

MINUTES OF THE MEETING
APPROPRIATIONS COMMITTEE
MONTANA STATE
HOUSE OF REPRESENTATIVES

February 13, 1985

The meeting of the Appropriations Committee was called to order by Chairman Bardanouve on February 13, 1985 at 3:15 p.m. in Room 104 of the State Capitol.

ROLL CALL: All members were present except Representative Spaeth, who was absent, and Representative Thoft, who was excused.

(Tape 5:A:400)

HOUSE BILL 342: "AN ACT AUTHORIZING THE DEPARTMENT OF ADMINISTRATION TO TRANSFER FUNDS FROM THE LONG-RANGE BUILDING PROGRAM REVENUE SOURCES TO A SPECIAL REVENUE FUND; PROVIDING A DEFINITION OF CAPITAL PROJECT COSTS; AMENDING SECTIONS 17-5-401, 17-5-404, 17-5-801, 17-5-804, 18-2-101, AND 18-2-105, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

Chairman Bardanouve said Representative Lory, sponsor of the bill, is concerned that his bill might not be an appropriations bill and asked that the bill be heard in time to meet the deadline for transmittal of bills.

Representative Lory (426) presented his bill. He is carrying the bill at the request of the Department of Administration (DOA) and said it is strictly a "housekeeping" bill.

Proponents:

Karen Munro (451), Administrator, Centralized Services Division, DOA, said over the past two years there have been two areas in accounting causing DOA confusion and which passage of House Bill 342 will eliminate: (1) current language in the law authorizing the Capital Projects Fund to pay costs of the Long-Range Building program, but not defining "costs"; and (2) having to transfer funds, authorized by the Legislature for administrative expenditures, from the Capital Projects Fund to a Special Revenue Fund.

She said House Bill 500 (47th Legislature) required the Architecture and Engineering Division (A&E) program be funded solely by the Capital Projects Fund, but with the change in the Treasury Fund structure, the administrative budget of A&E was placed in a Special Revenue Fund. House Bill 447 (48th Legislature) failed to mention that revenues for the Special Revenue Fund must come from the Capital Projects Fund. Therefore, the department has had to request that a corresponding transfer appropriation be established in the Capital Projects Fund to fund the operational

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budget of A&E. The department wants permanent statutory authority to assure the transfer always occurs.

Also, she said the language in House Bill 342, now before the committee, is in conflict with the language in House Bill 12, now in the Appropriations Committee. She submitted proposed amendments to House Bill 342 to correct the conflict (EXHIBIT 1).

Opponents: None.

E X E C U T I V E A C T I O N :

Representative Lory (577) made a motion to amend the bill as follows:

1. Title, line 10
Following: "17-5-804"
Strike: ", "
Insert: "AND"
Following: "18-2-101,"
Strike: "AND 18-2-105,"
2. Page 5
Strike: lines 17 through 25
3. Page 6
Strike: lines 1 through 16
Renumber: subsequent sections

A voice vote was taken and the motion carried unanimously.

Representative Lory (586) made a motion that House Bill 342 AS AMENDED DO PASS. A voice vote was taken and the motion carried unanimously.

(End of Executive Action)

DEPARTMENT OF SOCIAL & REHABILITATION SERVICES:

General Assistance Program:

Chairman Bardanouve (600) said the Human Services subcommittee has a problem in that there is a shortfall of several million dollars in the General Assistance program. He said the Appropriations Committee may want to sponsor a committee bill to address the issue. He said Dave Lewis, Director, Social & Rehabilitation Services (SRS), has a proposed amendment to the present law.

Dave Lewis (605) said SRS, at the present time, projects a shortfall in excess of \$1 million in FY85 and a shortfall in excess of \$7.5 million in the coming biennium, should the law remain unchanged. He said none of the states surrounding Montana have General Assistance programs equivalent to Montana's benefits.

At this time, a qualifying, single person receives approximately \$212 per month, the result of a court order. Further, under the United States Constitution and the Montana Constitution, there is no right to establish a residency requirement to receive benefits. Therefore, SRS proposes to limit program benefits by excluding all able-bodied persons of age 50 and under. These excluded people will, however, continue to be eligible for food stamps, low-income energy assistance, emergency transportation, and medical assistance.

