broad based community effort is directed at poverty related problems; to ensure the involvement of low income people in the community in decisions affecting them; to focus available resources within the community at poverty related problems; to avoid duplication of services and effort; and to encourage the involvement of the private sector.

QUESTION: WHO IS ELIGIBLE FOR CSBG PROGRAMS OPERATED BY THE HRDCs?

ANSWER: Generally, persons whose gross income is less than 125 % of the official poverty level, determined annually by the Federal Government.



QUESTION: WHAT DOES "125% OF THE POVERTY LEVEL" MEAN  
IN ACTUAL DOLLAR AMOUNTS?

ANSWER: This depends on the actual number of persons  
in the family or household. Those figures are  
as follows:

<u>Family size</u>	<u>100% of poverty</u>	<u>125% of poverty</u>
1	4,680	5,850
2	6,220	7,775
3	7,760	9,700
4	9,300	11,625
5	10,840	13,550
6	12,380	15,475

QUESTION: WHAT ARE THE PROGRAMS OPERATED BY THE HRDCs?

ANSWER: This varies from HRDC to HRDC, in response to  
local conditions. However, all of the HRDCs do  
administer CSBG, Low Income Home Weatherization  
programs, the Surplus Commodity Food Distribution  
program (cheese & butter), and Energy Share of  
Montana.

QUESTION: DO THE HRDCs OPERATE ANY OTHER PROGRAMS?

ANSWER: Yes. A list of these programs is included as  
Attachment # 1.

QUESTION: ARE ALL OF THESE FUNDED WITH CSBG?

ANSWER: No. Funding comes from a variety of federal,  
state and local sources. CSBG funds, however,  
are used in the administration of these programs.  
In addition, each of these programs is a response  
to conditions of poverty in local communities;  
each of them is consistent with the activities  
targeted for CSBG funds in the OBRA, 1981.  
A list of eligible CSBG activities and HRDC  
operated programs is included as Attachment # 2.

QUESTION: HOW MUCH DO THE HRDCs SPEND TO ADMINISTER  
THESE PROGRAMS?

ANSWER: The overall average administrative rate for  
the ten HRDCs is about 10 percent. A list of  
each HRDC's total funding, administrative costs  
and administrative rate (in percentage) is  
included as Attachment # 3.

QUESTION: HAVE CSBG FUNDS BEEN REDUCED IN THE LAST  
COUPLE OF YEARS?

ANSWER: Yes. In 1980 the national appropriation for  
the Community Services Administration (CSA)  
was \$550 million, and Montana's allocation

was \$2.2 million. The national CSBG appropriation in 1981 was \$348 million, and in 1982, \$360 million. Montana's allocation has been between \$1.1 million and \$1.2 million each of the last two years. Locally, the HRDCs have taken cuts in the 40% range.

QUESTION: HOW HAVE THESE CUTS AFFECTED THE HRDCs?

ANSWER: Administrative costs and staff have been reduced. More CSBG funds are being used to provide direct services to low income persons.

QUESTION: WHAT ARE SOME EXAMPLES OF THIS?

ANSWER: All of the HRDCs are using CSBG funds to administer the Special Surplus Commodity Program (cheese & butter). In addition, each of the HRDCs are using CSBG funds for services needed locally. The HRDC in Billings, for example, has begun using some CSBG funds for a Vo Tech scholarship program for low income youth. The HRDC in Kalispell has begun a similar educational opportunity program using CSBG funds. In Cascade county, 40% of CSBG funds will be used to provide direct, emergency services to low income people.

QUESTION: ARE THERE ANY OTHER FEDERAL REQUIREMENTS ATTACHED TO CSBG?

ANSWER: Yes. Federal law for the last two years has required that 90% of CSBG funds go to local, community based non-profit organizations having "three part" Board of Directors. These organizations are the HRDCs in Montana.

QUESTION: DO THE HRDCs SERVE ALL OF MONTANA'S COUNTIES?

ANSWER: Yes. The Governor's substate planning districts are also the HRDC service areas. All 56 of Montana's counties are served by HRDCs.

QUESTION: WHAT IS THE PURPOSE OF HB 659?

ANSWER: The purpose of HB 659 is to underwrite the existing federal law with state law; to provide adequate funding and adequate service to rural areas of the state; to provide that HRDCs continue to receive CSBG funds and use them for the services and activities outlined in the federal CSBG Act; and to provide an allocation formula for the distribution of these funds. Generally, to stabilize a service delivery system and to provide for the ongoing local administration of a number of programs designed to meet the requirements and purpose of the CSBG Act.

QUESTION: HAVE PREVIOUS MONTANA LEGISLATIVE SESSIONS  
CONSIDERED THE CSBG?

ANSWER: Yes. In November of 1981 the Special "Block Grant" Session of the 47th Legislature included "the Sales Amendment" as an amendment to the general revenue bill. The "Sales Amendment" required that CSBG funds go directly to Montana's 56 counties, and provided a formula based upon population and low income population in counties.

QUESTION: WHAT HAPPENED TO THE "SALES AMENDMENT"?

