

MINUTES OF THE MEETING
FINANCE AND CLAIMS COMMITTEE
MONTANA STATE SENATE

January 24, 1985

The 4th meeting of the Senate Finance and Claims Committee met in room 108 of the State Capitol on the above date. Following roll call, Chairman Regan called the meeting to order at 6:08 p.m.

ROLL CALL: All members were present.

CONSIDERATION OF SENATE BILL 122: Senator Judy Jacobson, sponsor of Senate Bill 122 said this would concern the AFDC program and put back what was taken out a few years ago. It would make these people eligible once again for AFDC. In theory we thought it would encourage more people to seek employment more rapidly. In fact it appears from evidence it is separating people as families. It would seem, at this time, there will be an impact to the general fund. It looks like it will save \$325,000 over the biennium, and also a savings to the counties. There are some amendments to clean up the problem they had with drafting. It will change the effective date also. I hope to change the program in April and the reason is for the savings it makes. Dave will speak to the amendments.

PROPOSERS OF SENATE BILL 122:

Dave Lewis, Director of SRS, said he would speak to the specifics of the issue. When we eliminated these people, the assumption was not many would turn up on the case loads. Over 200 families on case loads. 100% paid for by the state or counties. We can go back and put them on AFDC and the Feds will pick up about 2/3. Amendments attached as exhibit 1.

Lee Tickle: Mr. Tickle said it is a division responsibility to administer it. The condition of eligibility where both parents are unemployed. This program was terminated in '81 when it was felt those people previously employed, given an economic incentive would find work. It sort of backfired. The actual effects were 1. Many people reported where the father and mother split and the remaining parent came on AFDC. The purpose, I am sure, was to get medical care and under the single family grant they would be eligible. It turned out that the mother would be on AFDC and the father on general assistance. This is the program which is 100% funded in those counties. AFDC, 26% state and 8% from the counties not under state administration. Also, where both were employed, and since the general assistance program as the last safety net is the last resource, the protective social impact and the economic impact on both the counties

and state through the general fund. The economic results are contained in a fiscal note which has been copied and put before you. He passed out testimony to the committee and it is attached as exhibit 2, and the fiscal note, exhibit 3.

John Ortwine, representing Montana Catholic Conferences said they support the bill for three reasons. 1. AFDC is helping families. Statistics show 22.6% broke up in Iowa to get assistance. 2. AFDC strengthens the work ethic, and 3. The cost is reasonable. Judging from what has been stated, it should save money. Statement attached, exhibit 3A.

Susan K. Fifield, Clinton, said she was in support and her statement is attached as exhibit 4.

Kim DuVall, Missoula, spoke in favor of SB 122, statement is attached as exhibit 5.

Eleanor M. Gray, Butte, representing the Low Income Coalition supported SB 122. Her testimony attached, exhibit 6.

Gary T. Rudolph, Mt. Low Income Coalition, Clinton, statement attached, exhibit 7.

Kathy A. Vasquez, Butte, representing Butte C. U., and herself spoke in favor of SB 122. Her statement attached as exhibit 8.

Jim Smith, Human Resources Development Council said we are committed and support the bill. I appreciate your staying late to hear this bill. In our view it might well be the most important bill we support in this session.

Judy Carlson, representing the Montana Chapter of Social Workers, said we work every day with people who are or have been on public assistance. We support the bill.

Beverly Gibson, Helena, Montana Association of Counties spoke in support of the bill, her statement is attached as exhibit 9.

Cathy Campbell, Mt. Assn. of Churches, said they support the bill, and handed in testimony to support her position, exhibit 10.

Gail Kline, speaking for the Women's Lobbyist Fund, said they support the bill, statement attached, exhibit 11.

Elaine Bishop, Great Falls, spoke in favor of the bill, her statement is attached, exhibit 12.

Senator Gage asked the question on the wash back on this program now, do you have any knowledge of the 38% of the families split up? How many are back on?

Cathy Campbell said she will check it out.

Senator Regan said she had a question to the department on rule making authority. The department may adopt rules, etc. Is there any contemplation on your part that the state portion will be left on the counties where not state supported.

Dave Lewis, Director SRS, said after talking with Legislators we felt it was not a good idea, so no. We have made no attempt -- we have had to spend up. If those figures are true, then we would have more. In other states that did happen.

Senator Hims1, Are you assured that the federal assistance at this level is coming?

Dave Lewis, It has been in existence. Nothing has been heard to the contrary. You are asking me if Congress is going to do anything crazy. They have never been cut.

Senator Hims1, We have had commitments before that the money is available, and then it is cut.

Senator Regan, No limit on the funds required to fulfill the needs of the state. Open ended.

Senator Jacobson, I am really appreciative of the people that came today. An estimate of \$2.8 million cost on the first time and I was still willing to take it to Legislature. I think it would be cut a minimum of \$2 million to keep the families together. Sometime when you have created the problem then you cannot go back.

One other piece of testimony was handed out with the request that it be included in the minutes, it was by Teena S. Capes and a request made that it be entered in the minutes. It is attached as exhibit 13.

The hearing was closed on Senate Bill 122.

CONSIDERATION OF HOUSE BILL 122: Senator Haffey presented this bill to the committee for Representative Thoft the sponsor.

Senator Haffey said Representative Thoft had another committee he had to attend. This is a bill that insures

that an appropriation subcommittee will hear the grant proposals for cultural & aesthetic grant projects in the Long Range Planning subcommittee.