(Tape 5:B:008)

Dave Lewis said the proposed amendment is a critical policy issue requiring the submission of a bill to the Legislature.

Chairman Bardanouve said 75 percent of the committee vote is required to sponsor a committee bill, but a bill sponsored by the committee does not mean members have to support the bill and the bill is subject to amendment; but, there must be a vehicle to place the issue before the Legislature. He said Representative Waldron would not carry the bill, so last night he polled committee members who said they will support a committee bill.

E X E C U T I V E A C T I O N :

Representative Moore (057) made a motion that the meeting not be opened to comments by anyone other than committee members at this time.

Representative Winslow said if there are one or two people here who wish to speak, it is only fair to let them speak. Representative Quilicy concurred.

The Chairman said this meeting is not a hearing because the committee does not as yet have a bill; however, if Representative Moore's motion passes, he asked that no more than two visitors speak on the issue.

Representative Peck (068) made a substitute motion that no more than two people address the committee for no longer than five minutes each. A voice vote was taken and the motion carried unanimously.

(End of Executive Action)

Esme LaBreche (075), Butte Community Union, addressed the committee (EXHIBIT 2).

James Dorr Johnson (105), attorney, appearing as a private citizen, addressed the committee. He said he thinks the proposal of SRS is unconstitutional. He said the committee should not sponsor a bill, but should look at the revenue enhancement bills mentioned by Esme LaBreche. He said he is interested in some administration-type projects such as employing the unemployed in

the central Butte area on monies coming from the Legislature.

Chairman Bardanouve (125) asked Dave Lewis if there was testimony in the Human Services subcommittee that there was no general assistance in the neighboring states. Dave Lewis (136) said in the state of Washington one has to be incapacitated over 60 days to be eligible for general assistance. Oregon has the same stipulation. Idaho has an "emergency needs program", but according to information received by SRS, this consists of a bus ticket, 1 night's lodging or a tank of gas. Wyoming has a transient program, but did basically what SRS is proposing in that they changed the program so the able-bodied were not eligible. This information is based on contacts made with other states over the last month. South Dakota has an emergency program of 1 night's lodging, a tank of gas... that type of thing. North Dakota has the same type of situation, although a limited number of counties may provide a type of maintenance program, mainly in the eastern part of the state. He said SRS has the names of the contact persons and the information is available to committee members or staff personnel.

Chairman Bardanouve (157) said if this bill comes before the House, he wants Dave Lewis to present documented - not hearsay - truth of what he just testified to because he has heard two sides of the issue and he wants verified proof. Dave Lewis said he sent the information obtained on the telephone back to the various states and asked them to reply in writing confirming the telephone survey and about half have replied confirming the telephone survey. He said he hopes the remainder are in before the committee hearing.

Representative Menahan (163) asked if SRS could confirm whether or not there was anyone new to Montana who are on general assistance. The Chairman said this is a fair question and SRS hasn't provided this information as yet. Dave Lewis said on the application for general assistance there is a blank space on residency asking how long the person has been in the state. He said SRS had various counties do a survey of these applications and approximately one-third in Missoula and Butte and 22 percent in Great Falls had been in the state less than 6 months. He said the directors testified at the hearing on the specifics of information collected. The Chairman said if there is a bill before the Legislature, he would like to have this information. He directed Dave Lewis to have the directors research their findings very carefully, such as was that person who left Butte in the first place, but went out to look for work - say in Idaho - and came back to Montana. This type person would not be considered an out-of-state resident. Dave Lewis said he would do as much of this as possible, but in Butte there are over 460 cases this month and those eligibility technicians are swamped, but he may be able to take some Helena staff to do a sampling such as interviews.

Representative Quilici (193) asked if this information gathering shouldn't be common practice. Chairman Bardanouve said if he

were running the welfare department, he would do this.

Representative Quilici (199) said some of this information must be on computers because Legislators can't make a decision until they know the facts about out-of-state recipients. Chairman Bardanouve agreed. Dave Lewis said this information gathering would be very expensive, but SRS will re-check the applications. Representative Quilici suggested SRS and the Department of Revenue work together on this by using Revenue's information. Representative Bardanouve said once there was a similar type problem and in about three days the Legislative Auditor's office came up with a lot of information.

