

HUMAN SERVICES SUBCOMMITTEE  
49TH LEGISLATURE  
SPECIAL SESSION III  
June 13, 1986

The meeting was called to order by Chairman Cal Winslow at 8:30 AM, Friday, June 13, 1986 in the Old Supreme Court Chambers.

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

EXECUTIVE ACTION

14A:018

County Assumption

Operating Expenses:

Motion was made to accept the executive recommendation.

Motion PASSED unanimously.

Medical Assistance

Personal Services:

Motion was made to accept the executive recommendation.

Motion PASSED unanimously.

Operating Expense:

Motion was made to accept the executive recommendation.

Motion PASSED unanimously.

Audit & Program Compliance

Personal Services:

Motion was made to accept the executive recommendation, for total general fund reduction of \$28,864 and elimination of 3 FTE's.

Motion PASSED unanimously.

Vocational Rehabilitation:

Personal Services:

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

Motion PASSED unanimously.

Operating Expense:

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

Motion PASSED.

EXECUTIVE ACTION (Continued)

Visual Services:

Personal Services:

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

Operating Expenses:

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

14A:188

Developmental Disabilities:

Personal Services:

Motion was made by Representative Rehberg to accept the executive recommendation.  
Motion PASSED with Senator Manning opposed.

Operating Expenses:

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

This concluded all 5 percent reductions and LFA issues that relate to administration.

Tape 15A:1.00

The committee heard testimony on the executive and LFA issues for benefits in the medical assistance division.

Medical Waiver:

LFA issue proposes a reduction of \$229,882 of general fund, approved in the 1985 session for expanded services in FY1987. Other funds reduced would equal \$397,420, for a total reduction of \$627,302. (Issue presented on pg.B-79 of "Budget Analysis").

Dave Lewis, SRS, commented that expansion into other areas will take awhile to build up clients. Kalispell has a lot of activity and the waiver site would fill up quite rapidly. They are in the process of contracting for the remaining waiver sites at this time.

Chairman Winslow asked for public testimony on the medicaid waiver. Senator Dorothy Eck stated that if the expanded service is not approved for Bozeman, this program would not continue and that could be detrimental to service for the elderly.

State Medical:

Similar to GA program, providing medical services to those not otherwise eligible for federal programs. Executive would freeze benefits at the fiscal 1986 level. General fund savings total \$151,311.

Youth Treatment Center:

The LFA issue is presented on pg.B-80, Budget Analysis book. This program has not yet been certified as eligible for medicaid reimbursement. General fund savings associated with this option is: \$651,993.

Medicaid other:

Executive recommended freezing benefits at the fiscal 1986 level for a reduction of \$432,292 of general fund. According to the LFA, \$1,606,298 of federal funds were not considered for elimination in the executive recommendation. The committee could also remove the authority for the federal funds.

TESTIMONY:

Tape 15A:20.28

Dr. Dean Ross, Physician in Physical Medicine, Missoula, spoke on behalf of the Montana Association of Physical Medicine and Rehabilitation, is very much concerned with this issue. Handout, Exhibit 3, contains information compiled for the committee's information. Elimination of optional services and community based programs will have a negative impact in economical terms, resulting in additional expenditures. They oppose any cuts in rehabilitation services.

Joy McGrath, representing the Mental Health Association of Montana, opposed reductions in medicaid other services. Reducing these services will be more costly in the future. MHA would prefer to see increased taxes in programs to help the mentally ill.

Dr. Rick Emery, Clinical Psychologist, and member of the Montana Psychological Association, wanted the committee members to be aware of the possibility of eliminating optional services to medicaid clients and what a negative effect that would have. Without psychological services, many would have to return to Montana State Hospital, costing the state 100% general fund for 70 clients at \$120/day. Medicaid is a relatively inexpensive method to deliver psychological service.

Steve Waldron, representing the Montana Council of Mental Health, stressed the importance of medicaid optional services to the chronically mentally ill.

Assistance Payments Program:

Emergency General Assistance Program:

This program was created to assist individuals who would be removed from GA caseload per HB873, passed during the last legislative session. HB500 restricts the use of this money to this program. Both the executive budget and LFA recommended eliminating this program.