Senator Regan, By way of explanation, we mandated the subcommittee that heard the Montana Arts Council and a shifting took place. This bill makes legal what we are already doing.

QUESTIONS FROM THE COMMITTEE:

Senator Aklestad: Didn't we just hear on closing where these are being assigned? It is in LRB.

Senator Haffey: These projects are being heard by those subcommittees. This bill insures that what that committee is doing is legal.

Senator Hammond: We heard all these in Education two years ago.

Senator Haffey: They will not be heard in education now. They are in institutions and this one is in LRB.

Senator Hammond: It is allowing them to be shifted around where-ever they fit every session.

Senator Regan: In the end result, that is correct. It now is making legal for the LRB subcommittee which heard it.

Senator Aklestad: The portion that is amended out is LRB.

Senator Haffey: It does not preclude that subcommittee from hearing it. The original amendment was so that they could be heard by a committee other than--etc. Now it just says "." It was heard by Long Range.

Senator Bengtson: The people who review those Cultural Aesthetic grants wanted that committee that reviewed the Arts Council and Historical Society projects. They wanted them to do it. When we came into the session the LRB needed more work and wanted to do it. I guess it was maneuvering to get it there. This is the best we can do because it is after the fact. In another session maybe we can straighten it out.

Senator Regan: Would the committee care to take action on this bill?

DISPOSITION OF HOUSE BILL 123:

MOTION by Senator Manning that House Bill 123 be concurred in. Seconded, voted, passed with Senator Bengtson voting no. Senator Hammond requested his vote be changed to no.

MOTION by Senator Christiaens asked for reconsideration of House Bill 123. Voted, passed.

MOTION by Senator Manning that House Bill 123 be concurred in. Roll call vote. Vote attached, passed--11-5.

DISPOSITION OF SENATE BILL 122:

MOTION by Senator Christiaens to adopt the amendments. He recalled the motion and made a new one. He moved to adopt the amendments to the statement of intent.

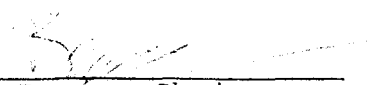
Voted, passed, unanimous.

MOTION by Senator Christiaens that we adopt the statement of intent as amended. Voted and passed, unanimous.

MOTION by Senator Christiaens that we accept the amendments as presented by the SRS. Voted and passed, unanimous.

MOTION by Senator Christiaens that we do pass Senate Bill 122 as amended. Voted and passed.

The meeting adjourned at 6:47 p.m.



Senator Regán, Chairman

ROLL CALL

SENATE FINANCE AND CLAIMS COMMITTEE

49th LEGISLATIVE SESSION -- 185

Date 1-24-85

NAME	PRESENT	ABSENT	EXCUSED
SENATOR REGAN	✓		
SENATOR HAFFEY	✓		
SENATOR JACOBSON	✓		
SENATOR AKLESTAD	✓		
SENATOR HAMMOND	✓		
SENATOR LANE	✓		
SENATOR CHRISTIAENS	✓		
SENATOR GAGE	✓		
SENATOR HIMSL	✓		
SENATOR STIMATZ	✓		
SENATOR BOYLAN	✓		
SENATOR STORY	✓		
SENATOR SMITH	✓		
SENATOR MANNING (Dick)	✓		
SENATOR BENGTON	✓		
SENATOR KEATING	✓		

VISITORS' REGISTER

SENATE AND HOUSE COMMITTEE _____

BILL SB 122

DATE 1/24/85

SPONSOR _____

NAME	REPRESENTING	RESIDENCE	SUPPORT	OPPOSE
Eleanor Gray	LOW INCOME AFDC - 122	1741 GRAND AVE	no yes	
Lina Gray	LOW INCOME AFDC - 122	1741 GRAND AVE	yes	
Beverly Gibson	M.A.C. - Chouteau	Helena	-	
Olga Erickson	Co. Welfare Director	Jt Benton	✓	
LEE J. TICKELL	S.R.S. - HELENA	HELENA	✓	
Dave Lewis	S.R.S. Helena		✓	
Cathy Campbell	MT Assn. of Churches	Helena	✓	
JOHN ORTWEIN	MT CATHOLIC CONF	HELENA	✓	
Debra Parker	LOW INCOME GA - 122	Butte	✓	
Jenny Bergquist	LOW INCOME GA - 122	Butte	✓	
ARHENE PHILLIPS	BCU/MLIC	Butte	✓	
Lynnea Wassberg	BCU/MLIC	Butte	✓	
Garry Phillips	BCU/MLIC	Butte	✓	
Paul Caspary	MLIC	Helena	✓	
Rev. Joe Warren	BCU/MLIC	BUTTE	✓	
Kathleen Waagay	BCU/MLIC	Butte	✓	
Clair M. Burt	RFD # Box 257	Rocky	✓	
Rebecca K. Estes	MLIC/LIGHT	Msla	✓	
Jusan K. Field	MSLIC/LIGHT	Msla.	✓	
Mary Black	BCU/MLIC	Butte	✓	
Louise Kenny	MLIC	Helena	✓	
Lula Martens	B.C.U. MLIC	Butte	✓	