Representative Donaldson (227) asked if the committee drafts a bill, will the bill be assigned to the Human Services subcommittee. The Chairman said yes.

E X E C U T I V E A C T I O N :

Representative Moore (243) made a motion that the committee draft a committee bill.

Representative Waldron (258) said the proposal essentially eliminates "workfare", where those who can work have to work to receive benefits. The workfare program has been successful. It is an expensive program. It is a state program and not every county is on it, thus became an entitlement, but Judge Olson's decision raised the amount of money the state must pay. SRS did not appeal the decision and it is their opinion they would lose the issue in the Supreme Court. Judge Olson did something else which probably increased the caseload in that before his decision, in order to get the benefits, one had to work first. Judge Olson's decision gave them the money first and then they have to work it off. Much of the general assistance cost is not workfare. A large percentage is people, for whatever reason, cannot work. These people should be on a federal program called Supplemental Social Insurance (SSI). The federal government has been taking people off that program and they have no place to go but on general assistance. Another problem is that there are a number of pregnant women on general assistance in the first and second trimester of their pregnancies. These women have been eliminated from AFDC for the first and second trimester, but can get on it for the third trimester. He said SRS hasn't paid attention to medical costs. Under the proposal likely to be in the bill, clients can still get medical general assistance. Missoula County requires all bills to be screened by a third party to look for services rendered, but not needed, or if the bill is too high and this helps contain costs. One thing Missoula County did not do is contract with medical providers by bids. He said he understands SRS currently does not do this either. He said an investigation should be made because a large percentage of general assistance clients should be on a federal SSI program. He said perhaps there should be some lawyers hired in some state-assumed counties to go through the appeals process to get these clients

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where they should be - on SSI. SRS has a bill before the Legislature saying clients should apply for SSI first, but it's going to take more than this because some of these people can barely make it to the welfare office because of some mental and physical problems. He said he hopes the Legislature will address these problems.

Chairman Bardanouve (398) said he talked with Dave Lewis last night about what SRS is doing about cost containment. Dave said they are looking at it. He asked Dave when welfare assistance is given, does SRS verify whether they are able-bodied - or is that a consideration. Dave said the draft proposal is the same process which takes place to determine whether or not they can be on workfare. If a doctor says they cannot work, they will be on general assistance.

Representative Winslow (415) asked if Representative Waldron will be given the opportunity to carry the bill. Representative Waldron said he will not carry the bill.

Representative Donaldson (424) said he has great confidence in the Human Services subcommittee to address the questions raised by Representative Waldron.

A voice vote was taken and the motion carried, with Representatives Quilici and Menahan voting no; and Representative Waldron abstaining.

(End of Executive Action)

ALTERNATIVE ENERGY PROGRAM
AND
SCIENCE & TECHNOLOGY PROGRAM


Representative Manuel (475) said his subcommittee voted to ask the Appropriations Committee to draft an appropriation bill to transfer \$3 million from the Alternative Energy program to the Science & Technology program, if the Science & Technology program bill passes. He said this is a proposal of the Governor to shift some money around. A committee bill is needed.

Representative Bardanouve (532) asked if this proposed committee bill would be the appropriation. Representative Manuel said the appropriation is in the bill, but the committee bill would take the funds from one source and transfer them to another.

E X E C U T I V E A C T I O N :

Representative Manuel made a motion that the committee draft a bill transferring \$3 million from the Alternative Energy program to the Science & Technology program. A voice vote was taken and the motion carried unanimously.

Adjourn: The meeting adjourned at 4:15 p.m.



FRANCIS BARDANOUE, CHAIRMAN

DAILY ROLL CALL

APPROPRIATIONS

COMMITTEE

49th LEGISLATIVE SESSION -- 1985

Date February 13, 1985

NAME	PRESENT	ABSENT	EXCUSED
BARDANOUE	X		
DONALDSON	X		
BRADLEY	X		
CONNELLY	X		
ERNST	X		
HAND	X		
LORY	X		
MANUEL	X		
MENAHAN	X		
MILLER	X		
MOORE	X		
NATHE	X		
PECK	X		
QUILICI	X		
REHBERG	X		
SPAETH		X	
SWIFT	X		
THOFT			X
WALDRON	X		
WINSLOW	X		

STANDING COMMITTEE REPORT

February 13, 1935

MR. SPEAKER

We, your committee on APPROPRIATIONS

having had under consideration HOUSE Bill No. 342

FIRST reading copy (WHITE)
color

Allowing transfer of funds for capital projects to special revenue funds.