ANSWER: The "Sales Amendment" was pre-empted by federal law in October, 1982.

QUESTION: HOW DOES HB 659 RELATE TO THE INTENT OF THE MONTANA LEGISLATURE, AS EXPRESSED IN THE "SALES AMENDMENT"?

ANSWER: HB 659 reconciles the "Sales Amendment" with federal law. It provides for a great amount of local control over the use of CSBG funds, by requiring county approval of plans and programs being operated by HRDCs with CSBG funds.

QUESTION: WHAT HAPPENS IF A COUNTY AND AN HRDC CANNOT AGREE ON A PLAN FOR THE USE OF CSBG FUNDS?

ANSWER: The House of Representatives considered this question, and in response amended HB 659 on Second Reading. That amendment reads as follows:

I. Page 5, line 6. through 9.

Following: "the department shall"

Strike: the remainder of line 6, and lines 7  
through 9 in their entirety.

Insert: "prepare and approve a plan for such county. The department shall then allocate block grant funds to the appropriate human resources development council to administer according to the plan approved for such county by the department."

QUESTION: WILL THIS AMENDMENT BE UTILIZED IN VERY MANY COUNTIES?

ANSWER: No. As of June 30, 1982, 37 of Montana's 56 counties had opted to utilize the HRDCs as local administering agencies for CSBG. Since that time, and since October, several other counties have opted into the HRDC structure, most notably Cascade county.

ATTACHMENT # ONE

PROGRAMS OPERATED BY THE HRDCs:

Low Income Energy Assistance  
Low Income Home Weatherization  
information and referral  
crisis and emergency assistance  
Head Start  
day care  
displaced homemaker  
abused spouse/battered women  
summer youth employment and training  
youth employment and training  
county workfare  
housing placement/emergency housing  
housing counselling  
consumer budget management  
Section 8 rental assistance  
congregate & home delivered meals  
elderly transportation  
home chore services  
food stamp issuance  
Energy Share of Montana  
Special Surplus Commodity Distribution (cheese & butter)  
food banks/community gardens  
community economic development  
scholarships for low income people  
volunteer programs (Foster Grandparents, Retired Senior  
Volunteers, Senior Companion)  
rural waste water & sewer projects  
outreach

ATTACHMENT # TWO

Eligible Activities  
in CSBG Act

HRDC Programs

"Agencies will provide activities designed to assist low income participants, including the elderly poor:

to secure & retain meaningful employment

- county workfare
- job counselling & placement (CETA)
- youth employment & training programs.

to attain an adequate education

- Head Start
- scholarships to Vo Tech

to obtain & maintain adequate & suitable living environment

- home weatherization
- Low Income Energy Assistance
- Farm Home Administration
- housing counselling
- HUD housing placement

to make better use of available income

- volunteer income tax assistance
- consumer education counselling

to obtain emergency assistance

- Low Income Energy Assistance
- Energy Share of Montana (MPC,MDU, PPL, Great Falls Gas; a public/private sector partnership)
- crisis assistance & relocation
- temporary housing
- battered spouse shelter
- emergency food

to remove obstacles that  
block the achievement of  
self-sufficiency

- Head Start
- Big Brother/Big Sister
- displaced homemakers

to achieve greater  
participation in the  
affairs of the community

- Senior Companion
- Foster Grandparents
- Retired Senior Volunteers
- service on HRDC Boards of  
Directors and Advisory  
Councils

to make more effective  
use of other programs

- information & referral
- outreach counselling
- inter-agency program  
referrals

provision of such  
supplies & services,  
nutritious foodstuffs &  
related services as may be  
necessary to counteract  
conditions of starvation &  
malnutrition among the poor."

- special commodities  
distribution (cheese  
and butter)
- local issuance of  
food stamps
- community gardens.

ATTACHMENT 3

	<u>1982</u>		
<u>Agency</u>	<u>Total Funds Received</u>	<u>Administrative Funds</u>	<u>Percent of Funds for Administration</u>
Action for Eastern Montana (Districts 1, 2, 3)	\$2,445,083	\$228,774	9.0%
District IV HRDC (District 4)	1,065,638	81,857	9.4%
Opportunities, Inc. (District 5)	2,140,486	224,699	10.5%
Central Montana District Council (District 6)	761,808	76,180	10.0%
District VII HRDC (District 7)	1,893,000	206,138	9.1%
Rocky Mountain Development Council (District 8)	2,351,127	23,511	10.0%
District IX HRDC (District 9)	1,736,000	260,00	13.0%
Northwestern Montana HRDC (District 10)	2,500,000	250,000	10.0%
District XI HRDC (District 11)	2,000,000	200,000	11.0%
Butte-Silver Bow Anti-poverty Council (District 12)	2,109,066	207,084	9.8%

HB 2)  
HB 659  
3/9/83

TESTIMONY  
BLAINE COUNTY COMMISSIONERS

Chairman Himsel, members of the committee

My name is *Arden Klumley*, I am a County Commissioner from Blaine County.