47th - Second Special Session

VISITORS' REGISTER

SENATE AND HOUSE COMMITTEE _____

BILL SB 122

DATE 1/25/85

SPONSOR _____

NAME	REPRESENTING	RESIDENCE	SUPPORT	OPPOSE
Duffie D. Smith	CCC	222 Parkdal	✓	
Elaine B. Bishop	CCC	7016 Central Blvd	✓	
Mary Patts	CCC	510 4 th Ave So	✓	
NONA DAUIS	CCC	1607A 5 th St. S.	✓	
Mark Good	CCC	700 3501 4 th Ave N	✓	
Althea Lawrence	CCC	7274 th Ave So Mt Falls	✓	
Don Kulick	BCU Butte	7 N Arizona	✓	
Bill Wedgwood	Mlic	Helena	✓	
DAVE MANN	MILK-LIGHT. RD	MISSOULA	✓	
Jones Orr Johnson	Self	Butte	✓	
JUDITH CARLSON	NASW	HELENA	✓	
Gail Kline	WLF	Helena.	✓	

AMENDMENTS TO SB 122

(1) Statement of Intent, line 7 through 12

Following: "adopt"

Strike: remainder of lines 7 through 12

Insert: "Rules to administer this program pursuant to
title IV, section 407 of the Social Security Act, as
amended."

AMENDMENTS TO SB 122

4/24/85
(1) Page 2, line 3.

Following: "children,"

Insert: "pursuant to federal social security act,"

(2) Page 2, line 17 through line 4, page 3.

Strike: section 2 in its entirety

Insert:" NEW SECTION. Section 2. Aid to dependent children
- unemployed parent program. Aid to dependent children
shall be granted to or for the care of children who
would not otherwise be entitled to such aid because the
child is living in the home with both parents."

(3) Page 3, line 5.

Strike: section 3 in its entirety

(4) Page 3, line 14.

Strike: section 4 in its entirety

Renumber: subsequent sections

(5) Page 3, line 20.

Following: "authority."

Insert: "The department may adopt rules to administer this
program pursuant to title IV, section 407 of the
federal social security act, as amended."

5
(6) Page 4, line 1.

Following: "through"

Strike: "4"

Insert: "3"

6
(7) Page 4, line 3.

Following: "through"

Strike: "4"

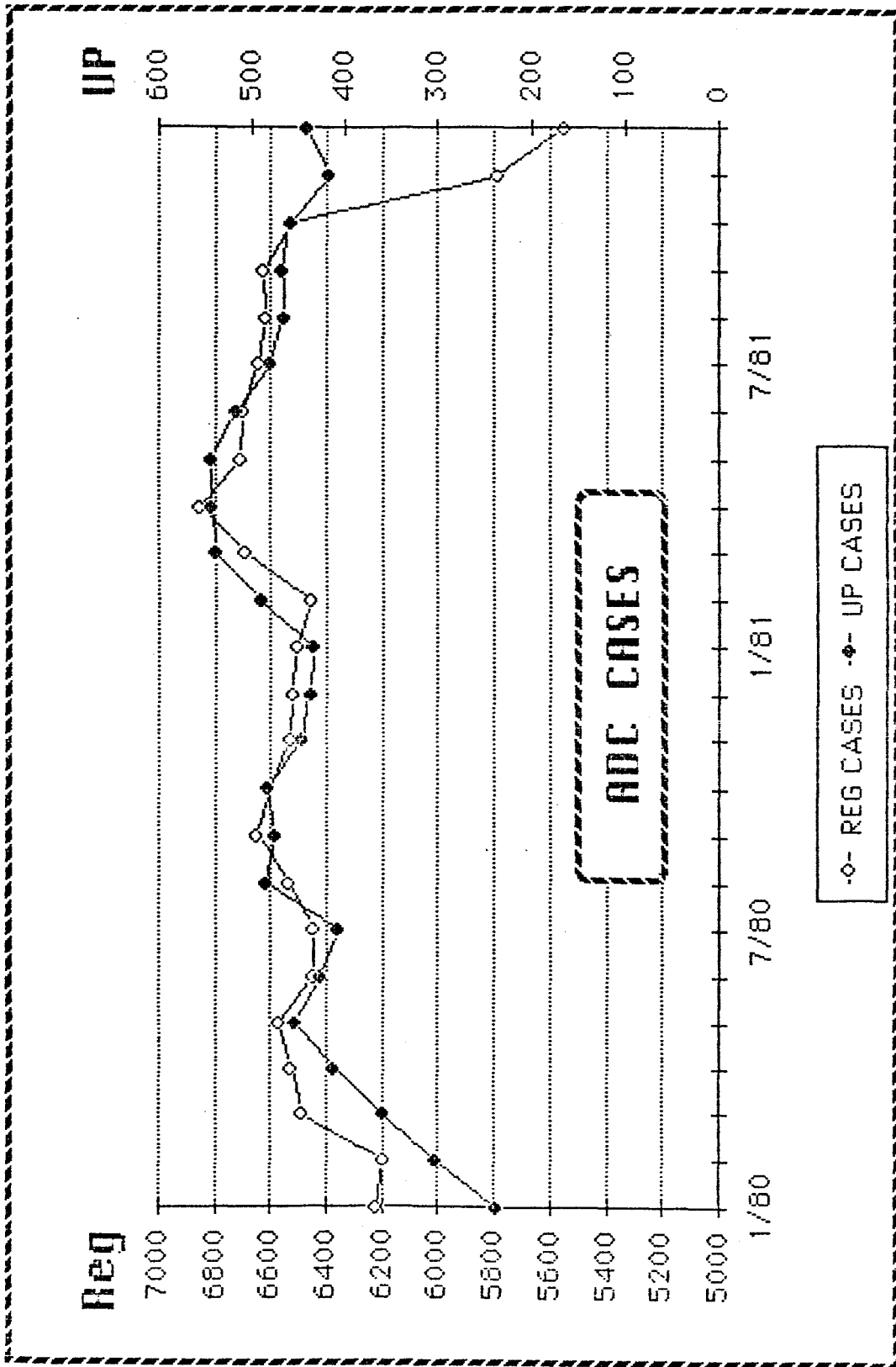
Insert: "3"

7
(8) Page 4, line 5.

