# MINUTES OF THE MEETING PUBLIC HEALTH, WELFARE AND SAFETY COMMITTEE MONTANA STATE SENATE

MARCH 28, 1986

The first meeting of the Public Health, Welfare and Safety Committee of the 49th Legislature, Second Special Session, was called to order by Chairman Judy Jacobson on Friday, March 28, 1986 at 4:00 p.m. in Room 405 of the State Capitol.

ROLL CALL: All members of the committee were present with the exception of Senators Towe and Newman who were absent. Karen Renne, staff researcher, was also present.

There were many many visitors in attendance. See attachments.

CONSIDERATION OF HOUSE BILL 9: Representative Cal Winslow of House District 89, the chief sponsor of HB 9, gave a brief summary of the bill. This bill is an act to submit to the qualified electors of Montana an amendment to Article XII, Section 3, of the Montana Constitution to allow the Legislature greater discretion in making determinations relating to provisions of economic assistance and social and rehabilitative services to those in need; and providing an effective date.

Representative Winslow stated that this bill came about because of the recent Supreme Court ruling. He then gave a brief history of the welfare provisions up until the present day. Seventy-five percent of the state caseloads are contained within 12 counties and that list continues to keep growning. A priority needs to be established. HB 9 will give the legislature the right to set the priorities.

Dave Lewis, Director of the Department of Social and Rehabilitative Services, spoke in favor of the bill. HB 9 is a step in the right direction, SRS does not feel that it it complete enough to provide to the legislature the discretion normally accorded to it in the adoption of state laws. The Montana Supreme Court developed the middle-tiered test not because public assistance is a fundamental right, nor because the sections of Acticle XII are prefaced with the word "shall" but rather because welfare assistance is referenced in the Constitution.

Senate Public Health Public Health, Welfare and Safety Committee Page Two

In order to place welfare assistance in line with the federal constitution and the decisions of other state and federal courts it is essential that the equal protection test in Article II, Section 4 be returned to that of a rational basis test. At the present rate, SRS will have to have another 28 million dollars to cover the increase in public assistance.

Russ Cater, attorney with the Department of Social and Rehabilitative Services, spoke in favor of the bill. Mr. Cater stated that in the Supreme Court ruling the court developed a "middletier" test which should be applied to all public assistance legislation. This test requires that the state demonstate two factors. 1) That is classification of welfare recipients is reasonable; and 2) that its interest in classifying welfare recipients is more important than the people's interest in obtaining welfare benefits. The court went on to state that there should be a balancing of the rights infringed and the governmental interest to be served by such infringement. money must be balanced against the interest of misfortunate people in receiving financial assistance from the state. Mr. Cater handed in written testimony for the committee to review and he also handed in some proposed amendments from the department. See attachments.

Representative John Cobb of House District 42, spoke in support of the bill. He stated that the constitution needs to be changed from "shall provide" to "may provide". He stated that, however, he is opposed to the amendments proposed by the department.

With no further proponents, the chairman called on the opponents.

Judy Carlson, representing the Montana Chapter of the National Association of Social Workers, spoke in opposition to the bill. She stated that this bill has been proposed as a result of frustration and fear. Ms. Carlson handed in written testimony for the committee's consideration. See attachments.

Robert C. Rowe of Missoula spoke in opposition to the bill. He stated that he was attending the meeting as a concerned citizen. He handed in testimony for the committee to review. See attachments.

Senate Public Health March 28, 1986 Page Three

Adele Fine, representing the Women's Caucus at the University of Montana Law School, spoke in opposition to HB 9. She stated that the referendum to be submitted to the public for vote is extremely misleading. The proper question is whether the Constitution should be changed from "shall" to "may", thus lessening the state's commitment to the poor people, not whether the state should be able to descretionarily set welfare benefit levels. The state already has that power. Ms. Fine handed in written testimony for the committee. See attachments.

Susan Fifield, representing the Montana Low Income Coalition, spoke in opposition to the bill. She stated that they feel there is no need for a constitutional amendment for the following reasons. 1) Already able to limit benefits (workfare, medical and recourse, etc. 2) Montana is a state that is proud of taking care of its own as shown in the past. 3) An amendment challenges the intergrity of both the constitution and those who devoted hours to writing it, and 4) MLIC is working on a job task force to develop alternatives concerning jobs. People want to work. We can help them attain this goal and cut down on welfare spending by implementing programs and redirecting federal and state funds that are suppose to be targeted for the low income people. Ms. Fifield handed in written testimony. See attachments.

Jim Murry, representing the AFL-CIO, spoke in opposition to the bill. He handed in written testimony for the committee to review. See attachments.

Debra W. Florer, representing the Butte Community Union and Anaconda Concerned Citizens Coalition, spoke in opposition to HB 9. She stated that her groups are against this bill because legislators already have the right to limit in many ways. They know what the Supreme Court ruling is and they should act accordingly. Jobs are the problem, not money. She asked that the committee not gut the Constitution. The governor has the power to administratively target these job programs. We need more job opportunities not more homeless people. See attachments.