Respectfully report as follows: That HOUSE Bill No. 342

BE AMENDED AS FOLLOWS:

1. Title, line 10
Following: "17-5-804"
Strike: "1"
Insert: "AND"
Following: "18-2-101,"
Strike: "AND 18-2-105,"
2. Page 5
Strike: lines 17 through 25
3. Page 6
Strike: lines 1 through 16
Renumber: subsequent sections

AND AS AMENDED
DO PASS

AMENDMENTS TO HB342

1. Page 1, line 10
Following: "17-5-804",
Insert: "and"
Following: "18-2-101",
Strike: "And 18-2-105"
2. Page 5
Strike: lines "17 through 25"
3. Page 6
Strike: lines "1 through 16"

Re-number subsequent sections.

FACTSHEET ON GENERAL ASSISTANCE

Question: Is Montana's general assistance program attracting people from out of state?

Answer: There is no data to substantiate this charge. Information which is available indicates the charge is false. Dave Lewis, Director of the Dept. of Social & Rehabilitation Services (SRS) , who originally made the charge, has since publicly admitted his department collects no such information on general assistance recipients. Local welfare officials who have made the charge base it on "feelings" rather than hard facts. A Butte Community Union survey of general assistance recipients this summer found the vast majority to be long-term local residents, many of whom have recently become unemployed. A related charge is that Montana's neighboring states have no general assistance program. The fact is that Idaho, Wyoming, North and South Dakota all have some forms of general assistance. No change in Montana's program should be made on the basis of these highly speculative and largely inaccurate charges.

Question: If able-bodied people are not allowed to receive general assistance they will go out and find jobs, won't they?

Answer: Able-bodied Genral Assistance recipients participate in "workfare", whereby they earn every penny they receive in assistance. It is unlikely anyone would choose these workfare jobs and minimal general assistance benefit levels if they could get a "regular" job. Unemployment and lack of jobs is the reason they are on general assistance. Most only remain on the program for a few months. There is no other program through which they can meet their minimal survival needs, and there are not enough jobs. Also, the workfare program would end, along with many important public services, if the able-bodied are removed from general assistance.

2/13/85

Question: Can Montana afford to pay for the General Assistance program?

Answer: Below are listed just six revenue enhancement bills soon to be considered by the legislature, which between them could raise over \$100 million. The current proposal to cut able-bodied from general assistance would save about \$7 million.

- eliminate federal tax deductions from state taxes
- tax capital gains income at the same rate as wages (benefits the wealthy)
- do not allow accelerated depreciation (benefits large corporations)
- tax dividends (benefits the wealthy)
- tax stocks and bonds (benefits the wealthy)
- tax banks (whose wealth is monetary as opposed to property tax we all pay)

In addition, the legislature is considering some corporate welfare bills which could cost many millions of dollars each year, including a proposal to lower coal taxes and to reduce taxes of multinational corporations doing business in Montana.

VISITORS' REGISTER

COMMITTEE

BILL NO.

HB 342

DATE

February 13, 1985

SPONSOR

Long

NAME (please print)	RESIDENCE	SUPPORT	OPPOSE
Cal Stroscher	CCC Great Falls		X
David M. Smith	CCC Great Falls		X
Lula Martinez	BCU Butte		X
Ed McCutty	Boite Community Union		✓
Luis M. Durand	Boite Community Union		✓
DAVE MANN	M/S/R. L. G/H/L INC		✓
Manly Songmugun	Concerned Citizens' Coalition Great Falls		✓
Norman P. P. P.	MTL / Co		✓
Earl Rodriguez	MPA		✓
Stef D. D.	MPA		✓
Jim Jensen	B/g / Hwa		✓

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.