HB 659 as it is written, will provide for the continuation of the concept of local control that appears to be supported by everyone. Over the past eighteen months the issue of local control has been resolved to our satisfaction as the commissioners were involved in each step of the funding process. Through the monthly reports we are kept fully informed of the status of the work plan. Any proposed changes either in the work plan or the budget are brought to our attention. At the same time we are relieved of the burden of the day to day operating responsibility.

In addition, this is the first time that a formula for distributing funds does not penalize a county because of its population statistics. Through this bill, our area is assured of receiving sufficient funds to retain at least a major portion of the services. Our original funding level under the Sales Amendment would have seriously reduced if not eliminated any serious effort to help low-income people in our area.

I, therefore, urge you to support HB 659 without further amendment.



3  
by  
Good morning Mr. Chairman and members of the Committee! My name is Jeff Rupp, and I am representing Gallatin and Park County, as well as the Board of Directors of District IX Human Resource Development Council.

I am here today to offer testimony in support of House Bill 659 from these groups.

As you know, federal action prevented the State of Montana from implementing the "Sales Amendment". This unforeseen action left the Community Services Block Grant in Montana in a state of limbo. Most H.R.D.C.'s were able to work out agreeable work plans with their Boards of Commissioners, while some were not, leaving the C.S.B.G. dollars and their use in question.

House Bill 659 establishes once and for all the structures of C.S.B.G. implementation in Montana. It makes the County and H.R.D.C. equal partners in formulating work plans for the distribution of funds.

No one has the upper hand. This basis for discussion and negotiation is the most fair and impartial system that can be developed.

I urge this committee to allow local people to make local decisions on the use of the Community Services Block Grant and not to presuppose that anything less than local control is acceptable.

The Special Session of 1981 made the bed for H.R.D.C.'s and the counties, and House Bill 659 will do nothing more than allow us to lie in it.

Thank you!

1484  
3/9/83

TESTIMONY OF HAROLD GUTHRIE

Mr. Chairman and members of the committee:

I am Harold Guthrie of Livingston. I serve as chairman of the district 9 HRDC board which includes the counties of Gallatin, Park, and Meagher. I am a retired JHS principal and a former mayor of Livingston.

During the last legislative session, I testified against the bill that placed the block grant funding with the county commissioners. As a result of the passage of the bill, my commissioners and those of Gallatin county found that it was necessary to contract with the Dist. 9 HRDC to administer the program because they lacked expertise and a board qualified under Federal regulations.

H.B. 659 will correct that bad legislation and will in my opinion do the following.

1. It will provide equal basic funding for the various HRDC's.
2. It will allow for greater funding for more population.
3. It will allow for funding comparable to the actual number of low-income people in each area.
4. It limits the amount that can be retained by the state agency, thus making more certain that funds get to the people they are supposed to reach.
5. The bill provides for a board that meets Fed. requirements.
6. There are adequate fiscal and program controls.
7. More importantly though, in my opinion, is that it will enhance cooperation between the county authorities and the HRDC's with approval or disapproval features for the commissioners, and a provision for settling differences.

In my opinion, this is a good bill and should be passed.

Harold Guthrie

up 5

TESTIMONY  
BLAINE COUNTY COMMISSIONERS

Chairman Himsel; members of the committee

My name is *Martha H. H. H.*, I am a County Commissioner from Blaine County.

The bill before you today, HB 659, is legislation which should be supported for several very objective reasons.

1. HB 659 reconciles existing state and federal legislation. HB 659 gives county commissions a great deal of control and influence over the programs and activities of the HRDC's. Thus it conforms to the intent of the 47th Legislature and the Sales Amendment. It also directs 90% of CSBG funds to the HRDC's. This is consistent with federal law.
2. HB 659 will provide some much needed stability to the delivery of a number of human and social services. The last two years have been a period of constant turmoil and uncertainty. As an elected official, concerned with all issues affecting Blaine County, it has been most difficult reacting and responding to constantly changing circumstances. HB 659 would resolve that situation and for that reason alone, I would support it.
3. HB 659 provides for better funding and, therefore, better service to Montana's rural counties.
4. HB 659 without further amendment ensures that locally elected officials will have control over federal dollars which are clearly aimed at addressing local poverty problems. As a County Commissioner, I feel that local determination is the only effective mechanism for solving local problems.

The HRDC in Havre is the oldest program of its kind in Montana. The agency was established on April 19, 1965. In 1975 it was expanded to include Blaine and Liberty Counties. During that time, needed and valuable services have been provided to the people in our area.

The County Commissioners in the tri county area have elected to support District 4. Passage of HB 659 will underwrite our local support with that of the State. A guarantee that a system that works will be kept in place will be made.

I urge your favorable consideration of HB 659 and Thank you for the opportunity to speak to you this morning.

14th 6

TESTIMONY  
BLAINE COUNTY COMMISSIONERS

Chairman Hims1, members of the committee:

My name is Ordell Klindworth, I am a County Commissioner from Blaine County, a member of the Board of Directors for District 4 Human Resources and Chairman of the Boards Planning and Evaluation Committee.