Steve Waldron, representing the Community Health Centers, spoke in opposition to the bill. He asked the committee to act reasonably. He handed out part of the Supreme Court findings in their recent suit. See attachments.

Jim Smith, representing the Human Resources and Development Council, spoke is opposition to the bill.

Senate Public Health March 28, 1986 Page Four

Chester Kinsey, representing the Montana Senior Citizens Association, spoke in opposition to the bill. Mr. Kinsey stated that his group is in opposition to the bill because it openes the door to age discrimination. The wording is designed to make nearly impossible to understand what its actual effect is on the people.

Jo Lindberg, representing the Concerned Citizens Coalition, spoke in opposition to the bill. She stated that to change the constitution would give SRS the freedom to decide whether or not the poor receive aid. Perhaps some people do misuse the program, however, she was not speaking for them. The unemployed does not necessarily mean lazy, stupid or unproductive. Poor people deserve the same opportunity to work and build Montana as anyone else.

Carolyn Goode, representing the Concerned Citizens Coalition, spoke in opposition to the bill. Mrs. Goode is a disabled citizen and stated that she was concerned about the benefits which would be cut off from her family and others in a like situation. She receives 336 dollars per month on which to live. She stated that just because her legs do not work does not mean that her brain doesn't.

Diane Sands, representing the Women's Lobbyist Fund, spoke in opposition to the bill. Their main concern is the changing of "shall" to "may".

John Ortwein, representing the Montana Catholic Conference, spoke against the bill. The responsibility for alleviating the plight of the poor falls upon all members of society. As individuals, all citizens have a duty to assist the poor through acts of charity and personal commitment. But private charity and voluntary action are not sufficient. It is a moral responsibility to help the poor by working collectively through government to establish just and effective public policies.

Senator Jacobson stated that because of lack of time, if there were others who would like to stand and state their name in opposition to the bill could do so. The following stood in opposition: Del Rodrigues, Gaile Rodregues and Lois Durand.

The meeting was recessed at 5:05. Senator Joacobson stated that the committee would take executive action as soon as possible.

Senate Public Health March 28, 1986 Page Five

The committee reconvened at 5:45 p.m.

#### DISPOSITION OF HOUSE BILL 9:

A motion was made by Senator Stephens that HB 9 Be Concurred In. Motion failed. See Roll Call Vote Sheet.

A motion was made by Senator Towe that the vote be reversed to read. House Bill 9 BE NOT CONCURRED IN. Motion carried. See Roll Call Vote Sheet.

Senator Jacobson stated that this would still be debated on order of business No. 8 being as this would change the Constitution.

ADJOURN: WIth no further business, the meeting was adjourned.

Senator Judy Jacobson

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#### ROLL CALL

## PUBLIC HEALTH, WELFARE AND SAFETYCOMMITTEE

48th LEGISLATIVE SESSION -- 1985 ... Date 3/27/86

NAME	PRESENT	ABSENT	EXCUSED
SENATOR JUDY JACOBSON, CHR.	L		
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SENATOR BILL NORMAN			
SENATOR TOM TOWE		<u></u>	
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COMMITTEE ON BATE 3-28-86

HB9

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COMMITTEE ON\_\_\_\_

# TESTIMONY OF THE DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES IN SUPPORT OF HOUSE BILL 9

The Department of Social and Rehabilitation Services supports House Bill 9 which has been introduced by Representative Cal Winslow. This amendment to Article XII, Section 3 of the Montana Constitution is essential in order to provide more discretion to the legislature in the adoption of statutes pertaining to public assistance benefits. On January 16, 1986 the Montana Supreme Court held unconstitutional those provisions of House Bill 843 (passed by the 1985 Montana Legislature) which restricted or denied public assistance to able-bodied persons under age 50 without dependent minor children. In its ruling the court developed a "middle-tier" test which should be applied to all public assistance legislation. This test requires that the state demonstrate two factors:

- 1) that its classification of welfare recipients . . . is reasonable; and
- 2) that its interest in classifying welfare recipients . . . is more important than the people's interest in obtaining welfare benefits.

The court went on to state that there should be a balancing of the rights infringed and the governmental interest to be served by such infringement. Saving money must be balanced against the interest of misfortunate people in receiving financial assistance from the state. For example, if the state were to terminate all "able-bodied" persons from the public assistance program it might meet the first portion of the court's test regarding "reasonable-ness". It is questionable, however, whether such legislation

would meet the second portion of the test which requires a balancing of the misfortunate welfare recipient's interest in receiving benefits with the state's interest in saving money and encouraging employment.

The Montana Supreme Court is the first court in the nation to establish a middle-tier (heightened scrutiny) test for welfare legislation. It is believed that the court will apply this test not only to the state general relief program but also to federal welfare programs (e.g. medicaid, AFDC, food stamps, etc.) administered by our state. Montana is not required by federal law to adopt these programs but if it does, the federal government will only reimburse the state if eligibility is determined in accordance with federal rules and regulations. In many instances it is unlikely that the federal eligibility rules would pass the higher middle-tier (heightened scrutiny) test adopted by the Montana Supreme Court. The "supremacy clause" would not preclude the application of the middle-tier test in Montana because the federal programs are optional rather than mandated by federal If Montana courts determine that a federal eligibility rules does not meet the higher standard of review, then 100% state funds must be used to pay for equivalent welfare assistance.

