

HUMAN SERVICES SUBCOMMITTEE
49TH LEGISLATURE
SPECIAL SESSION III
June 12, 1986

Tape 9A:000

The meeting was called to order by Chairman Cal Winslow at 8:30 AM, Thursday, June 12, 1986 in the Old Supreme Court Chambers.

ROLL CALL: All committee members were present along with Peter Blouke and Taryn Purdy, LFAs.

DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES

Peter Blouke, LFA, gave an overview to the committee of the executive policy issue and the three LFA options referred to in Exhibit 1.

Developmental Disabilities

Dennis Taylor, Administrator of developmental disabilities division, stated that the department does not have enough resources to meet current needs. Mr. Taylor faces litigation from eligible clients whom the division can not currently serve. Family training and respite are extremely important. Mr. Taylor stated he is vigorously opposed to LFA recommendation.

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Senator Christiaens questioned Mr. Taylor about what his future plans are to do something different.

In response to Senator Christiaens question, Mr. Taylor indicated that a task force has been appointed and a study done on combining visual services and vocational rehabilitation with developmental disability, which failed. The developmental disability advisory council formed a task force and is currently looking into issues to address unmet needs and proposals to be presented to the 1987 legislature.

John Fils, Provider and Co-Chairman of the developmental disabilities legislative action committee, reinforced Mr. Taylor's testimony regarding the waiting list.

9B:041

Vocational Rehabilitation

Peter Blouke, LFA, gave an overview of the options listed on pg.2, Exhibit 1.

Maggie Bullock referenced to Exhibit 1 on extended employment,

stating that the executive proposal to reduce extended employment by \$15,000 means that 3 individuals will not receive services. It costs approximately \$1,000 to serve each individual.

8600 translates into approximately 8-9 people - approximately \$1,000 to serve each individual.

9B:098 TESTIMONY

Steve Waldron representing the Montana Association for Rehabilitation, referred to handout, Exhibit 2, VR/VS general fund FY86-87, which outlines the client-counselor ratios. Reference was also made to pg.B-38 "Budget Analysis" book, regarding vocational rehabilitation and visual services. Mr. Waldron urged the committee not to take the administrative 5% cuts.

Nancy Adams of Mental Health Services, Inc., spoke in opposition to reducing vocational rehabilitation.

Testimony was also heard from Phyllis Honka, Zana Smith and Bob Frazer all spoke in support of the visual services and vocational rehabilitation programs.

Peter Blouke, LFA, reviewed the policy issues in the governor's budget regarding the visual services program. (pg.3, Exhibit 1).

DEPARTMENT OF HEALTH & ENVIRONMENTAL SCIENCE

10A:000

Representative Bradley expressed apprehension regarding action taken earlier by the subcommittee to delete the apprenticeship bureau and made a motion for the committee to look further into this program before executive action is taken.

Motion PASSED.

Gene Huntington, referring to Exhibit 3, outlined the main points of the proposed legislation to replace general fund in the bureau with unemployment penalty and interest funds. Mr. Huntington specified that, should the program be eliminated, it would have to be phased out during fiscal 1987.

Representative Bradley moved that the subcommittee approve use of the interest funds for the apprenticeship bureau.

Motion FAILED.

Original motion to delete the bureau stands.

10A:261

Ray Hoffman, financial administrator of the department of health, referred to a handout showing the wastewater operator account cash balance. (Exhibit 5). The handout was prepared in response to the committee's question concerning the activities of the program, licensing fees charged, and the effect of the LFA issue to reduce the fund balance by \$27,000 on future fee levels.

Mr. Hoffman also made reference to Exhibit 6, showing the department's funding for the last 12-13 years and to Exhibit 7, showing the FTE levels for the same period of time. A portion of the increase in other funds shown in fiscal 1986 is associated with authority only. The environmental quality protection fund received \$1 million in authority, but there was no cash associated with this authority. The same is true for the \$50,000 contingency fund in the laboratories. Mr. Hoffman stated that the distinction between cash available to spend vs. appropriated authority is a major problem within the department of health.