Following: "effective"

Strike: "July 1, 1985."

Insert: "on passage and approval."



DEPARTMENT OF
SOCIAL AND REHABILITATION SERVICES



TED SCHWINDEN, GOVERNOR

P.O. BOX 4210

STATE OF MONTANA

HELENA, MONTANA 59604

January 23, 1985

RE: Additional Requirements for AFDC-UP

The following are the additional requirements necessary for the AFDC-UP eligibility:

1. Principal wage earner must be unemployed.
 - This is the parent who earned the greatest amount of income in the past 24 months
 2. Must have been unemployed for at least 30 days prior to receipt of AFDC
 - May have worked 100 hours or less
 - More than 100 hours if the work is intermittent and of a temporary nature and was less than 100 hours the past 2 months.
 - Expect that work not exceed 100 hours the next month.
 3. Has not refused a bon-a-fide offer of work in the past 30 days.
 4. Has earned \$50 more in each of 6 or more quarters of work within the past 13 quarters ending within 1 year prior to application.
 - You can start the count during any of the prior four quarters.
- Or, received unemployment benefits - or was qualified to receive such benefits during the 13 quarter period.
5. The principal wage earner is a mandatory participant of the WIN program.

For your information, quarter of work always defines as the quarters ending March 31, June 30, September 30, and December 31.

PH/003

2. The Aid to Families with Dependent Children Program is funded with approximately 2/3 federal dollars, 26% state dollars and approximately 8% for counties that are not under state administration. In addition, there is the ability of an intact family where both parents are unemployed to become eligible for the General Assistance Program as an intact family since General Assistance again is the last safety net for these individuals who are still in need of assistance.

I believe this is one of those "good news" pieces of legislation that can be supported for two major reasons:

1. The positive social impact that it will have, and
2. The positive economic impact it will have in terms of savings to both counties and the state's general fund.

The positive social reasons I have outlined briefly above and the economic reasons are contained in the fiscal note that was prepared by the Department of SRS.

Without going into great detail on the fiscal note, I will summarize briefly:

The fiscal note indicates a savings over the next two years for both the general fund and for county funds. The reason for this is that by making the category of unemployed parent eligible for federal matching funds you supplant a payment which is made from either 100% state funds in the state administered counties or 100% from county funds in non state administered counties with a program that will bring in approximately 2 federal dollars for every dollar of state or county funds expended for benefits. There is an additional positive benefit and that is to the extent that our staff is determining eligibility now for the Unemployed Parent Program and that administrative time is not matchable for purposes of federal funding, but it would become eligible for federally matched administrative funds once it becomes a federal program.

We do have amendments to offer to the bill:

1. The first simply cleans up to language by eliminating several sections and replacing this with a statement authorizing the program.
2. Immediate effective date many save general fund and county dollars this fiscal year.

We strongly support this program and I would be more than happy to go into any detail or answer any questions you may have about the fiscal note that was prepared by the Department or answer any questions.

1-24-85
copy 2

DEPARTMENT OF
SOCIAL AND REHABILITATION SERVICES



TED SCHWINDEN, GOVERNOR

P.O. BOX 4210

STATE OF MONTANA

HELENA, MONTANA 59604

Testimony of Lee J. Tickell
Deputy Administrator
Economic Assistance Division
Department of Social and
Rehabilitation Services
111 Sanders
Helena, MT 59601
444-4540

January 24, 1985

Adjournment - Senate Finance and Claims Committee

Testimony of S.B. 122, Sponsor: Senator Judy Jacobson, et al.
An act that would reestablish the Unemployed Parent Program
within the Aid to Families with Dependent Children Program.

My name is Lee J. Tickell, Deputy Administrator of the Economic Assistance Division within SRS. The Economic Assistance Division is responsible for the administration of the Aid to Families with Dependent Children (AFDC) Program. The legislation before you would, as indicated by the sponsor, add as a condition of eligibility the unemployment of both parents for the Aid to Families with Dependent Children Program.

This program was terminated in 1981. At that time, it was felt, through termination of this program, a number of individuals that were previously employed may be able to find employment given the economic incentive of no longer being eligible for the AFDC program. The subsequent experience with the elimination of this program revealed in at least two major affects:

1. There were many instances reported by county directors where the father and/or mother may have split from the family therefore causing deprivation of child support and consequently the remaining parent with the children becoming eligible for the regular Aid to Families with Dependent Children Program. A major motivation for many families is probably to get medical care for their children under Medicaid. In addition, it is a commonly held belief that some, if not many, of these parents that were breaking up would themselves become eligible for a single person grant in the General Assistance Program. This, of course, is the program that is the last safety net and the one which is 100% general fund in state administered counties.

FINAL AS SUBMITTED TO OBAPP

STATE OF MONTANA

REQUEST NO. FNN 142-85

FORM BD-15

FISCAL NOTE WORKSHEET

In compliance with a written request received January 21, 1985, there is hereby submitted a Fiscal Note for S.B. 122 pursuant to Title 5, Chapter 4, Part 2 of the Montana Code Annotated (MCA). Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning to members of the Legislature upon request.