While House Bill 9 is a step in the right direction, SRS does not believe that it is complete enough to provide to the legislature the discretion normally accorded to it in the adoption of state laws. The Montana Supreme Court developed the middle-tiered test not because public assistance is a fundamental

right, nor because the sections in Article XII are prefaced with the word "shall" but rather because welfare assistance is "reference[d] in the Constitution". In order to place welfare assistance in line with the federal Constitution and the decisions of other state and federal courts it is essential that the equal protection test in Article II, Section 4 be returned to that of a "rational" basis test. The attached amendment to House Bill 9 spells out that rational basis test.

## PROPOSED AMENDMENT TO HOUSE BILL 9 Introduced Bill

(Re: Amendment to Article XII, Section 3 of the Montana Constitution)

1. Page 1, line 25.

Following: "discretion"

Strike: "designate any level and duration of"

Insert: "provide such"

2. Page 2.

Following: line 4

Insert: (2) "The legislature may in its discretion set eligibility criteria for programs and services, admission to institutions and facilities as well as the duration and level of benefits and services. A law implementing this section does not violate this Constitution if it is supported by any rational basis."

Renumber: subsequent sections

3. Page 2, line 14.

Following: "legislature to"

Strike: Remainder of line 14 and all of line 15.
Insert: "Restrict the scope and duration of welfare

programs."

4. Page 2, line 17.

Following: "legislature to"

Strike: Remainder of line 17 and all of line 18.

Insert: "Restrict the scope and duration of welfare

programs."

Submitted at the request of Department of Social and Rehabilitation Services

Exhibit 1-8 3-28-86

1_12=	FOR amending the constitution to allow the legislature discretion to restrict the scope and duration of welfare programs.
//	AGAINST amending the constitution to allow the legislature discretion to restrict the scope and duration of welfare programs.

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Exhibit 1-4 3-28-86 U.R. 9



# National Association of Social Workers

MONTANA CHAPTER

TESTIMONY BEFORE THE SENATE PUBLIC HEALTH COMMITTEE ON HB 9 TO AMEND THE CONSTITUTION'S ARTICLE XII Sec. 3

March 28, 1986

I am Judith H. Carlson speaking for the Montana Chapter of the National Association of Social Workers, NASW. We oppose any constitutional amendment whose purpose is to dilute this state's commitment to helping people in their time of need.

This bill has been proposed as a result of frustration and fear. Frustration has been expressed by Representative Winslow and others because a well-intentioned attempt to curtail state expenditures was struck down by the Supreme Court. Fear has been expressed by the Department of Social and Rehabilitation Services that, because of one Supreme Court hearing, all people are going to sue the state to meet all their needs.

Rather than being ruled by frustration and fear, the NASW suggests support of the positive approach of HB 12 to provide job search and job training for General Assistance recipients. Even without adequate jobs, this is at least a positive approach with some chance of success. It has worked elsewhere.

This bill would put on the ballot wording which sounds innocuous enough; and who wouldn't vote for allowing the

"legislature to designate the level of economic assistance and services to those in need?" Everyone thinks that <u>is</u> the proper role of the legislature. What is hidden in this issue is that the state is changing its commitment from a "shall" to a "may at its discretion." Come the next session of the legislature, a yea vote by the public will be interby some preted/to be a clarion call for major cutbacks in all SRS programs.

It is hard to argue law with a lawyer. But it is my opinion legislature that the state/already has the authority sought in this amendment. Right now the Legislature can and does determine how programs are administered - will it be directly by the state, by the counties, by private non-profits groups or any combination. Right now the Legislature can and does decide that everyone must work if they are able as a condition of the receipt of general assistance. Right now the Legislature can and does decide on work registration requirements, on the level of assets or resources for eligibility and on the income levels of assistance.

Because one case has been lost (a case incidentally which was thought to be unconstitutional at the time) is not enough reason to push the panic button.

NASW urges you to vote "do not pass" on HB 9 and instead support HB 12 with a do pass - a vote for a positive approach.

Judith H. Carlson, LSW, ACSW

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NAME: Robert C. Boure	DATE: 3-28-86
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APPEARING ON WHICH PROPOSAL: H.B. 9	
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PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

#### TESTIMONY OF ROBERT C. ROWF

Mr. Chairman, Members of the Committee, my name is Robert C.
Rowe, of Missoula. Although I am an attorney, I am here speaking as a concerned Montanan. My testimony addresses four points:

(1) Public assistance in meeting basic needs is recognized as deserving constitutional protection; (2) Such assistance is — and should be — protected by the Montana Constitution; (3) Abridgment of the right to assistance should be subject to heightened judicial scrutiny; (4) So-called rational basis scrutiny should not be incorporated in the Montana Constitution.

I. PUBLIC ASSISTANCE IN MEETING BASIC NEEDS IS RECOGNIZED AS DESERVING CONSTITUTIONAL PROTECTION.

Provision for basic, subsistence needs has been recognized as essential to participation in our society. Without basic levels of assistance, other rights, such as First Amendment rights of speech, association, and even religion are devalued.