Records and Statistics Bureau:

Mr. Hoffman urged reconsideration of the subcommittee's earlier action to use \$10,000 of the fund balance in the vital statistics account to replace a like amount of general fund in the records and statistics bureau, stating that the department planned to use the 5% transfer authority given in HB500 to transfer excess authority in the junk vehicle account to the records and statistics bureau to pay personal services, as the bureau would not meet their 4% vacancy savings requirement. The fund balance in the vital statistics account would be used to accept the transfer. Without this transfer, the department would have to eliminate an employee, according to Mr. Hoffman.

Motion was made to reconsider the motion to use the fund balance of \$10,000 in the vital statistics account to replace general fund in the financial management division.

Motion PASSED to reverse previous action.

EXECUTIVE ACTION

685 DEPARTMENT OF HEALTH & ENVIRONMENTAL SCIENCE
Environmental Sciences (Exhibit 8)

Taryn Purdy, LFA, gave an overview of executive vs. LFA proposals.

Personal Services:

Motion was made by Senator Christiaens to accept the executive recommendation.

Motion PASSED unanimously.

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Human Services Subcommittee

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EXECUTIVE ACTION (continued)

10B:000

DEPARTMENT OF HEALTH & ENVIRONMENTAL SCIENCE

Operating Expense:

Motion was made by Representative Rehberg to accept the executive recommendation.
Motion PASSED unanimously.

Grants:

Motion was made by Representative Rehberg to accept the executive recommendation.
Motion PASSED unanimously.

Funding:

Motion was made to use \$25,000 of fund balance in wastewater operators fund to replace general fund.
Motion PASSED unanimously.

Management Services:

Personal Services

Motion was made by Representative Rehberg to accept LFA.
Substitute motion was made by Senator Manning to accept the executive.
Substitute motion PASSED unanimously.

Chairman Winslow asked for clarification from Jan Dee May and Taryn Purdy before going into full appropriations on the use of the fund balance in the water test account to eliminate the department's need for a supplemental to cover lack of fees in the chemical laboratory.

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Health Services Medical Facilities (Exhibit 8A)

Personal Services:

Motion was made by Senator Christiaens to accept executive.
Motion PASSED.

Operating Expense:

Motion was made by Representative Rehberg to accept executive recommendation.
Motion PASSED.

10B:280

EXECUTIVE ACTION

DEPARTMENT OF HEALTH & ENVIRONMENTAL SCIENCES (CONTINUED)

Other Appropriations Bills: (Exhibit 8B)

Director's Office

HB344-Family Practice Residency:

Motion was made by Representative Rehberg to accept the executive level to reduce the family practice residency by \$1,750 of general fund.

Motion PASSED unanimously.

HB633-Subdivisions:

Motion was made by Representative Rehberg to accept executive recommendation to reduce the subdivisions program by \$6,991 of general fund.

Motion PASSED unanimously.

HB922-Hazardous Waste Transfer Facility:

Motion was made by Representative Rehberg to accept the executive recommendation to reduce the hazardous waste transfer facility authority by \$50,000.

Motion PASSED unanimously.

HB430-Genetics Program:

Motion was made by Representative Rehberg to accept the executive recommendation to reduce the genetics program by \$13,000 of general fund.

Director's Office (Exhibit C)

Personal Services

Motion was made to accept the LFA recommendation.

Motion PASSED.

Operating Expenses:

Motion was made to accept executive recommendation.

Motion PASSED.

Financial Management

Motion made to accept the LFA recommendation.

Motion PASSED.

(394) EXECUTIVE ACTION

DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES

Community Services Benefits: (Exhibit 9)

Peter Blouke, LFA, clarified the issue of other funds. Within the governor's budget the only reductions made were in the general funds. Governor's budget did not reduce any other funds such as county funds or federal funds associated with some of the benefit programs.

DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES CONTINUED

Community Services Benefits: (Exhibit 9)

10B:532

Chairman Winslow expressed the intent of the committee is to make a motion on the general fund dollar and then a motion in each department on whether to continue to give spending authority.

Day Care:

Motion was made by Representative Rehberg to accept the executive level of A & B general fund only.

Legal Services:

Motion was made by Representative Rehberg to accept the LFA recommendation eliminating the legal services.

Substitute motion was made by Senator Manning to accept the executive recommendation of \$50,000.

