

MINUTES OF THE MEETING  
HUMAN SERVICES SUBCOMMITTEE  
MONTANA STATE  
HOUSE OF REPRESENTATIVES

March 6, 1985

The meeting of the Human Services Subcommittee was called to order by Chairman Cal Winslow on March 6, 1985 at 8:07 a.m. in Room 108 of the State Capitol.

ROLL CALL: All members were present.

Chairman Winslow announced that the Human Services Subcommittee has been requested by the governor to cut \$2 million from the three agency budgets heard in this committee. Today's meeting will consist of hearing those 'soft spots' of the agencies that are most able to take those cuts.

Department of Labor and Industry

Dave Wanzenried (65:A:015) talked about those areas that they would be willing to cut from. He mentioned the Build Montana program, and the elimination of FTEs from certain programs.

Chairman Winslow pointed out that if these adjustments are made, there would be a \$41,000 savings in the Pre-Employment program, which is 1 FTE.

Dave Wanzenried said he wished that 1 FTE would not be eliminated because of the other federal programs the department has to administer.

Representative Rehberg made a motion to cut from the Pre-Employment program \$41,000.

The motion PASSED.

Discussion followed concerning the department wishing to keep the FTE for federal programs supported by federal funds.

Representative Rehberg made a motion to cut .5 FTE from the Labor Standards Division. This is a savings of approximately \$7,100 per year.

The motion PASSED.

Senator Story asked if the committee has decided to proceed with an inflation cut of 2 1/2 or 3 percent?

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Chairman Winslow said the inflation rate cut amounts to 2 1/2 percent in this department. The adjustment has already been made.

Discussion followed concerning the funds received for various programs. Senator Story asked Gary Curtis to gather information on the number of people they have trained by community and job, and the rate of placement of these people.

Senator Christiaens said he objects to taking some of these funds out of these programs because they are serving the hardest to serve and those most in need, trying to get them trained and working and keep them off of the welfare lists.

### Department of Health and Environmental Sciences

Dr. John Drynan, the director of DHES, gave the committee a handout listing those areas the department could take cuts in (EXHIBIT 1). He discussed these proposed budget cuts and their amounts.

Representative Bradley asked Dr. Drynan to respond to the 'soft spots' identified in the DHES area. He then discussed each soft spot and the amounts proposed for cut.

Discussion followed concerning the subdivision review area's possible cut of \$42,000; the nursing bureau modification cut of adding only one nurse in FY87; and cutting the Scobey Air Monitoring project of \$30,000.

Additional discussion followed concerning the counties receiving too many cuts, and Dr. Drynan said he thought the counties should share in some of the cuts.

Representative Bradley asked Dr. Drynan how many doctors and dentists are on staff at the department; there is one dentist and 3 doctors.

Discussion followed concerning the \$20,000 asked for by the department for the subdivision review program, and the \$41,000 given the department by the subcommittee for that program.

Senator Christiaens said he would rather see cutting this by \$20,000 then cutting something that would affect direct service to people; he would rather take this cut with the assumption that the subdivision review fees would pay it, and the fact that the department can come back next session and ask for a supplemental if it is not there.

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Chairman Winslow pointed out that the committee can make this a biennial appropriation of \$20,000 per year.

Representative Rehberg made a motion to cut the nursing bureau modification of 1 FTE in FY86, thereby having 0 FTE in FY86 and 1 FTE in FY87.

The motion PASSED.

Discussion followed concerning the Scobey Air Monitoring project of \$30,000.

Senator Christiaens said the committee could possibly cut the subdivision review and air quality funding in half. He proposed that the committee cut the Scobey Air Monitoring project to \$15,000 per year, and cut the subdivision review to \$30,000 per year and made a motion to that effect.

The motion PASSED.

#### Department of Social and Rehabilitation Services

Dave Lewis gave the committee a handout listing the department's recommendations for possible cuts (EXHIBIT 2) and discussed these recommendations briefly. He also gave the committee a memorandum written to Dave Lewis regarding the CSBG discretionary funds (EXHIBIT 3).

Discussion followed concerning the funding for the commodity distribution and where that funding comes from and what the department anticipates the PFP funding will cost in the next biennium.

Representative Rehberg (66:A:055) made a motion to accept recommendation #2 in EXHIBIT 2 to eliminate Social Services Block Grant participation in non-assumed counties administrative costs.

The motion PASSED.

Senator Christiaens made a motion to accept recommendation #3 in EXHIBIT 2.

The motion PASSED.

Representative Rehberg made a motion regarding recommendation #4 to change the payment standard from 50 percent to 48 percent.

Discussion followed concerning the savings as a result of that change, the change of payment levels, and this changing the payment level only a small amount.

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Representative Bradley and Senator Christiaens both said they thought the payment level should stay at 50 percent. Representative Bradley said that once the committee has eliminated what they consider able-bodied, what is left is people with a drastic need, and cannot see how they can go below the 50 percent payment level.

Senator Christiaens said he thought the committee should go back and look at the inflation rate of the overall budget, and maybe that is a place where they can cut rather than at the payment level.

Representative Rehberg withdrew his prior motion to change the payment level from 50 percent to 48 percent.

Senator Christiaens said if they look at the reduction in the inflation rate, they would save more than the \$2 million, and that would be a less painful way to address this budget reduction.

Representative Rehberg said that he would like to see what the two scenarios of 3 and 4 percent inflation would do for this reduction.

Additional discussion followed concerning the inflation rates of 3, 3 1/2, and 4 percent to address this reduction, and the possibility of accepting a 4 percent inflation rate all over the board.

Senator Christiaens made a motion to look at the 3 1/2 inflation rate, and also a straight 4 percent.

The motion PASSED.