Realistically, how can one exercise the right to vote without shelter? How can one exercise the right to seek employment without clothes, a stable address, and a telephone at which to receive messages?

As members of this Committee are aware, the fundamental importance of public assistance was recognized by the United States Supreme Court in <u>Goldberg v. Kelly</u>, 397 U.S. 254 (1970), which found public assistance to be so essential that it could not be terminated without first holding a due process hearing:

Welfare, by meeting the basic demands of subsistence, can help bring within the reach of the poor the same opportunities that are available to others to participate meaningfully in the life of the community . . . . Public assistance, then, is not mere charity, but a means to 'promote the general Welfare, and secure the Blessings oif Liberty to ourselves and our Posterity.'

\* \* \*

We have come to recognize that forces not within the control of the poor contribute to their poverty.

Id. at 264-265.

Similarly, legislative and administrative determinations of who is and is not eligible for a variety of public benefits programs have been closely examined by the courts. See, for example, <u>USDA v. Moreno</u>, 413 U.S. 528 (1973), and <u>USDA v. Murray</u>, 413 U.S. 508 (1973), concerning food stamp eligibility. See, also, <u>New Jersey Welfare Rights Organization v. Cahill</u>, 411 U.S. 619 (1973), concerning a state limitation on AFDC eligibility. Professor Laurence Tribe identifies these cases as involving a "heightened level of evenhandedness," a form of middle-tier scrutiny. <u>American Constitutional Law</u> (1978), 1118.

II. PUBLIC ASSISTANCE IS - AND SHOULD BE - PROTECTED BY THE MONTANA CONSTITUTION.

The United States Constitution is nearly two hundred years old. Nonetheless, as noted, in applying the federal Constitution, courts have recognized the vital significance of basic economic rights in today's world.

TESTIMONY OF ROBERT C. ROWE - PAGE 2

Article XII, Section 3(3) of the Montana Constitution states the "legislature shall provide" assistance for those who may have need for the aid of society. In adopting this section, the 1972 Constitutional Convention recognized that American society had changed dramatically since the federal Constitution was adopted in 1789: No longer was there a frontier to absorb the displaced and the disadvantaged; many of our own grandparents came to Montana as "welfare recipients" of homesteads on public lands.

Constitutions impose stern requirements. First Amendment rights are frequently controversial, and are often enforced at the expense of other societal interests; so too, with rights under the Thirteenth and Fourteenth Amendments. Recently, significant portions of the Gramm-Rudman Act were invalidated by a three judge Federal District Court on seemingly arcane separation of power grounds.

It is in the difficult cases that the greatness of constitutional government is affirmed. Montana has a great Constitution, of which all Montanans are justifiably proud. It should not be amended lightly.

The amendment now proposed is nothing other than an attempt to evade the Montana Constitution's basic requirements. It is an amendment of convenience. In seeking an easy way to avoid obligations to our less fortunate fellow Montanans, it demeans both the Montana Constitution and the idea of constitutional government. It should be rejected.

TESTIMONY OF ROBERT C. ROWE - PAGF 3

III. ABRIDGMENT OF THE RIGHT TO ASSISTANCE SHOULD BE SUBJECT TO HEIGHTENED JUDICIAL SCRUTINY.

In <u>Butte Community Union v. Lewis</u>, 43 St.Rptr. 65 (1986), the Montana Supreme Court held that, "because the constitutional convention delegates deemed welfare to be sufficiently important to warrant reference in the Constitution, we hold that a classification which abridges welfare benefits is subject to a heightened scrutiny under an equal protection analysis . .."

Id. at 67.

According to Professor Laurence Tribe:

(T)he all-or-nothing choice between minimum rationality and strict scrutiny ill-suits the broad range of situations arising under the equal protection clause, many of which are best dealt with neither through the virtual rubber-stamp of truly minimal review nor through the virtual death-blow of truly strict scrutiny, but through methods more sensitive to risks of injustice than the former and yet less blind to the needs of governmenal flexibility than the latter.

American Constitutional Law (1978), 1089. (Emphasis supplied.)

The District Court in <u>Putte Community Union</u> was presented extensive testimony concerning the composition of the General Assistance population and the effects of limiting assistance; a legislative assembly would be hard-pressed to receive and consider such evidence. At least one State official has stated that, based upon a study of the job-readiness of many General Assistance recipients (despite their clear deserve to obtain employment), he would not now support General Assistance cuts.

TESTIMONY OF ROBERT C. ROWE - PAGE 4

Exhibit #3 3-28-86 SRS itself has stated it no longer endorses arbitrary termination of so-called "able bodied" recipients based upon age.

The middle-tier standard applied in <u>Butte Community Union</u> is not a road block to responsible legislation. Rather, it protects the appropriate exercise of legislative flexibility referred to by Professor Tribe. The test requires that the classification be reasonable and that the State's intent be balanced against the interest of the misfortunate. The legislature should not amend the Constitution to insulate its unreasonable acts from judicial review when those acts demonstrably harm those the legislature is itself charged to represent.