Substitute motion withdrawn.

Reverted back to original motion by Representative Rehberg.

Motion PASSED with Senator Manning opposed.

Chairman Winslow asked for a motion on spending authority in day care:

Motion was made to give spending authority to day care.

Motion PASSED unanimously.

The meeting was recessed for lunch at 12:05 PM.

The meeting reconvened at 1:30 PM, Thursday, June 12, 1986 with public testimony being heard in the AFDC area.

AFDC

11A:011

TESTIMONY

Bob Fraser, Priorities for People, gave testimony regarding a pilot project of college training programs for AFDC recipients and submitted a handout, Exhibit 4. Mr. Lewis also addressed the pilot project and submitted a handout, Exhibit 6.

Dave Lewis, SRS, pointed out to the committee that a change in the department's rule to allow a woman to work outside the home for 25hrs./week and still be eligible for AFDC.

11A:182

Motion was made by Representative Bradley to endorse a pilot project between the University system and SRS for AFDC.

Motion PASSED unanimously.

The subcommittee then turned to HB12 passed during the March special session, which provides for a training program for GA recipients.

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Lee Tickell, Administrator of the economic assistance division submitted a handout, Exhibit 7, on the structured job search training and work program. Mr. Tickell briefly skimmed through the proposals beginning on pg.2, and gave a brief description of Phase I,II and III. He stated all contracts for the three phases would be run through the department of labor subject to SRS.

Mr. Lewis stated that the able bodied persons would be limited to 60 days of GA. Cutoffs would not begin for 5 months, first cutoff being December 1. The department of labor would use their staff for the training program and would report to the legislature and evaluate this program. The average length of time an individual receives GA is 3.1 months, therefore, a 60-day limit would be a 1/3 reduction.

The subcommittee heard additional public testimony in support of the AFDC and GA programs.

Marie Schreiber, Great Falls, opposed the AFDC cuts and supported the college program.

Barbara Thom, Anaconda Concerned Citizens, spoke in opposition to her ineligibility for food stamps due to her attending college.

Karen Anderson, BCU/MLIC, spoke in opposition to the rules of welfare benefits due to eligibility for financial aid to attend school.

Sue Fifield, MIC life inc., opposed cuts or reductions in the AFDC payment level.

Diane Sands, Women's Lobbyist Fund, spoke in support of higher education toward self sufficiency. She also spoke in support of the SRS proposed freeze of AFDC payments and in opposition to the LFA options for reducing AFDC payment levels.

11B:018

John Ortwein, Montana Catholic Conference spoke in support of direct job-creation programs for the long-term unemployed with special needs.

Helena Nicholls, BCU, read letters in support of a crime victims program and of higher education for AFDC clients.

Marie Christopher, Butte Communion Union, opposed the reduction in GA benefits to able-bodied recipients.

Don Judge, representing the Montana AFL-CIO spoke in opposition of eliminating the GA recipient after 2 months stating that this cutoff does not allow recipients 6 months to complete the program - which is sometimes the rule. Mr. Judge spoke of possible litigation should the governor's proposal pass.

Maria Nyberg, Assistant Director, God's Love, Inc., Helena, spoke in support of programs designed to help individuals achieve independence from social programs.

Reverend Joe Warren, Butte Communion Union and Low Income Coalition, expressed concern that recipients would drop off GA due to the required training hours and opposed the 2 month limit.

Robert Montgomery, Joe Mann and Eric Barnes all from LITE, Missoula, opposed any changes in GA.

Ron Wilson, Anaconda Concerned Citizens, spoke in opposition to the 2-month limit.

Nancy Cretcher, Dolly Billon, spoke in opposition to any cutbacks in GA.

Chet Kinsey, Chairman of the Mt. Low-Income Coalition, opposed any GA cutbacks and spoke in support of increased action for these programs.

Judith Carlson, National Association of Social Workers', submitted a handout, Exhibit 8, and spoke in opposition to cuts in AFDC.

Diane Sands, Women's Lobbyist Fund, spoke in opposition to the 2-month limit in GA benefits for the able-bodied recipients.

12A:076

Chairman Winslow thanked everyone for coming and with no further public testimony on AFDC, the committee went into the general assistance and AFDC issues.