I'd like to thank you for the opportunity to present testimony regarding our relationship with District 4 Human Resources Development Council and our view of the Community Services Block Grant as it is identified in HB 659.

Events since November of 1981 forced the Commissioners of Blaine, Liberty and Hill Counties to take a hard careful look at the HRDC in our area. We've had to look at the agency in terms of its programs and their cost; in terms of its staff and their effectiveness, and in terms of role of the HRDC in our communities and its relationship to other Human and Social Services provider in our area.

Without going into all the details or each of the decision made, I would simply inform the Committee that it was concluded by the three County Commissioners that the HRDC is filling a valuable and needed role in the community. Its operation is cost effective and unduplicated. The staff is professional and competent. The agency is used and respected by low - income and elderly people, and is regarded as an important component of the entire service delivery network in our area.

The national reduction of funds for Community Action Agency's necessarily reduced everyone's funding level. However, under the Sales Amendment our area was reduced from \$115,000 to \$32,000 or a reduction of 72%. Even though we felt that the action's of the Federal Government in October of 1982 was not in keeping with the promise of local control, we must support that action and this bill because our funding level will now be increased by 100%. This 64,000 will provide for the core administration for 17 federal, state, and local contracts and grants which total annually over a million dollars. The over all administrative cost for these programs is 9.4%

I am not familiar with the other HRDC's in the State. But I do know that as of June 30, 1982, 37 of the 56 counties had independently decided that the HRDC structure was a system worth keeping. This, at a time when counties were urged to keep the CSBG funds, is certainly indicative of strong support by the state's County Commissions.

The bill before you today, HB 659, is legislation aimed at keeping that system in place. It is a system which insures local control equitable distribution of the funds and is supported by over 100,000 low - income people from all areas of the state.

I, therefore, ask that you, too, support HB 659. Thank you.

#7

4611 Second Avenue North  
Great Falls, MT 59401

March 8, 1983

Senator Matt Hims1 and Members of the  
Senate Finance and Claims Committee  
State Capitol  
Helena MT 59601

Dear Senators:

I would like to urge your support of HB 659.

As a former Cascade County Commissioner, present Great Falls City Commissioner, and Chairman of the Board of Directors of Opportunities, Inc., I have personally observed the many positive aspects of our local HRDC and its benefits to our community. The effects of Opportunities can be witnessed throughout the community: from the elderly person in a home that has been weatherized; the family whose housing is subsidized; to the young person who is starting his or her first job through the youth employment program at Opportunities. There are parks, a Senior Citizens Center, and a transporation system which Opportunities helped bring into existence.

Although I cannot respond to recent media coverage regarding Opportunities in such a way as to clear up all misunderstandings that have emerged, I would like to assure everyone that the Board of Directors of Opportunities is in control of the agency, that we are conducting an evaluation, and that we will take any corrective action necessary.

Again, I urge your support of HB 659, which will assure the continued operation of the only local agencies which bring together the public sector, the private sector and low income persons to identify and address poverty issues in each community.

Thank you.

Sincerely,

  
John St. Jermain



# MISSOULA COUNTY

BOARD OF COUNTY COMMISSIONERS

• Missoula County Courthouse • Missoula, Montana 59802  
(406) 721-5700

BCC-83-145  
March 8, 1983

*Handwritten:* 108 3/9/83 HB 659

The Honorable Matt Himsl, Chairman  
Senate Finance and Claims Committee  
Capitol Station  
Helena, Montana 59620

Dear Senator Himsl and Other Committee Members:

We are writing in support of HB-659, which mandates that Human Resource Development Councils receive Community Service Block Grant funds. We support this bill for two reasons:

1. HB-659 will ensure that HRDC's are there when we need them.

Human Resource Councils in general, and District XI HRDC in particular, have demonstrated their ability to administer a wide variety of essential programs, including LIEAP, weatherization, youth employment, and, in Missoula, the Senior Nutrition Project and Workfare. They have also undertaken important activities on behalf of low- and middle-income consumers, such as intervention in rate cases, and pathbreaking work with BPA and the Northwest Power Planning Council on energy matters. Without CSBG funds, none of these activities would have been possible.

2. HB-659 will ensure that county commissioners have a significant role in HRDC policies. HRDC's already have representatives and county commissioners on their boards. The additional requirement that HRDC work plans must be approved by the county commissioners if they are to get CSBG funds means that a negotiation between HRDC's and commissioners must take place. In this manner, both the Federal mandate that CSBG funds go to HRDC's and the desire of the Legislature and County Commissioners that there be some kind of local control over HRDC's are satisfied.

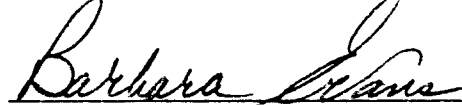


BCC-83-145 -  
March 8, 1983  
Page Two

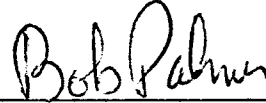
For these reasons, we urge you to support HB-659 without amendments so that HRDC's can continue their important work.