IV. RATIONAL BASIS SCRUTINY SHOULD NOT BE GRAFTED TO THE MONTANA CONSTITUTION.

Even under rational basis scrutiny, House Bill 843 would have failed, as made clear by the <u>Butte Community Union</u> concurrence of Justice Gulbrandson and Chief Justice Turnage. As proposed in the House by SRS, rational basis scrutiny would have sweeping application; amendment of our Constitution should not be undertaken so lightly, nor upon such short notice.

Incorporation of rational basis scrutiny into the Constitution itself is analogous to various "court-stripping" proposals introduced in Congress in order to limit the authority of federal courts to enforce the law of the land. Here, the limitation would itself be constitutionalized.

Constitutions confer substantive rights and procedural

Exhibit #3 3-28-86 protections to the citizenry. These rights are interpreted and enforced by the courts. It is inherently unwise to place the judicial standard within the Constitution itself. First, such an approach at least raises concerns analogous to separation of power. Second, the standard of review is best determined by the Supreme Court, which is charged with applying the Constitution in a multitude of cases, even as it rules in each particular case. Third, even a statutory rational basis test would require judicial interpretation.

Traditionally, rational basis scrutiny has been applied to grant almost blanket discretion to legislative determinations. Recently, the United States Supreme Court has begun to apply rational basis "with teeth." For example, the Court recently applied rational basis to invalidate a Texas municipal ordinance barring group homes for the mentally retarded (City of Cleburne v. Cleburne Living Center, No. 84-1274) and an Alabama tax on foreign insurance companies (Metropolitan Life Insurance Co. v. Ward, No. 83-1274). Justice Gulbrandson's concurrence in Putte Community Union indicates the Montana Court may be prepared to follow a similar approach.

To achieve the amendment's intent, the legislature would be required to adopt language actually interpreting "rational basis." Clearly, the responsible course is to defer to the courts whose duty it has been since at least 1803 to interpret and enforce the Constitution. As stated by Chief Justice John

Exhibit # 3

#### Marshall:

(A) 11 those who have framed written constitutions contemplate them as forming the fundamental and paramount law of the nation, and consequently the theory of every such government must be, that an act of the legislature, repugnant to the constitution, is void.

It is emphatically the province of the judicial department to say what the law is. Those who apply the rule to the particular cases, must of necessity expound and interpret

that rule.

Marbury v. Madison, 5 U.S. (1 Cranch) 176-77 (1803). (Emphasis supplied.)

RESPECTFULLY SUBMITTED this 27 day of March, 1986.

ROBERT C. ROWE 216 East Central

Missoula, MT 59801

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Women's Law Caucus University of Montana Law School, Missoula, MT Testimony in opposition to HB 9

Madam Chair

Mr. Chairman and members of the Senate Judiciary Committee:

My name is Adele Fine. I am here to speak to you on behalf of the Women's Law Caucus, a student organization at the University of Montana Law School.

I will focus my testimony on some of the values underlying the middle-tier test adopted by the Montana Supreme Court in the <u>Butte Community Union</u> case. I will also address some of the equitable concerns as they pertain to welfare funding in general.

In the <u>BCU</u> case, the Supreme Court rejected the idea that the right to welfare assistance was a fundamental right in recognition of the State's need for some discretionary power due to its limited resources. The Court also refused to give only minimal scrutiny to the welfare statute at issue because of the constitutional mandate from the people of Montana to the state government to provide economic assistance to those in the need.

The middle tier test adopted by the Court seeks to strike a middle ground. It allows the State flexibility, but requires the State to justify restrictions on welfare benefits with a factual showing of their reasonableness. This requirement protects a low-income person's needs from being arbitrarily overrun by the State.

The middle-tier test is essentially a fairness test. It balances the State's needs evenly with the needs of poor people. What this proposed constitutional amendment would do is tip the balance so that the State's power would become virtually supreme while the low-income person's substantive right assistance would be lost.

It must not be forgotten that this right to welfare assistance is important. It is in many instances the only thing that stands between having a roof overhead and sleeping under a bridge. Even at the federal level, the Gramm-Rudman Act exempted federally-funded welfare programs from cuts. Why? Because Congress recognized that programs like AFDC, WIC, SSI, Food Stamps and Medicaid provide for life's basic necessities, the stuff that people with nothing need to survive. The General Assistance program in Montana serves the same purpose. The middle-tier test and Article XII as it is presently written protect this interest in survival from getting lost in budget panic such as we are now experiencing, when it becomes easier for us to abrogate our long-term obligations in the interest of short-term crisis management. For these reasons, we should welcome the middle-tier test and not try to circumvent it.

About the equitable issues involved. . .The State subsidizes various things in various ways, but rarely does anyone stop to ponder whether the benefits and burdens of these subsidies fall out fairly. Last session, for example, the Legislature

had a chance to eliminate in some instances the state tax deduction for federal income taxes paid. This deduction is a form of subsidization and its elimination would have raised about 26 million dollars. Remembering that a monthly welfare check is literally a life preserver, question: how much of a hardship would the elimination of the tax deduction have imposed compared to the hardship a welfare recipient would suffer if his or her assistance were taken away, and arbitrarily at that? Question: how much of a benefit is gained by lowering Burlington Northern's taxes compared to the benefits of cutting welfare, if by cutting welfare you encourage homelessness among people who may or may not have job training for jobs that don't even exist, indeed, for jobs that Burlington Northern took away?