Peter Blouke, LFA, reviewed the AFDC issues and stated that the 3 issue, Exhibit 9, and the governor's recommended reductions be resolved. 1) caseload, 2) payment level and 3) available fiscal 1987 funds.

12A:150

Mr. Blouke, LFA, referenced to Exhibit 10, showing the various executive proposals and LFA options and the executive and LFA caseload projections. The executive budget projects a total expenditure for GA of \$5,099.903 in FY1987. He stated that the committee has three options: 1) freeze benefit level, 2) take no action, or 3) reduce payments to a lower percentage of poverty.

The issues to be addressed per Exhibit 9, pg.2, in the aid to families with dependent children, are: 1) caseload, 2) payment level, 3) available fiscal 1987 funds, and 4) federal matching rate.

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Lee Tickell submitted a handout, Exhibit 12, which indicated where SRS is in comparison to the current projections. Chart 2 shows the average payment level and average length of time recipients receive benefits.

Interaction between Lee Tickell, Senator Story, Chairman Winslow, Peter Blouke and Dave Lewis, on where the department stands on caseloads in comparison to the executive and LFA budget figures. Dave Lewis stated that the figures on Exhibit 12 are the most recent.

Another handout, Exhibit 13A through 13H, was submitted by Mr. Tickell, who indicated that the first two charts are the same except that one represents a freeze in payments and the other represents an additional inflationary factor of 4%. Chart 3 is a recent breakdown showing counties and cases by month. Chart 4 projects the amount of savings that could be expected from 1 to 3 month limitation on benefits paid. Chart 5 shows total new cases. Chart 6 shows the number of cases for various months.

12B:004

Continued interaction between Lee Tickell, Dave Lewis and committee on workfare slots (chart 7, Exhibit 13).

Low-Income Coalition submitted a proposal to the committee limiting the number of cutoffs from utilities until the end of the heating season, April 1. The proposal would reallocate LIEAP funds from those with fund balances to those with a negative fund balance. Those paying 5% of their income for heating fuel would not have to pay more. Balances from other LIEAP customers would be used to cover any back bills.

12B:139

TESTIMONY: (LIEAB)

Sue Fifield, Missoula, stated that a study began in 1984 on the underserved low-income clients. A Matrix system was started so everyone, regardless of income, would pay on a percentage basis. Ms. Fifield also submitted a handout, Exhibit 14A & B.

Reverend Joe Warren, representing Butte Community Union and Montana Low-Income Coalition, read from Exhibit 14A, and stated that the matrix system does not cover the poorest of the poor living in poorly insulated older homes.

Carolyn Goods, Great Falls Concerned Citizens Coalition, expressed concern about winter utility payments and spoke in support of reallocating LIEAP funds.

Marie Schriver, Great Falls, Concerned Citizens Coalition, read her testimony expressing support in reallocating LIEAP funds.

Dave Lewis stated that LIEAP clients had unpaid bills amounting to \$1.3 million dollars and that \$700,000 client credit that could be applied towards this amount. The proposal is that we would only reallocate to those clients paying 5% of their income. Mr. Lewis stated that it would be hard to determine what each client owes. Jim Noland, SRS, stated that there will be approximately \$400,000 unexpended funds at the end of this year.

Jim Noland, SRS, stated that on a sliding scale, above 125% poverty clients would receive 3/4 of the matrix amount; below 100% of poverty would receive the full matrix amount. Representative Bradley asked Mr. Noland what the other states are doing? Mr. Noland stated that only a couple of states have gone to a similar percentage of income scheme and that it is difficult to plan for due to the differences in severity of weather from year to year. SRS stated in this proposal to allow people to carry over up to \$100 of their LIEAP benefits to instill some conservation measures.

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Marcia Dias, Low-Income Coalition, stated that Colorado converted from a matrix system similar to Montana's to a percentage of income, and had great success. The coalition hopes the state of Montana will look at something like this or do a pilot study.

The meeting was recessed at 5:00 PM to be reconvened again at 7:00 PM this evening.

Tape: 13A:000

The meeting was reconvened at 7:00 PM, Thursday evening, in the Old Supreme Court Chambers.