Sincerely,

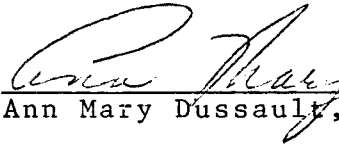
BOARD OF COUNTY COMMISSIONERS



Barbara Evans, Chairman



Bob Palmer, Commissioner



Ann Mary Dussault, Commissioner

BCC/HS/1s

cc: All Missoula Senators



## *District XI Human Resource Council*

MISSOULA COUNTY	MINERAL COUNTY	RAVALLI COUNTY
207 East Main	Courthouse	115 Bedford
Missoula, Montana 59802	Superior, Montana 59872	Hamilton, Montana 59840
728-3710	822-4251	363-6101

March 8, 1983

Senator Matt Himsl, Chair  
Senate Finance and Claims Committee  
Capitol Station  
Helena, Montana 59620

Dear Senator Himsl:

I am writing to you to express my support of House Bill 659. I am a Mineral County Commissioner and was Mineral County Treasurer for fifteen years. Currently I am the Chairperson of the Board of Directors of District XI Human Resources Council. I began my association with District XI Human Resources Council when I worked to implement senior citizens centers in Mineral County in the late 60's.

Therefore, I feel I have some knowledge and understanding of the Human Resources Council. Public officials have always served on the District XI Human Resources Council Board of Directors. This has enabled local officials to have first-hand knowledge and experience with the operation of programs.

It is my opinion that House Bill 659 continues the involvement of public officials. I realize amendments were offered in the House Human Services Committee which would have allowed the state to prioritize the use of Community Services Block Grant funds. I am, however, opposed to any such amendments as they will take away the control that local officials are given in this bill.

District XI Human Resources Council receives funds because of an interlocal agreement between Mineral, Ravalli and Missoula counties designating them to operate certain programs. House Bill 659 will continue this flexibility and will also allow for negotiations on the use of funds in each of the respective counties.

I urge you, on behalf of the Mineral, Ravalli and Missoula County commissioners, to give your support to House Bill 659. The commissioners in these counties do support this bill, and I hope you and your committee will also.

Sincerely,

Mary K. Noonan, Chair  
Board of Directors

MKN/1a

AN EQUAL OPPORTUNITY EMPLOYER

Chairman:

5/8/85

Ladies & Gentlemen:

I am Rose Goss, I represent the Ravalli Co. Commissioners on the Dist II Human Resources & Development Council Board of Directors.

I am: a member of the Darby Town Council; Chairperson of the Ravalli Co. Planning Board; Vicechairperson of the Ravalli County Council on Aging; and chairperson of the Darby Sr. Citizens.

Being involved in the variety of activities in a county of approximately 29,000 people of which approximately  $\frac{1}{4}$  are retirees. We are one of the fastest growing counties in the state.

Our subdivisions are reviewed by the Planning Board, a citizens advisory group to the Co. Commissioners) and further reviewed by the County Commission.

We have a HRDC Co. program council that advises the Dist II Board. We hear so much about duplication of activities by various agencies. Ravalli

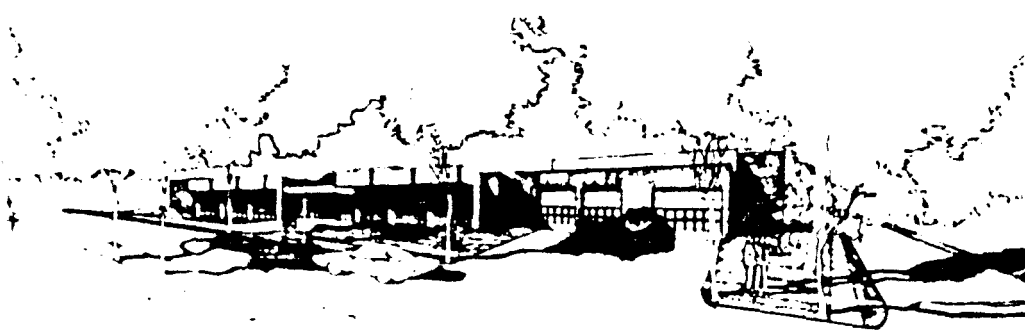
Co. HRDC Program Council is made up of the heads of Welfare, Head Start, local council person, ministerial ass. Ass. & low income people.

I mention these activities involved with because as a public official I am very supportive of local control - so often the local officials have no local control option.

We have found it very beneficial to operate as a multi-county organization for an exchange of ideas. We are not the Monroe Co. HRDC but a district of 3 very different Counties and through the input of local officials and other citizens we can tailor the operations of programs for each county.

As representative of Powell Co. Commissioner I urge you to pass HB. 659 without amendments.

Thank you -



## **PARK COUNTY COMMISSIONERS**

P. O. Box 1037  
Livingston, Montana 590

March 7, 1983

Senator Pete Story  
State Capitol Building  
Helena, Montana 59601

Dear Dorothy:

This letter is to express the Park County Board of Commissioner's support for House Bill 659.