With these questions and the points made earlier about the middletier test in mind, we urge you to reject House Bill 9. Thank you.

> Efhilit #4 3-28-86 4.B.9

NAME: Susan K Fifield DATE: 3/28/86 ADDRESS: Box 232 ; Clinton, MT 59825 PHONE: \$ 825-6636 REPRESENTING WHOM? MLIC-LISHT APPEARING ON WHICH PROPOSAL: HB#9 DO YOU: SUPPORT? \_\_\_\_ AMEND? \_\_\_ OPPOSE? comments: We feel there is no need for a Constitutional Amendment for the following 1) Already Able to limit benefits (workfare, medical & resources, ect.)
2) MT is a State that is Proud of taking care of it's own-as shown An Amendment challenges the integrity of both the constitution & Hose who devoted hours to writing it. 4) MLIC is working on a job task force to develope alternatives concerning jobs.

People WANT TO WORK! We can help them attain this, goal & Cut down on Welfare Spending by implementing programs & redirecting Fed. & State Funds that are suppose to be targeted for them low-income to these people.

If this had been done in

the past there probably would be no
need to be here today.

Thank you

One More thing is there is families on G.A. who this would effect.

biggest factors for the rise in G. A. recipents

This amendment does also allow for cuts to be made to our disabled and Senior population.

One source of revenue is the Federal Tax Deduction that is allowed on State Taxes. That alone would more than cover the G.A. program.

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P.O.Box 1029 107 West Lawrence Helena, Montana 59624 (406) 449-8801 ide MONTANA ALLIANCE FOR PROGRESSIVE POLICY MONTANA HRDC DIRECTOR ASSOCIATION MONTANA LEGAL SERVICES EMPLOYEES LOW INCOME SENIOR CITIZENS ADVOCATES MONTANA SENIOR CITIZEN ASSOCIATION NORTHERN ROCKIES ACTION GROUP

Helena LAST CHANCE PEACEMAKERS COALITION

Missoula LOW INCOME GROUP FOR HUMAN TREATMEN (
NATIVE AMERICAN SERVICES AGENCY

Great Fails CONCERNED CITIZENS COALITION

Butte BUTTE COMMUNITY UNION

Bozeman BOZEMAN HOUSING COALITION

FACT SHEET

March 1986

Why A Constitutional Amendment is Not Needed to Solve Welfare Costs

1. Will the proposed amendment affect the integrity of the Constitution and human rights?

Montana has one of the finest constitutions in the country, and is far reaching in protecting human rights. Among these are the right to the basic necessities to sustain life, such as food, clothing and shelter. The proposed constitutional amendment would abrogate those rights and relegate them to the whim or good will of whatever political party is in power at the moment. We believe the constitutional framers intended more protection than this for needy Montanans. Constitutional amendments should not be taken lightly and not considered hastily in a special session where debate is limited by time constraints. In addition, in 1992, the Montana electorate will have the opportunity to decide upon a constitutional convention where changes can be comprehensively debated and acted upon.

#### 2. Should the Constitution be changed to solve budget problems?

Obviously, it would be totally unrealistic to change the Constitution each time the state is faced with serious budget problems where other alternatives exist but have not been tried.

The goal to limit GA by the 1985 legislature was to save money. There is nothing in the constitution which prevents the legislature from saving money and the it still has the power to set limits. In fact, does so now by determining eligibility requirements for welfare. MLIC supports the goal of reducing welfare costs through just alternatives. MLIC and it's member groups have long been calling for employment and training alternatives. We have worked diligently for the past year to get the Job Partnership Training Act (JPTA) programs to provide increased opportunities for Montanans receiving general assistance. We have submitteed proposals to the two Private Industry Councils, the Joint Training Coordinating Council and to the Governor. All of these requests fell on deaf ears. Last year, only 7% of JPTA placements went to GA recipients. The state JPTA plan continues to set a goal of only 2% for GA placements. MLIC recommended goals of up to 60%, and if our recommendations had been followed there would be no need for a GA supplemental appropriation at this time.

#### 3. What are the alternatives?

Because of the failure of JPTA programs to respond to the job/training needs of GA people, and thereby reduce welfare costs, MLIC and it's member groups decided to join with SRS and other state organizations to develop innovative, job/training, job creation approachs, many of which have been very successful in other states in reducing welfare costs.

SRS has taken these ideas and has developed six (6) pilot projects to be tried around the state completed, evaluated and recommendations made to the 1987 legislature. These projects, when adopted, should greatly reduce general assistance costs and eliminate the need for the Constitutional amendment. We recommend legislators defeat the proposed amendment, support job/training programs which will reduce welfare expenditures, preserve a just constitution and human dignity for all Montanans who are now in need

or will be in the future.