Assistance Payments Program (continued)

Tape 15A:31.15

Mill Levy:

Estimates have exceeded the appropriated levy and the LFA option, explained on page B-77 "Budget Analysis", is to increase the mill levy authority, reducing the general fund by corresponding amount.

EXECUTIVE ACTION

34.33

Motion was made by Representative Rehberg to accept LFA recommendation for the mill levy increase and a corresponding reduction in general fund during fiscal 1987.  
Motion PASSED unanimously.

General Assistance

Peter Blouke, LFA, referenced Exhibit 4 on general assistance and explained the outline of the handout. With no changes, projections are that SRS would need a \$1,220,774 supplemental. Available funds relate to projections for fiscal 1986 expenditures. Executive A & B of the exhibit, show the fiscal impact of adopting the various options. However, the committee needs to decide on a payment level and projected caseload.

Motion was made to accept \$217.71 as the projected payment level.

Motion PASSED unanimously.

Executive A option is similar to action taken on benefits in other programs by freezing the benefit levels at fiscal 1986 level. Payment for fiscal 1986 would be \$209.

Tape 15B:0.00

Motion was made to accept executive A.

Motion PASSED unanimously.

Executive proposal B: Limiting GA to two months in any twelve-month period, reducing the caseload by 3.4%.

Motion was made to accept executive B. Questioned by Senator Christiaens of whether this gives HB12 a chance to show any successes. Chairman Winslow asked if there would be a law suit filed and an injunction.

Representative Bradley, for consideration, suggested a possibility of a 6-month limit on benefits, beginning in October.

Substitute motion was made by Senator Christiaens to delay implementation of 2-month limit until November 1.

Representative Bradley amended the motion to make it a 6-month limit after the October date.

General Assistance (continued)  
Tape 15B: 17

Motion FAILED,

Motion then reverted back to substitute motion by Senator Christiaens of November 1.

Substitute motion PASSED unanimously.

AFDC

Referring to Exhibit 5, LFA briefly explained the difference in caseload and payment level. The committee interrupted their discussion of AFDC to discuss the medical waiver program.

Medical Waiver:

LFA referring to Exhibit 1, discussed the executive proposal freezing the benefits at the fiscal 1986 level, reducing the appropriations by \$15,953 of general fund. Other funds shown on Exhibit 1 are for information only and are not part of the governor's proposal. LFA proposed reducing the waiver by \$229,882 of general fund, plus associated other funds of \$397,420.

Motion was made to accept executive general fund savings of \$15,953.

Substitute motion by Representative Rehberg is to give an additional \$125,000 to the original motion of \$15,953 making a total of \$140,953 general funds and also to give spending authority to the department to transfer into FY86-FY87 funds.

Motion PASSED unanimously.

Motion was made to remove the corresponding other funds and that the department and Peter Blouke, LFA, plus the governor's office, to work out the exact numbers.

Motion PASSED unanimously.

State Medical:

(Exhibit 1, pg.2) The executive proposal would freeze these benefits at the fiscal 1986 level. General fund savings total is \$151,311.

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

Motion PASSED unanimously.

Tape 15B:

Montana Youth Treatment Center:

(Exhibit, pg.3) LFA removed medicaid funds and general fund appropriated for fiscal 1987, as the facility is not medicaid certified for a general fund savings of \$651,000 and a savings of federal funds totaling \$1,350,441.

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

Medicaid Other:

(Exhibit 1, pg4) The executive proposal would freeze benefits at the fiscal 1986 level for a general fund savings of \$432,292.

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

Motion was made by Representative Rehberg to reduce corresponding funds.  
Motion PASSED unanimously.

Emergency General Assistance:

These are funds set aside to assist individuals affected by the changes in the GA program. Since there are no changes in the program, due to the supreme court decision, the department is restricted in the use of these funds.

Motion was made by Representative Rehberg to accept the LFA recommendation to remove the \$100,000 appropriation.

Senator Christiaens wanted clarification on how this was spent up to this point. LFA responded saying this is a one time appropriation for this biennium only to be used to assist the GA clients affected by HB843.