DESCRIPTION OF PROPOSED LEGISLATION:

This act would add parental unemployment to the eligibility criteria for aid to dependent children, provides rule-making authority and providing an effective date.

ASSUMPTIONS:

1. The non-state administered counties (non-SAC) would pick up 22.5% of the non-federal share. This is the same as current law for regular AFDC.
2. The general fund requirements in state-administered counties (SAC) would be 34.11% in FY86 and 33.62% in FY87.
3. The federal share in both SAC and non-SAC would be 65.89% in FY86 and 66.38% in FY87.
4. The percentage of AFDC-UP cases prior to termination of the program in 1981 was approximately 8%.
5. The percentage ratio of AFDC-UP costs prior to 1981 was 82% in SAC and 18% in non-SAC. Source: SRS Statistical Reports.
6. The average total number of AFDC-UP cases statewide from January 1980 to December 1981 was approximately 480.
7. No dollar savings amounts are estimated for the situation where families broke up when AFDC-UP terminated and the mother/child(ren) continued on Regular AFDC and the father either left or became eligible for general assistance.
8. The savings to the General Assistance Program in SAC are based on a 6% increase in number of cases in FY86 (212 cases) and FY87 (225 cases) with a comparable mix of family size and projected payment level that would be experienced in the AFDC program.
9. The general fund savings assumes the payment levels in General Assistance in SAC will be at the level mandated by Judge Olsen's rule in the Butte Community Union vs. SRS court case.
10. The County Poor Fund savings in non-SAC are based on a 6% increase in the number of cases in FY86 (27 cases) and FY87 (28 cases) with a comparable mix of family size and projected payment levels that would be experienced in the AFDC Program.

FISCAL IMPACTS:

This proposal would result in the following increases and (decreases) in expenditures and funding:

	<u>Difference</u>	
	FY86	FY87
AFDC-UP	\$ 2,279,100	\$ 3,189,600
Medicaid	1,616,458	2,284,512
State-GA	(1,073,568)	(1,194,612)
State-Medicaid	(582,474)	(618,192)
County GA	(134,196)	(149,326)
County Medical	-0-	-0-
Total	<u>\$ 2,105,320</u>	<u>\$ 3,511,982</u>
Funding	FY86 Diff	FY87 Diff
General Funds	\$ (338,006)	\$ 13,001
Federal Funds	2,566,783	3,633,715
County Funds	(123,457)	(134,734)
Total	<u>\$ 2,105,320</u>	<u>\$ 3,511,982</u>

BUDGET DIRECTOR
Office of Budget and Program Planning

Date: _____



3A
Montana Catholic Conference

MADAM CHAIRPERSON AND MEMBERS OF THE SENATE FINANCE AND CLAIMS COMMITTEE:

I am John Ortwein of Helena, representing the Montana Catholic Conference, which serves as the liaison between the two Catholic Dioceses of Montana in matters of public concern.

I am here to speak as a supporter of Senate Bill 122.

The last several years have been difficult years for the workers of Montana. The wind erosion and drought in the Eastern part of the State coupled with a great reduction of workers in the oil fields of the Williston Basin have led to great numbers of unemployed. The closure of activities on the "Richest Hill on Earth" in Butte have made work difficult to find in the Butte and Anaconda area. Depressed housing has made the lumber industry suffer a great deal of unemployment in the Western and Northern part of Montana. Thus, there are pockets throughout Montana where many families face the stress of poverty through unemployment. The unemployed parent provision of the aid to dependent children bill would give some of these unemployed families minimum assistance until employment possibilities improve.

The Montana Catholic Conference supports Senate Bill 122 for these reasons:

AFDC-UP is Pro-Family:

- * Poor families are known to separate in order to receive help from the AFDC for the Mother and children and General Assistance for the Father.
- * Statistics in Iowa, Oregon and Utah has demonstrated that an average of 22.6% of AFDC-UP families broke up in order to obtain help from AFDC and General Assistance.
- * Montana should not delay adopting a program which as been shown to help unemployed parents stay together.

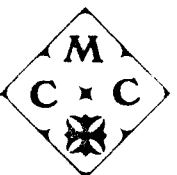
AFDC-UP Strengthens the Work Ethic:

- * Only those parents who are honestly and responsibly seeking work would be eligible for benefits, unless the parents are deemed unemployable.

AFDC-UP Cost is Reasonable:

- * Judging from the Iowa, Oregon, Utah experience, there may already be a significant number of families AFDC who would be eligible for AFDC-UP. And absent fathers may be receiving general assistance at this time.

Again, the Montana Catholic Conference urges your support of this bill.



Another advantage to the UPT is that
it has federal \$ available through
SIN program to help these parents
find employment, GA has no such
program.

Please for the ~~unity~~^{ALT.} unity of families
pass this bill. Thank you

(This sheet to be used by those testifying on a bill.)

5
1-24-85
NAME: Mr. Kim G. Duvall DATE: 1-24-85

ADDRESS: 6510 Hwy 10E #38 Missoula, MT.

PHONE: 549-3167 MESS.

REPRESENTING WHOM? Montana Low Income Coal (Light)

APPEARING ON WHICH PROPOSAL: SB 122 Unemployed Parent.

DO YOU: SUPPORT? AMEND? OPPOSE?