NAME: Mine W. Hlury	DATE: 3-28-82
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DO YOU: SUPPORT? AMEND?	OPPOSE?
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JAMES W. MURRY EXECUTIVE SECRETARY

— Box 1176, Helena, Montana -

ZIP CODE 59624 406/442-1708

TESTIMONY OF JIM MURRY, BEFORE THE HOUSE JUDICIARY COMMITTEE ON HOUSE BILL 9
FOR A CONSTITUTIONAL AMENDMENT RESTRICTING PUBLIC ASSISTANCE -- MARCH 26,1986

Mr. Chairman and members of the Committee, my name is Jim Murry, and I'm appearing here on behalf of the Montana State AFL-CIO in opposition to House Bill 9.

There is no doubt that we are facing hard economic times, both here in Montana and across the country. The very fact that the Legislature is meeting to discuss curtailing welfare benefits shows that there is an economic crisis. If only a few people needed public assistance, there would be no question that Montana has the ability to support the needy.

Now Montana's ability to support those who need help is being called into question. But the question is not really  $\underline{\mathsf{can}}$  we help, but how  $\underline{\mathsf{can}}$  we help?

How can we not help people in need? This question comes at a time when more and more people are losing their jobs, losing their businesses, losing their farms and ranches, while being forced to seek public assistance just to survive.

According to an Associated Press story that appeared last Monday, only 18,000 new jobs will be created in Montana in the 1984 - 1990 period. And the Montana Department of Labor and Industry projects nearly half of those jobs will be in the lower-paying service sector.

Members of the committee, there are now -- today -- almost 36,000 Montanans "officially" out of work. That means there are two unemployed workers for every new job to be created from now until 1990.

Here in Montana, the latest figures show 35,700 people are unemployed -- a 9.3 percent unemployment rate.

But these figures don't include those workers who are so discouraged they no longer even look for work, and they don't include those workers who work part-time because full-time work is unavailable.

When you add those individuals to the "officially" unemployed, you get the real unemployment rate. In Montana last month, the real unemployment was 16.74 percent, or 63,913 people. To put that number into perspective, that is equal to the combined populations of Missoula, Malta, Lewistown, Libby, Ennis, Polson, Thompson Falls, Cut Bank and my hometown of Laurel.



What are these people to do? Some suggest they move to other states to look ror work -- places like Texas, or California or Florida. But the unemployment problem is there as well. In those three states, more than 3 million people are unemployed, underemployed or too discouraged to look for work any longer.

Unemployed Montanans are not going to find jobs outside the state. Nationwide, there are 8.5 million people "officially" out of work. But <u>real</u> unemployment means more than 15 million Americans are unemployed, underemployed or too discouraged to seek work.

Not only is there a misconception about how many people truly are out of work, but there is a misunderstanding of what kind of protection these unemployed workers have. A study by the National AFL-CIO showed that 10 years ago, 75 percent of the unemployed workers received unemployment insurance compensation. By 1984, that figure dropped to only 26 percent.

In Montana, a similar situation exists. As of 1985, only 29 percent of unemployed workers received unemployment insurance benefits.

So a desperate need for public assistance has been growing. Since 1980, general assistance caseloads have increased 250 percent.

The issue before us today is, are we going to turn our backs on Montanans in need?

Mr. Chairman and members of the Committee, the Montana Constitution is a good one. It establishes the welfare of people as its priority. It's not a document to be treated lightly or tampered with indiscriminately.

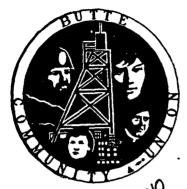
We acknowledge the financial problems facing the state of Montana today. We've given you numbers that you can attach to the faces of <u>Montanans</u> who are in trouble today.

We urge you, in your deliberations, not to act in haste in amending our Constitution.

AME: DEBRO E Florer - DATE: 3/28/86
DDRESS: 1609 Silverbow HOMES BUTLE MT
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-March 28/986

March 27, 1986



PO Box 724 Butte MT 59703 (782-0670)

GENERAL RELIEF and JOBS

Montana Law currently limits General Relief (GR) benefits to 47% of the poverty level, as with AFDC limits.

Montana's \$10 million federally funded Jobs Training Program (JTPA) is not targeted to benefit such low income eople. Only 7% of enrollees last year were GR recipients. About half the funds pay for Job Service staff, with most of the rest going to businesses for wage subsidies.

Montana's \$6 million federally-funded Community Development Block Grant Program (CDBG) is not targeted to benefit such low income people. Half the jobs and other benefits are supposed to go to persons whose income may range up to 600% of the GR income level. (This is referred to as "low and moderate income!..) The rest of the benefits may go to anyone, including the very wealthy, and they usually do.

Many other "economic development" programs contain no requirement that jobs for the poor should be one benefit of public subsidies. ("Build Montana" for whom?)

Welfare for corporations gets more support than welfare for the truly needy. (Cut coal taxes, cut BN taxes.)

PLEASE DON'T GUT THE MONTANA CONSTITUTION. THE GOVERNOR HAS THE POWER TO ADMINISTRATIVELY TARGET THESE JOBS PROGRAMS. WE NEED MORE JOB OPPORTUNITIES. NOT MORE

HOMELESS PEOPLE.