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EXECUTIVE ACTION

Community Services

Domestic Violence:

Motion was made by Representative Rehberg to accept the executive proposal to freeze benefits with fiscal 1986 level.

Motion PASSED unanimously.

Big Brothers & Sisters:

Motion was made by Representative Rehberg to accept the executive proposal A & B.

Substitute motion was made by Senator Christiaens to reduce the big brothers & sisters program by 10% rather than 50% and inform them that further reductions would be made to general fund support and recommending that they find other sources of funding.

Motion PASSED with Senator Story opposed.

Motion was made to reduce general fund only in the big brothers & sisters program.

Motion PASSED unanimously.

Home Health:

Motion was made by Representative Rehberg to accept the executive A & B.

Substitute motion by Representative Bradley to remove the \$15,000.

Motion PASSED unanimously.

West Yellowstone:

Representative Rehberg made a motion to accept executive level to include a reduction in other funds in addition to general fund.

Motion PASSED unanimously.

Subsidized Adoption:

Motion made by Representative Rehberg to accept executive level.

Motion made giving this program additional federal spending authority equal to the general fund reduction.

Motion PASSED.

Supplemental Income:

Motion made by Representative Rehberg to accept executive A & B.

Motion PASSED.

EXECUTIVE ACTION

13A:314

Community Services:

Aging:

Motion was made by Representative Rehberg to accept executive level.
Motion PASSED.

Training:

Motion was made by Representative Rehberg to accept executive level.
Motion PASSED.

Alcohol and Drugs:

Motion was made by Representative Rehberg to accept executive level.
Motion PASSED.

Foster Care:

Motion was made by Representative Rehberg to accept executive level -specifically mentioning horizon home and kings hill.
Motion WITHDRAWN.

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Developmental Disabilities (Exhibit 16

Motion was made by Representative Rehberg to accept the executive level.
Motion PASSED.

Interaction took place between the committee members and John Fils, Dave Lewis, Dennis Taylor and Steve Waldron with regard to LFA Option C to prepare an implementation plan to be presented to the 1987 legislature that could reorganize the developmental disability service delivery system.

Substitute motion made to accept LFA Option C.
Motion PASSED with Senator Christiaens opposed.

Operating Expense:

Motion was made by Senator Christiaens to accept the LFA recommendation to eliminate the entire legal services contract.
Motion PASSED with Representative Rehberg and Senator Storey opposing.

DEPARTMENT OF SOCIAL & REHABILITATION SERVICES
13B

EXECUTIVE ACTION

5% reductions and administrative cuts:

Social Services

Personal Services:

Motion was made by Representative Rehberg to accept the executive vote eliminating 12 social worker positions for FY1987.

Substitute motion was made by Representative Bradley to add 6 FTE's, phasing in 3 and 3.

Motion FAILED on a three vote.

There was general discussion between Senator Christiaens, Representative Bradley, Senator Story and Senator Manning regarding the overload of clients by social workers, where to make cuts, eligibility of clients and funding.

Motion reverted back to original motion by Representative Rehberg to accept executive vote.

Motion PASSED.

Operating Expense:

Motion was made to accept the LFA recommendation for operating expenses, adjusted to reflect the operating expenses associated with the 12 social worker positions.

Motion PASSED unanimously.

Economic Assistance

Personal Services:

Motion was made by Representative Rehberg to accept the executive recommendation.

Motion PASSED unanimously.

Operating Expenses:

Motion made to accept the executive recommendation.

Motion PASSED unanimously.

Eligibility Determination

Motion was made by Representative Rehberg to accept executive FTE and personal services.

Motion PASSED unanimously.

Motion was made to lift the restriction of hiring eligibility technicians in the non-assumed counties so long as no general funds were spent or obligated.

Motion PASSED with Senator Christiaens opposed.

EXECUTIVE ACTION (continued)

Administrative and Support

Motion was made to accept executive personal services recommendation, which included elimination of .5 lawyer. Motion PASSED unanimously.

Operating Expense:

Motion was made by Representative Rehberg to accept the executive recommendation. Motion PASSED.

Meeting adjourned at 9:30 PM.



Cal Winslow, Chairman