COMMENT: I was a working parent (Self employed),
found myself unemployed, and ~~now~~ ^{was} ~~was~~ ^{was}
unemployment benefits or other resources less
than \$200. - These benefits were very inadequate
and I found myself feeling like a "fish"
when in an attempt to properly support my
family - Over a period of time, my wife and
I had many discussions as to what we could
do and eventually decided the only logical
solution was for me to leave home and
her to go on AFDC so that my kids &
wife could receive proper care. I support
SB 122 because I could return to my family

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

46
-24-85

(This sheet to be used by those testifying on a bill.)

NAME: Eleanor M Gray DATE: 1/24/85

ADDRESS: 1741 Grand ave Butte MT

PHONE: 723-4518

REPRESENTING WHOM? Montana Low Income Coalition

APPEARING ON WHICH PROPOSAL: 122

DO YOU: SUPPORT? yes AMEND? ~~yes~~ OPPOSE? _____

COMMENT: I have been on General Assistance
and A.F.D.C., and I can honestly say
that it is much better to be on A.F.D.C.
there is more tranquility in the home
when the family is on A.F.D.C.

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

(This sheet to be used by those testifying on a bill.)

NAME: GARY T Rudolph DATE: 1/24/85

ADDRESS: P.O. Box 232 Clinton, MT 59825

PHONE: 549-3126 (M5595)

REPRESENTING WHOM? MT Low-income Coalition

APPEARING ON WHICH PROPOSAL: SB 122

DO YOU: SUPPORT? AMEND? OPPOSE?

COMMENT: I will read short excerpts from a letter written by an AFDC mother whose family unit is separated because of the lack of an AFDC UP program in this state. I will submit this letter to the committee for record of Testimonials.

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

(This sheet to be used by those testifying on a bill.)

NAME: Fathleen Alvarez DATE: 1-24-85

ADDRESS: 624 1/2 Nevada

PHONE: 782-0025

REPRESENTING WHOM? Butte C, U MYSELF

APPEARING ON WHICH PROPOSAL: AFDC U-P SB-122

DO YOU: SUPPORT? AMEND? OPPOSE?

COMMENT: I'm on AFDC NOW I'm ^{making it} better
NOW THEN I WAS ON CA AT
\$10750 ^{But} Because of job-situations
in Butte my child's father
would ^{bc} in the home where he
is need most!

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

(This sheet to be used by those testifying on a bill.)

NAME: Beverly Gibson DATE: 1-24-85

ADDRESS: 1802 11th Ave. Helena 59601

PHONE: 442-5209

REPRESENTING WHOM? MONTANA ASSOC. of Counties

APPEARING ON WHICH PROPOSAL: AFDC-UP

DO YOU: SUPPORT? AMEND? OPPOSE?

COMMENT: Passage will relieve county

general assistance and county medical,
both programs supported entirely
by the local property tax.

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

Cathy
Handwritten

COMMITTEE ON WAYS AND MEANS

DEMOCRATS

Jim McDermott, *Chairman*
Marcus Gaspard, *Vice Chairman*
Al Bauer
Ted Bottiger
George Fleming
Jerry Hughes
Nita Rinehart
A. N. "Bud" Shinpoch
Phil Talmadge
Alan Thompson
Frank J. Warnke
Lorraine Wojahn
Dianne H. Woody

REPUBLICANS

Alan Bluechel
Ellen Craswell
Alex Deccio
Jeannette Hayner
Eleanor Lee
Jack Metcalf
Kent Pullen
Hal Zimmerman

MEMORANDUM

DATE: January 11, 1984
TO: Members, Senate Ways and Means Committee
FROM: Richard Van Wagenen, Budget Analyst *RW*
SUBJECT: Aid to Families with Dependent Children--Employable

The 1983-85 budget funds the AFDC-E program at \$21.4 million (state) for the first year of the biennium. No funding was provided for the second year, and the program is now scheduled to terminate this June 30. This memorandum briefly describes the program and current experience with it. The Legislature faces a decision whether to provide funding for the second year in the supplemental budget. Estimates of the funding that would be needed vary between \$26.5 million and \$34 million (state).

BACKGROUND:

Aid to Families with Dependent Children is a federally-matched income assistance program for indigent families with children under age 18. Under the federal Social Security Act, a state may qualify for 50 percent matching funds by providing grants and Medicaid coverage to such families. All states have AFDC programs covering single-parent families and families with two parents where one of them is incapacitated from working either at a job or in the home. In Washington, this is known as the AFDC-Regular program. About 9 percent of its cases involve incapacitated parents, and in the remaining 91 percent, one parent is either dead or continuously absent from the home.

In the 1960s Congress expanded AFDC coverage to give states the option of including two-parent families in which the principal wage-earning parent was unemployed (but had some previous employment experience), and Washington chose to provide such coverage as the AFDC-E program. Currently 23 other states provide for two-parent AFDC. In February 1981, the Legislature terminated the AFDC-E program.

A DSHS follow-up study (summary attached), which the Legislature required in a 1981 budget proviso, tracked a random sample of the 7,758 former AFDC-E families whose assistance ended that spring. The study found that 38.2 percent of those families reappeared on the AFDC-R rolls at some point between March 1981 and July 1982 (17 months). In any given month, the proportion of AFDC-R ranged between 18 and 21 percent. Because some of the former AFDC-E families included incapacitated parents who had not been evaluated for AFDC-R when both programs existed, and because some portion of the families presumably would have broken up for various reasons even if AFDC-E had not ended, it is estimated that about 30 percent of the former AFDC-E families broke up because of the program's termination. These families remained on AFDC-R for a median period of eight months, compared with four months for families in the former AFDC-E program. Their average grants were 26 percent higher than the average grants of other AFDC-R families, at least in part because they included more children.