DEBRA E. Florer Bourd of Directors of BCU4 Rep. for ACC

Liebra E. Thurer

5.6:r #7 -28-86 H.B. 9

Butte Community Union, Plaintiffs and Respondents, v. Lewis, Defendant and Appellant 43 St.Rep. 65

We proceed to develop our own middle-tier test for determining whether HB 843 violates the Montana Constitution. We do so because although a right to welfare is not contained in our Declaration of Rights, it is sufficiently important that art. XII, sec. 3(3) directs the Legislature to provide necessary assistance to the misfortunate. A benefit lodged in our State Constitution is an interest whose abridgement requires something more than a rational relationship to a governmental objective.

A need exists to develop a meaningful middle-tier analysis. Equal protection of the law is an essential underpinning of this free society. The old rational basis test allows government to discriminate among classes of people for the most whimsical reasons. Welfare benefits grounded in the Constitution itself are deserving of great protection.

In reviewing the textual discussions by constitutional authorities and the insightful dissents of Justices Marshall, Brennan, Powell, and Stevens we have distilled a test we think is sound. Where constitutionally significant interests are implicated by governmental classification, arbitrary lines should be condemned. Further, there should be balancing of the rights infringed and the governmental interest to be served by such infringement.

We hold that a finding that HB 843 is constitutional requires the State to demonstrate two factors: 1) that its classification of welfare recipients on the basis of age is reasonable; and 2) that its interest in classifying welfare recipients on the basis of age is more important than the people's interest in obtaining welfare benefits.

A reasonable classification is one which is not arbitrary. The State has failed to show that misfortunate people under the age of 50 are more capable of surviving without assistance than people over the age of 50. Broad generalizations, concluding that those who are 49 years of age can retrain or relocate while those who are days older cannot, are arbitrary.

Next, the State's objective in enacting HB 843 - saving money - must be balanced against the interest of misfortunate people under the age of 50 in receiving financial assistance from the State. The trial record does not show the State to be in such a financially unsound position that the welfare benefit, granted constitutionally, can be abrogated.

This Court does not pass on the merits of welfare. The respective members of the Court may well have different views about the public policy justifying public assistance. These matters are not properly treated by an appellate court. Our task is simply to determine constitutionality of the statute. On that subject we are of one mind.

We find the provisions of HB 843, which restrict or deny general assistance benefits to "able-bodied persons under the age of fifty who do not have minor dependent children", to be unconstitutional. A permanent injunction is hereby issued prohibiting Dave Lewis, Director

Exhibit #8 3-28-86

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Efhibit #10 3-28-86 H.B. 9

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# Montana Catholic Conference

March 28, 1986

Chairman Jacobson and Members of the Committee:

I am John Ortwein representing the Montana Catholic Conference.

The responsibility for alleviating the plight of the poor falls upon all members of socieity. As individuals, all citizens have a duty to assist the poor through acts of charity and personal commitment. But private charity and voluntary action are not sufficient.

We also carry out our moral responsibility to help the poor by working collectively through government to establish just and effective public policies.

It is with this thought in mind that the Montana Catholic Conference opposes House Bill 9.



**HELENA, MONTANA 59624** 

#### ROLL CALL VOTE

SENATE COMMITTEE PUBLIC HEALTH, WELFARE AND SAFETY

Date MARCH 28, 1986 HOUSE Bill	No9	Time 5:55
NAME	YES	NO .
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SENATOR JUDY JACOBSON, CHAIRMAN	V	
SENATOR J. D. LYNCH, VICE CHAIRMAN		
SENATOR BILL NORMAN	レ	
SENATOR TOM TOWE		
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SENATOR TED NEWMAN		
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Chaire Generally Chairm		
Secretary Chairm	an	
Motion: A motion was made by Senator Tom	Towe that 1	HB 9 BE NOT
CONCURRED IN. Motion carried.		
		*

#### ROLL CALL VOTE

SENATE COMMITTEE PUBLIC HEALTH, WELFARE AND SAFETY

Date MARCH 28, 1986 HOUSE Bill No. 9 Time 5:50 NAME YES SENATOR JUDY JACOBSON, CHAIRMAN SENATOR J. D. LYNCH, VICE CHAIRMAN SENATOR BILL NORMAN SENATOR TOM TOWE SENATOR STAN STEPHENS SENATOR MATT HIMSL SENATOR TOM HAGER SENATOR TED NEWMAN Motion: A motion was made by Senator Stephens that HR 9 BE CONCURRED IN. Motion failed.

### STANDING COMMITTEE REPORT

NATO	<u>ሕ 28 1986</u>
MR. PRESIDENT	•
We, your committee on PUBLIC HEALTH, WRLFARE AND SAF	ett
having had under consideration	No
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ARRED CONSTITUTION RELATING TO LEVEL AND DURA	TION OF
RCONOMIC ASSISTANCE	
Winslow (Stephens)	
Respectfully report as follows: That ROUSE BILL	No.

**IBBANAS**X

XXXXXXXXX BE NOT CONCURRED IN

SENATOR JUDY JACOBSON

Chairman.