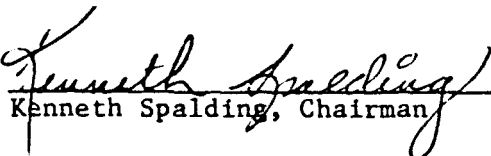
In the year-and-a-half since the "Sales" amendment, Park County has entered into an inter-local agreement with District IX H.R.D.C. for the implementation of the Community Services Block Grant. We have found this agreement to be most beneficial for both parties.

House Bill 659 retains at the County level the decision making process on the Community Services Block Grant, as well as authorizing a fair allocation formula.


Your favorable consideration of House Bill 659 would go far in providing the need flexibility for local officials to determine the best use of Community Services Block Grant dollars. For these reasons, we ask you to vote favorably on House Bill 659.

Sincerely,

PARK COUNTY COMMISSIONERS

  
Kenneth Spalding, Chairman

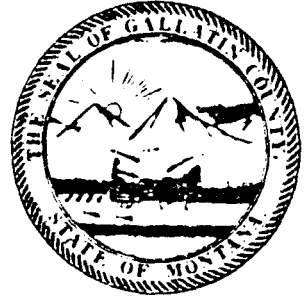
  
James Todd, member

  
Clifford Olson, member

State of Montana

# County of Gallatin

Bozeman



March 4, 1983

Senator Dorothy Eck  
State Capitol Building  
Helena, MT 59601

Dear Dorothy:

This letter is to express the Gallatin County Board of Commissioner's support for House Bill 659.

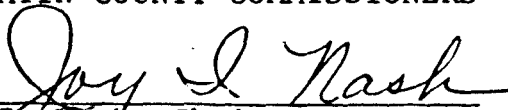
In the year-and-a-half since the "Sales" amendment, Gallatin County has entered into an inter-local agreement with District IX H.R.D.C. for the implementation of the Community Services Block Grant. We have found this agreement to be most beneficial for both parties.

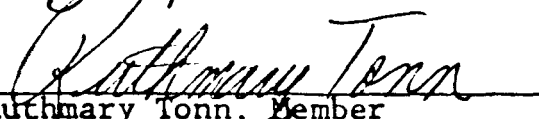
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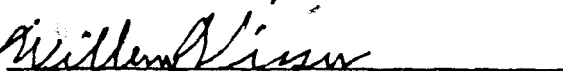
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Sincerely,

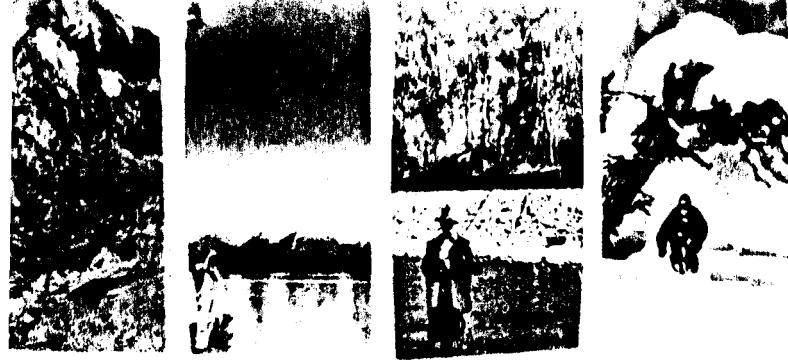
GALLATIN COUNTY COMMISSIONERS

  
Joy I. Nash, Chairman

  
Ruthmary Tonn, Member

  
Wilbur Visser, Member

vj



Visit  
**MONTANA**  
the **BIG SKY** Country  
**CASCADE COUNTY**

COURTHOUSE ANNEX, ROOM 111  
GREAT FALLS, MONTANA 59401

BOARD OF COUNTY COMMISSIONERS

March 8, 1983

Information Sheet for our Legislators

We support HB 659 because we recognize that HRDCs serve a valuable role in Montana communities by providing low income people the opportunity to become involved in decisions that affect their lives. This involvement contributes to a growth in self esteem and skills which enhances self sufficiency for low income persons. HB 659 maintains local control over the development and implementation of local plans to deal with the causes of poverty in each community.

In addition to providing support for low income persons, Opportunities, Inc. is responsible for administering non-traditional programs such as the Head Start Program, weatherization program, youth employment program, and a youth scholarship in a six-county area which includes Cascade County. Services provided by Opportunities, Inc. include outreach, information and referral, distribution of commodity products, and information and support for low income persons to serve as community volunteers and as low income advocates. Opportunities, Inc. has made significant contributions to economic development projects, such as the new airport terminal, solid waste project, riverfront and Giant Springs parks, and programs, such as the Senior Citizens' Center and the Retired Senior Volunteer Program.

We feel that HRDCs provide valuable services and programs for our communities and urge you to support HB 659, as amended.