CURRENT PROGRAM

In the 1983 session, the Legislature decided to reinstate AFDC-E for the first year of the biennium and appropriated \$12 million for grants, \$6.7 million for medical assistance, and \$2.7 million for administration (all state funds, expected to be matched by about an equal amount in federal funds). Because the implementing legislation (SSB 3660) did not contain an emergency clause, the program began on August 23, 1983, instead of July 1 as the budget had provided. This seven-week delay is expected to result in a residual of unspent funds available to offset some of the costs of the program if it is continued in the second year. The delay, combined with the fact that the caseload has grown gradually in the program's first months, has made it difficult to forecast second-year caseloads. Currently caseloads appear to be running slightly below those projected by DSHS, but the Department's projection is for caseload to peak at about 8,000 families in March, then drop slightly in a seasonal pattern to about 7,000 in June. The Department now estimates second-year caseloads to average nearly 8,000 a month, but House and Senate Ways and Means staff have arrived at lower estimates using a different methodology.

The typical AFDC-E family has two parents and two children, and receives a grant of \$526 a month. Most of the families qualify for food stamps, as they would have before the program was reinstated last year. They are covered by the Medicaid program for most health services except adult dental care. They are subject to the same income and resource limits as other AFDC recipients. One parent in each family is required to register for the Department's Employment and Training program, to seek work actively, and to accept any available job. AFDC-E eligibility requires that one parent have worked during at least six of the 12 quarters preceding application or have

worked a sufficient time to have qualified for unemployment compensation.

The DSHS research division has completed a study of the current AFDC-E caseload, including some comparisons with AFDC-E families in 1980. The formal report is expected to be available during the week of January 9. Some of the data tables from the study are attached to this memorandum. They suggest that today's AFDC-E families are slightly larger than their 1980 counterparts, presumably because both parents and children are slightly older than those in 1980. The parents now on AFDC-E are somewhat better educated than those on the program in 1979, based on a comparison with the Department's AFDC characteristics study for that year. Three percent of today's AFDC-E families are Indochinese refugees, compared with 1 percent in 1980--a change probably attributable to the federal reductions in the Refugee Assistance program in 1982. (The federal government pays 100 percent of the grant and medical costs for refugees on any public assistance program.) At the time of application, 8.5 percent of the families had an eviction notice, 6.1 percent were facing a utility shutoff, 4.5 percent had no shelter, 5.2 percent reported a medical emergency, and 17.9 percent had no food (some families reported more than one of these needs). The most common former occupations for fathers were construction, machine trades, and service (other than food service); the most common for mothers were food service, other service, and sales. While the largest number of AFDC-E families live in most populous counties (45 percent in King, Pierce, Spokane and Snohomish), the greatest concentration of recipient families relative to population is found in the timber counties of Southwest and Northeast Washington.

DVW:gs1-4

Attach.

WOMEN'S LOBBYIST
FUND

Box 1099
Helena, MT 59624
449-7917



January 24, 1985

TESTIMONY IN SUPPORT OF SB 122

Madam Chairwoman and members of the Senate, Finance and Claims Committee:

The Women's Lobbyist Fund (WLF) supports SB 122 and I, Gail Kline, am speaking in favor of this bill.

Parental unemployment should be added to the criteria for AFDC, because its availability will improve the emotional state of a family already inundated with financial problems. By allowing both unemployed persons ⁱⁿ a family to be eligible for AFDC payments, family tension will be lessened followed by a decrease in child and spouse abuse, and families will not be forced to lie about their where abouts, nor separate.

According to Psychology Today, April 1984, "deviant behavior" involving "contact with the law, running away from home, smoking, truancy, (and) school discipline problems" for adolescents decreased when there were two adults in a family.

The legislature through SB 122 can provide this additional support system needed for real people with real problems.

The WLF urges you to pass SB 122.

Thank you Madam Chairwoman and members of the committee.

1-24-85

#12-85-1
1-24-85

Members Concerned Citizens of Shut Fall

My name is Vinore Bishop
& live at 1111 Central Ave West
Great Falls Montana our
family consists of J. D. C.
we have...
plus \$156...
Mrs. Bishop...
of Beech...
are...
the...
&...
print...
only...
that...
I...
is...
got...
it...
one...
may...
and...
to...
and...

and it's impossible.

We don't get enough
food stamps either, and
we don't have as many
good wise people, and
during the war we will
open the market for
vegetables. If we can
and with our horses and
that is no good, because
his epilepsy, and he needs
to keep his weight
to stay healthy.

So please take into con-
sideration these things
you make your decisions
Thank you.

me on, but it has the added
bit of Medicaid and a mother
as happily received more
benefits on AFDC than a family
would assistance does.

But that in many minds it
is a tug-of-war of what is
your families well-being
vs. of paper some words

in front of a judge or a minister
some cases feelings between
him willing to let that out
was all of the above are will-

given up because families
not there is no alternative but
it up for the sake of meeting
children's necessities.

My husband and I have re-
them in contact. We would
like to get our family and
go back together again. We're
talking about this for awhile,
both take our children in.

① ¹³²AP # 1-24-85

Jan. 23, 1985

To whomsoever it may concern,

Since I was unable to come in
person to give testimony concern-
ing the unemployed parent pro-
gram, I'm sending this letter
hoping very much that it will help

I feel that this program is desper-
ately needed. It would help save
a great many marriages and
families from being torn apart
due to unemployment, financial
problems, etc.