The meeting was adjourned at 10:00 a.m.



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CAL WINSLOW, Chairman

DAILY ROLL CALL

Human Services Subcommittee

49th LEGISLATIVE SESSION -- 1985

Date 3-6-85

[illegible]

\$200,000 General Fund (Biennial)

Scokey \$30,000

Clinical \$170,000 <sup>86</sup> (\$85,000) <sup>87</sup> (\$85,000)  
\$200,000

	<sup>86</sup>	<sup>87</sup>
① Counties (MCH)	(\$91,900)	(\$21,910)
② Nursing mod (PHB)	(56,190)	
Scokey (01100)	(30,000)	

FY 86

Transfer \$56,190 of PHB From ② to MPP  
Reduce \$56,190 of MCH to MPP  
Transfer \$56,190 of MCH to Clinical

① Transfer \$28,810 of MCH FY 86 to Clinical

FY 87

① Transfer \$63,090 of FY 86 MCH to FY 87 Clinical  
① Transfer 21,910 of FY 87 County MCH to Clinical

Department of Social and Rehabilitation Services1% General Fund Savings Recommendations

	<u>General Fund Savings</u>	<u>Cumulative Savings</u>
1. Eliminate three month General Assistance coverage for able bodied between 35 and 50 years and increase Emergency Assistance by \$200,000 for biennium. (891,800 - \$200,000)	\$691,800	\$ 691,800
2. Eliminate Social Services Block Grant Participation in Non-Assumed Counties Administrative costs.	\$420,000	\$1,111,800
3. General Assistance savings on a result of Unemployed Parent Program. (SB-122)	\$325,000	\$1,436,800
4. Reduce AFDC and General Assistance Payment Standard from 50% to 49%.		
AFDC	\$317,800	\$1,754,600
General Assistance	\$164,500	<u>\$1,919,100</u>

COMPARISON OF POVERTY INDEX TO NEED AND PAYMENT  
STANDARD IN SURROUNDING STATES

Wyoming

- . Need and payment standards are the same.
- . Payment is 51.79% for a family of 2
- . Payment is 46.10% for a family of 3
- . Payment is 41.75% for a family of 4

Washington

- . Need is 105% for a family of 2
- . Need is 103% for a family of 3
- . Need is 106% for a family of 4
- . Payment is 66.79% for a family of 2
- . Payment is 60.43% for a family of 3
- . Payment is 64.0% for a family of 4

Oregon

- . Need and payment standard are the same.
- . Payment is 54.11% for a family of 2
- . Payment is 50.78% for a family of 3
- . Payment is 50.94% for a family of 4

North Dakota

- . Need and payment standard are the same.
- . Payment is 51.61% for a family of 2
- . Payment is 50.64% for a family of 3
- . Payment is 51.41% for a family of 4

South Dakota

- . Need and payment standard are the same.
- . Payment is 50.0% for a family of 2
- . Payment is 45.53% for a family of 3
- . Payment is 42.47% for a family of 4

Idaho

- . Need is 79.64% for a family of 2
- . Need is 78.58% for a family of 3
- . Need is 73.76% for a family of 4
- . Payment is 43.75% for a family of 2
- . Payment is 43.12% for a family of 3
- . Payment is 40.59% for a family of 4



Exhibit 3  
3-6-85

DEPARTMENT OF  
SOCIAL AND REHABILITATION SERVICES



TED SCHWINDEN, GOVERNOR

P.O. BOX 4210

STATE OF MONTANA

HELENA, MONTANA 59604

February 26, 1985

TO: Dave Lewis  
Director

FROM: Jim Nolan, Human Services Manager  
Field Services Bureau  
Economic Assistance Division

RE: CSBG DISCRETIONARY FUNDS

Jack has asked that I provide you with justification as to why PFP legitimately could have been funded by CSBG.

Just as the CSBG funds that are made available to the HRDC's, discretionary funds may be used for a number of activities to further the CSBG goal of "ameliorating the causes of poverty". More specifically, those funds are to be used to:

1. "Provide activities designed to assist low income people achieve greater participation in the affairs of the community."

PFP was the first time low income people had been involved directly and indirectly, through representative groups, in reviewing and recommending funding levels and changes in programs operated by SRS.

2. "Make more effective use of other programs related to poverty." Again, PFP reviewed SRS programs and submitted recommended funding levels or program changes.
3. "To coordinate and establish linkage between government and other social services programs to ensure the effective delivery of services to low income individuals." Perhaps most clearly, this is what PFP was designed to do. The partnership between SRS and the many social service agencies involved was aimed at ensuring that the services we deliver are targeted as effectively as possible.
4. "To encourage the use of entities in the private sector." Same comments as in 3 above, apply here.

In summary, what PFP tried to do was to use CSBG funds in a nontraditional manner. It did not deliver a "service". What it did was allow a number of local groups and individuals to examine how the State was attempting to meet the needs of low income persons and explore alternatives, including new services. PFP did, at the state level, exactly what CSBG should be doing, especially at the local level.

Discretionary funding has been used in the following manner:

1982

Commodity Distribution

1983

LISCA Subscription

1984

PFP  
LISCA Subscription  
Employment Project with Butte-Silver Bow  
Supplement Food Bank Network

TD/012

cc Jack Ellery

## VISITORS' REGISTER

Human Services Sub COMMITTEE

BILL NO. \_\_\_\_\_

DATE 3-6-85

SPONSOR \_\_\_\_\_

NAME (please print)	RESIDENCE	SUPPORT	OPPOSE
Brian McCullough	Dept L+I		
Rod Agg	" "		
Laurie Lamson	" "		
GARY CURTIS	Dept of CARSOR		
JUDY CARLSON	NA SW		

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.