BOARD OF COUNTY COMMISSIONERS  
OF CASCADE COUNTY

*Jack T. Whitaker*  
Jack T. Whitaker Chairman

*Richard G. Gasvoda*  
Richard G. Gasvoda Member

*Patrick L. Ryan*  
Patrick L. Ryan Member

HB 659 TESTIMONY

JANE ANDERSON, ADMINISTRATOR  
AREA V AGENCY ON AGING

Mr. Chairman, members of the committee, my name is Jane Anderson and I am the Administrator of the Area V Agency on Aging. We fully support HB 659 and urge a "DO PASS" for this legislation.

Montana's Human Resource Development Councils (HRDCs) provide many important services to senior citizens in our state, and we in the Area Aging network work closely with the HRDCs whenever possible on senior citizen programs. Part of the way that the HRDCs provide such effective services to senior citizens is their appropriate use of CSBG funds to assist in the operation of these programs. We believe that the HRDCs are doing an excellent job with their programs, and we support the continuance of CSBG funding to the HRDCs to maintain the quality of their service delivery system.



House Bill 659  
Community Services Block Grant Testimony  
Robert L. McCray - Geyser, Montana

My name is Bob McCray and I am a county commissioner from Judith Basin County. *This testimony is* ~~I am here to testify~~ in favor of House Bill No. 659.

I am a representative of the county on the Board of Directors of the District Six Human Resources Development Council and am currently serving as Chairman of its Board of Directors.

The rural counties that the H.R.D.C. serves in my area derive a great deal from a multi-county association which administers social service programs. In 1982, under the Sales Amendment, all of the counties in District Six (and 37 counties statewide) chose to continue to remain a part of the H.R.D.C. network. This is because in a united fashion, each of these rural counties receive all of the services the H.R.D.C. provides without any additional expense to an already overburdened county budget. These counties receive a substantially greater quality and quantity of services than they could ever provide individually. For example, under a county-by-county allocation formula in Fiscal Year 1983, the counties in District Six would receive a collective total of \$44,511.00. But with funds being allocated to the H.R.D.C., these same six counties will receive \$70,392, an increase of \$25,841 or 36 percent more.

I favor passage of House Bill No. 659 because it provides for the future of the H.R.D.C. network while ensuring that the counties are involved in the development of a work program most responsive to the needs of the people in the communities it serves.

I, as a county commissioner, support this legislation because it means that the Community Services Block Grant will be used, as it should be, for needs identified on a local level. In a state as diverse, both geographically and philosophically, as Montana, local needs identification is essential. I

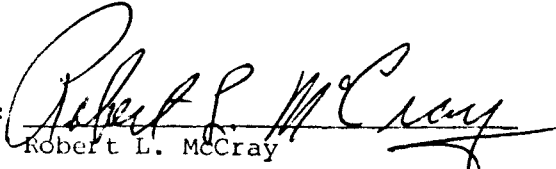
oppose an amendment to this bill allowing state-identified priorities.

In each H.R.D.C. throughout the state, the Community Services Block Grant is used differently. Because other funding sources do not ensure the maintenance of overall administrative costs, the C.S.B.G. is used to provide an umbrella agency for the administration of these anti-poverty programs. Without this administrative umbrella, a fractured, inefficient method of service delivery would result. This would mean that these services would be less likely to reach the people they were designed to help. Also, administrative costs would undoubtedly be high without the agency's experience developed from a successful background of positive administration of anti-poverty programs.

However, it is a myth that H.R.D.C.'s are using C.S.B.G. funds solely for administrative purposes. In District Six, C.S.B.G. funds are being used to provide all counties with assistance in planning and community development and the preparation of grants to increase the amount of resources available to these communities. Because of the district's sparse population, these communities would not be able to afford the cost of this service if it were not provided through the H.R.D.C. Currently, projects in District Six include preparation of a Community Development Block Grant for Judith Gap's water system and a county road mapping and naming project to improve emergency services to rural areas. Also, the H.R.D.C. continues to use C.S.B.G. to generate additional funds for projects of worth in the communities it serves. Its potential is unlimited only if we secure, as this legislation does, a future more than a few months in length.

For these reasons I urge you to support House Bill No. 659.

Signed:

  
Robert L. McCray

I urge you to  
apt KB 659.

Thank you  
Charmaine  
Edna E Hrey

up 29<sup>th</sup> rememph  
12 3/8/83  
Superior, WI  
Box 464

To my Legislatures,

Please pass HB  
659 as it is.

I live in a very  
rural County and  
belong to many  
organizations, I am  
on the Superior City  
Council, and Livestock  
Association, and Livestock  
Association Chairman.