My personal experience in the
last 2 yrs. ~~out~~ has come to
a point that out of necessity
and responsibility to the welfare
of my children, I can not live
with my husband. ~~At~~

About 1 1/2 to 2 yrs ago, I asked
on AFDC. My husband and I
tried to get back together, but
couldn't. R. F. ...

My husband tried to go going with cold, cough, fever, but hearing, good, no and medical expenses not necessary that this unemployment comes no near supporting. I've tried the general program which you enroll on, it basically a roof over our heads and. That still leaves out to an extent and any routine medical needs, covers preventative medicals are taken care of in-hospital and expense of hospital would need a lot of money. I'm not sure about the results of the program, but I'm not sure if it's worth it.

(3)

That even though it meant being apart for awhile she should go and try for the job. Unfortunately the job fell thru. You'll be one of the first to admit that no marriage is perfect. If they ever create perfect marriages, I'm getting my bid in now for one. Our marriage was seasonally good, I feel sure that what major problems we had from time to time, could've been worked out to our advantage. Needless to say with my husband so far from home and knowing that even if he came back we would still be in the same position. Plus he had seen from the previous time that if he just didn't come back, I could get our children a model home for the AFDC program.

(5)

much. I feel that as a family,
again we would be happy, but
I'm very sure that at this point
though, common sense and finan-
cial needs are going to come before
any family reunion. - I'm this day
and age it seems that financial
needs tend to out-weigh any
family or emotional needs that
people have.

Even though I was unable to
testify in person, I hope that
what I've had to say will make
the committee think long and hard.
I assure you that I'm only 1
case out of thousands in the same
situation.

Respectfully
Yours,

T.S. Capes

TELENA S. CAPES

MR. PRESIDENT

WE, YOUR COMMITTEE ON FINANCE AND CLAIMS HAVING HAD UNDER CONSIDERATION SENATE BILL 122, ATTACH THE FOLLOWING STATEMENT OF INTENT.

STATEMENT OF INTENT

SENATE BILL NO. 122

Because sections 4 and 5 delegate rulesmaking authority to the department of social and rehabilitation services, a statement of legislative intent is required. It is the intent of the legislature that the department adopt rules to administer this program pursuant to Title IV, section 407 of the Social Security Act, as amended.

SENATOR REGAN

SENATE COMMITTEE

FINANCE AND CLAIMS

VOTING RECORD

Date 1-24-85

House

Bill No. 123

Time 6:40

Name	YES	NO	ABSENT	EXCUSED
Senator Haffey	✓			
Senator Jacobson		✓		
Senator Aklestad		✓		
Senator Hammond		✓		
Senator Lane	✓			
Senator Christiaens	✓			
Senator Gage	✓			
Senator Himsel	✓			
Senator Stimatz	✓			
Senator Boylan			✓	
Senator Story	✓			
Senator Smith	✓			
Senator Manning (Dick)	✓			
Senator Bengtson			✓	
Senator Keating	✓			
Senator Regan	✓			

11 5

Sylvia Kinsey
Secretary

Senator Regan
Chairman

Motion: N B 123 be Concurred in

STANDING COMMITTEE REPORT

January 24

19 35

MR. PRESIDENT

Finance and Claims

We, your committee on.....

Senate

122

having had under consideration.....

No.....

first reading copy (white)
color

PARENTAL UNEMPLOYMENT AN ELIGIBILITY CRITERION FOR AFDC

Senate

122,

Respectfully report as follows: That.....
be amended as follows:

No.....

1. Page 2, line 3.

Following: "children,"

Insert: "pursuant to federal social security act,"

2. Page 2, line 17 through line 4, page 3.

Strike: section 2 in its entirety

Insert: NEW SECTION. Section 2. Aid to dependent children

- unemployed parent program. Aid to dependent children shall be granted to or for the care of children who would not otherwise be entitled to such aid because the child is living in the home with both parents."

3. Page 3, line 5 through line 19.

Strike; section 3 and section 4 in their entirety

Renumber: subsequent sections

4. Page 3, line 20.

Following: "authority."

Insert: "The department may adopt rules to administer this program pursuant to title IV, section 407 of the federal social security act, as amended."

5. Page 4, line 1.

Following: "2"

Strike: "through 4"

Insert: "and 3"

~~XXXXXXXX~~

(continued)

~~XXXXXXXX~~

Chairman.

AMENDS
TWO PAGES
BILL 122

January 24, 1985 19.....

6. Page 4, line 3.
Following: "2"
Strike: "through 4"
Insert: "and 3"

7. Page 4, line 5.
Following: "effective"
Strike: "July 1, 1985."
Insert: "on passage and approval."

AND AS AMENDED,
DO PASS

STATEMENT OF INTENT IS ATTACHED

.....
SENATOR REGAN

STANDING COMMITTEE REPORT

January 24

85

19.....

MR. PRESIDENT

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

having had under consideration..... **HOUSE** No. **123**

Third reading copy (**Blue**)
color

**CULTURAL AND AESTHETIC GRANT PROJECTS HEARD BY LONG-RANGE PLANNING
SUBCOMM.**

TROTT (HAYFEY)

Respectfully report as follows: That..... **HOUSE** No. **123**

BE CONCURRED IN

~~DO PASS~~

~~DO NOT PASS~~

.....
SENATOR REGAN

Chairman.