Motion PASSED unanimously.

Tape: 15B:38.13

AFDC:

These figures were calculated using the adjusted federal match rate. There are two types of recipients: regular caseload and unemployed parent. The LFA projects the average monthly projected caseload for fiscal 1987 to be \$8,753. Unemployed parent caseload is \$428.46. If no changes are made in the program, SRS will require a general fund supplemental for fiscal 1987 of \$2.9 million. The executive projection for

EXECUTIVE ACTION (continued)

AFDC (continued)

The regular caseload is higher than LFA at \$8,848. Average payment levels also differ with the LFA estimate by \$339.41 and executive \$328.96. Unemployed parent: executive higher than LFA. The executive estimates that with no changes, \$11,816,573 of general fund is needed in the unemployed parent.

It was stated that the committee should decide the caseload level and payment level before action is taken on any of the options.

16A:000

Motion was made by Representative Rehberg to accept the LFA \$8,753.

Motion PASSED unanimously.

Payment Level:

Motion was made by Representative Rehberg to accept the executive level for the regular payment \$328.96.

Motion PASSED.

Motion was made by Representative Rehberg to accept the LFA unemployed parent level of \$428.46.

Motion PASSED unanimously.

Supplemental:

Motion was made by Representative Rehberg to accept executive.

Motion PASSED.

The meeting recessed for lunch at 12:00 PM

The meeting reconvened at 1:30 PM with continuation of executive action.

17A:summary:

Day Care:

Executive cross the board rate freeze. Benefits were also frozen. Reduction is \$7,833.

Motion was made by Representative Rehberg to accept the governor's 5% cut.

Motion PASSED unanimously.

DEPARTMENT OF LABOR AND INDUSTRY

Taryn Purdy, LFA, reviewed the figures for labor and industry, summarizing the executive 5% cuts by personal services and by operating expenses. (Exhibit 6). All 5% cuts were taken out of labor and industry. The apprenticeship bureau was eliminated for a general fund saving of \$150,760.

Employment Services:

The committee switched funding for pre-employment training & dislocated workers totaling \$209,000 from general fund to unemployment insurance penalty and interest funds.

Division of Workers' Compensation:

\$100,000 of the balance in the crime victim fund was transferred to the general fund.

Chairman Winslow clarified that the subcommittee helped the general fund by \$396,664 in cuts and funding switches, plus an additional \$100,000 in the crime victim fund transfer, for a total of \$496,664.

DEPARTMENT OF HEALTH & ENVIRONMENTAL SCIENCES

All cuts taken were part of the governor's 5% reductions. Total general fund cuts totaled \$161,135. Total state revenue cuts totaled \$155,374. Total cuts taken by the subcommittee totaled \$316,509. In addition, \$25,000 was transferred to the general fund from the waste water operators account.

Tape 17A:8.37

DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES

Exhibit 7, summary sheet for SRS, is a breakdown by program area of the 5% cuts and benefit reductions by the individual programs.

Total agency 5% cuts:		general fund
Benefit cuts:	\$4,354,383	general fund
	\$2,461,145	other funds
Grant Total reductions:	\$6,815,528	

Note: (Projected caseload and payment levels for AFDC exceeded those in the 1985 legislative session with no changes. The department faced a \$2,754,761 general fund supplemental. Subcommittee has reduced the supplemental need by \$510,984 to \$2,245,777).



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DEPT. OF SRS (continued)

Tape 17A:19.15

Motion was made to adopt the new federal match for all benefit calculation and reduce general fund accordingly.  
Motion PASSED unanimously.

Chairman Winslow thanked the committee and departments for their patience this past week. Mr. Winslow stated the committee has made some realistic cuts without devastating programs and hopefully will carry on next week in appropriations in the same spirit and get the job done for the state of Montana.

Meeting adjourned at 2:15 PM

  
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Cal Winslow, Chairman

DAILY ROLL CALL

HUMAN SERVICES

SUBCOMMITTEE

49th LEGISLATURE SPECIAL SESSION III

Date June 13, 1986

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