We need the Passage  
since KRCDC does an  
office in Superior with  
one staff member involved  
five been involved  
in Livestock for 50 years,  
activities for 50 years of  
since the needs of a

Department of Administration  
Inter Entity Loan  
Schedule of Loans and Year End Balance

Agency	Amount	Date Made	Date Repaid	FYE 81 Balance	FYE 82 Balance	Fiscal 83 December 82 Balance	Purpose
Natural Resources	300000 604000	1/14/80 9/11/80	6/28/82 6/28/82	300000 604000	- -	- -	Water adjudication filing fees were to fund program authorized by JB76 1979 Legislature. Fees were not available at fiscal year end 1981 to repay loan. However, the fund built enough resources to repay loan at 6/28/82. <del>Canceled balances for 855 and 655 days respectively.</del>
Board of Regents	387970 479635 431979	12/08/80 11/19/81 11/09/82	7/30/81 7/26/82 -	387970 - -	- 479635 -	- 431979 -	Loan made for WICHE program funded by student fees general fund appropriation and regents coal tax fund. Portion of coal tax receipts are distributed by Department of Commerce generally after fiscal year end.
School for Deaf and Blind (5113)	5000000	11/10/80	-	50000 1341970	50000	50000	Loan made to allow expenditure for federal grant fund not timely received.
Department of Commerce (6501)					48200	48200	Loan made because federal grant funds for rail planning had not been received on a timely basis.
Capitol Land Grant	932000	05/03/82	-		932000	932000	Loan made to pay fiscal 1982 bond costs and establish reserve for 1981 issue to pay for capitol renovation authorized by 1981 legislation. Loan will be repaid from rents and royalties accruing to the fund over the next three years.
Department of Administration Insurance Division	300000	07/13/82	10/06/82		300000 1809835	-	Loan made to cover hail damage costs until insurance money was received.

*Handwritten:* 2279-1022  
4-19-82  
all done

Department of Administration  
Inter Entity Loan  
Schedule of Loans and Year End Balance

Agency	Amount	Date Made	Date Repaid	FYE 81 Balance	FYE 82 Balance	Fiscal 83 December 82 Balance	Purpose
Department of Revenue University Millage	2500000 2000000	08/24/82 01/10/83	-			4500000	Loan made to cover cash deficits in millage account until property tax receipts are received in June 1983.
Liquor Revolving	5000000	08/24/82	1/10/83 partial of 2000000 repaid			30000000	Loan made to cover cost deficits in liquor fund until last quarter of fiscal year when profits are distributable to the general fund.
Justice (4110)	63000	07/12/82	-	-	-	63000	Loan made to finance purchase of equipment to be reimbursed from federal grant funds to highway patrol.
Labor Department (6601)	50000	10/21/82	-			50000	Finance fund for reimbursement due from federal government from July, 1982. Delays in reimbursement by federal government.
Totals Outstanding For Periods Indicated				1341970	1809835	9075179	

# STANDING COMMITTEE REPORT

March 9

19 33

MR. President

We, your committee on Finance and Claims

having had under consideration House Bill No. 659

**Jensen** (Jacobson)

Respectfully report as follows: That House Bill No. 659

BE CONCURRED IN

~~DO GRASS~~

y.c.

# STANDING COMMITTEE REPORT

March 9

19 33

MR. **President**

We, your committee on **Finance and Claims**

having had under consideration **House** Bill No. **805**

**Waldron** (Dover)

Respectfully report, as follows: That **House** Bill No. **805**,  
third reading, ~~the~~ bill, be amended as follows:

1. Page 1, line 21.  
Following: "agency"  
Insert: ", including any unit of the University System,"
2. Page 1, line 23.  
Strike: "1"  
Insert: "one"

And, as so amended,  
BE CONCURRED IN

~~NDX~~ PASS

y/c.

# STANDING COMMITTEE REPORT

March 9

19 83

MR. President

We, your committee on Finance and Claims

having had under consideration House Bill No. 861

Quilici (Dover)

Respectfully report as follows: That House Bill No. 861

BE CONCURRED IN

~~XXXXXX~~  
DO PASS



COMMITTEE ON

DATE

3-9-83

Finance & Claims

## VISITORS' REGISTER

NAME	REPRESENTING	BILL #	Check One	
			Support	Oppose
Harold Guthrie	# 9 HRDC	659	✓	
Jim Ryan	"	"	✓	
Eileen Sansom	Dist 6 HRDC	"	✓	
JOHN MATHEWS	DEPT OF JUSTICE	449	✓	
Judy Piersol	midwest Assistance Program	659	✓	
Steve Bingham	MT University System	449		✓
Jane Math	FWP	449	X	<del>✓</del>
Jim FLYNN	DEPT FWP	HB449	X	<del>✓</del>
John LAFORCE	DRS	HR659	X	
ROBERT CHARLES WALTERS	LISCA	659	✓	
WADE WILKISON	LISCA	659	✓	
Art Kleinjan	County Comm.	659	✓	
Orde H. Kinnard	County Comm	659	✓	
Helen Thorstad	County Comm	659	✓	
Marcia Bond	Opportunities Inc	659	✓	
Tate J. Donovan	Opp. INC. MCAP	659	✓	
Gary Cabell	Dist 7 HRDC	659	✓	
Tim CASEY	BUTTE-SILVER Bow GOV	659	✓	
Mary Jean Saar	MCAP	659	✓	
Beverly Gibson	MACo - Helena	659	✓	
Sen. Richard E. Manning	Senate Dist 18	659	✓	
Billie Mc Kinnon	City of Superior ~ HRDC	659	✓	
Edna E. Oray	City of Superior ~ HRDC	659	✓	