

MINUTES OF THE MEETING  
APPROPRIATIONS COMMITTEE  
50TH LEGISLATIVE SESSION

The meeting of the Appropriations Committee was called to order by Chairman Rep. Gene Donaldson on February 18, 1987, at 1:00 p.m. in Room 104 of the State Capitol.

ROLL CALL: All members were present at the meeting except Rep. Nathe who was excused. Also in attendance were Judy Ripplingale, LFA and Denise Thompson, Secretary.

EXECUTIVE ACTION:

HB 189:

Rep. Swift stated the subcommittee recommendation was to DO PASS HB 189.

Rep. Swift moved to DO PASS HB 189. Rep. Menahan called the question. The motion CARRIED unanimously.

HB 382:

Rep. Connelly explained that she would like to remove the Insurance portion out of the bill and just address the building portion. She presented a proposal regarding the building portion (Exhibit 1).

There were questions on different items of the bill.

Rep. Connelly moved to amend out the insurance portion of the bill which will be introduced as a resolution. Rep. Bardanouve called the question. The motion CARRIED unanimously.

Rep. Menahan moved to wait until the next meeting of the committee when the amendments are before the committee, before taking action on the bill. Or hold until Friday.

Rep. Devlin called the question. The motion CARRIED unanimously.

HB 309: (27:A:21.20)

Rep. Rehberg reported to the committee that HB 309 came down to the General Government Subcommittee to be heard. Rep. Quilici presented information to the committee which was requested in the prior meeting regarding the bill (Exhibit 2). He again stated that this bill would transfer the administration of the Crime Victims Fund from Workers' Comp

to the Crime Control Division. The two changes in the bill would be: 1) weekly benefits in this have been raised to one half the state's average weekly wage. It originally said \$125, now it says the one half the state's average weekly wage, which is \$149; and 2) It also raised the funeral benefits from \$1,100 to \$2,000 to make it more commensurate to what they had to spend on funerals in the past. He also brought up, in this program a supervisor will transfer over to the Crime Control Division with this program. They are also requesting that a secretary, grade 8 will be hired to support the program.

Rep. Rehberg, Chairman of the General Government and Highways Subcommittee, said the subcommittee recommended the bill do pass. Rep. Quilici moved that HB 309 DO PASS. Rep. Thoft called the question. The motion CARRIED unanimously.

HB 277: (27:A:31.40)

Rep. Rehberg stated the bill passed out of the subcommittee with a DO PASS as AMENDED (Exhibit 3). He stated the bill basically places a \$50 reinstatement fee on driver's licenses that have been taken away as a result of DUI. The intent of the legislation is to take the fee, put it into an earmarked fund for pass through to the local level for programs on drinking. The subcommittee had a problem with appropriating funds for the program when they didn't know what the revenues would be. They also had a problem with starting up a new earmarked revenue account.

Rep. Rehberg moved the amendments DO PASS. Rep. Connelly said the amendments would defeat the purpose of the bill. The money should go to the counties for the purpose intended. She stated she opposed the amendments. Rep. Thoft called the question. Reps. Connelly, Manuel and Bardanouve voted NO. The motion CARRIED.

Rep. Connelly moved to DO PASS AS AMENDED House Bill 277. Rep. Quilici called the question. Reps. Menke, Nathe, Thoft, and Iverson voted NO. The motion carried.

HB 724: (27:B:5.00)

Rep. Miller stated he had two additional amendments plus he also handed out the two amendments covered in the previous meeting. The first new amendment would be to amend Page 5 line 2, strike 1989 and insert 1991. That would put the sunset as 1991 as they feel it needs a little time to work out. The second amendment is Page 3, line 17 after legislature, insert "The cost of upgrades ordered by the court may not be paid from the vacancy savings pool but those agencies

affected by court ordered upgrades are not excluded from receiving funds from the pool for vacancy savings if all other conditions of Section 3 are met."

Ms. Ripplingale was asked to address the court order amendment. She stated it was to address the issue that the labor unions had brought up the previous day, that sometimes if the court orders an upgrade then the agency had no control over that and if they had legitimate problems other than those court ordered upgrades could they still come to the pool. This says we are going to pay the court out of the pool but if they are court ordered, and the agency finds some other way to deal with them, and it meets all the other criteria like they would have if there had not been court order, then they can go to the pool.

Rep. Miller moved to APPROVE the four amendments. Rep. Winslow called the question. Rep. Connelly voted NO. The motion CARRIED. Rep. Miller moved HB 724 DO PASS AS AMENDED. Rep. Peck called the question. There was a roll call vote. Reps. Donaldson, Winslow, Connelly, Manuel, Menahan, Menke, Miller, Peck, Poulsen, Quilici and Switzer voted YES. Reps. Thoft, Bardanouve, Bradley, Devlin, Iverson, Rehberg, Spaeth, and Swift voted NO. The motion CARRIED.

HB 372: (27:B:28.00)

Rep. Rehberg reported the General Government Subcommittee recommended HB 372 do pass. He stated the bill would allow an increase insurance fees in order to get some examiners out there to see what the insurance companies are doing out there.

Rep. Rehberg moved that HB 372 DO PASS. Rep. Quilici called the question. The motion CARRIED unanimously.

HB 600:

Mr. Dave Lewis, Director of SRS handed out information regarding the bill (Exhibit 5). In regard to the question asked by the committee, "Where does Montana rank as far as expenditures are concerned for public welfare?" From the Department of Commerce, from 1985, in the 17 western states, Montana ranked third in expenditures for welfare per \$1,000 of personal income. Montana spent \$21.16, some of the surrounding states were: Idaho with \$13.00; Wyoming with \$14.00; North Dakota was \$20.00; South Dakota was \$15.00. This includes all welfare expenditures. The other question the committee asked was about the number of cases in various states and the packet also has an explanation of what the other states offer as far as general assistance. In the

west, only California has a program for the able bodied unemployed. The other states are very restrictive as far as their program being only for disabled people. Mr. Lewis briefly reviewed what would be in the packet.

Rep. Bradley expressed concern with understanding Mr. Lewis' position on this issue because he has testified against HB 600 because he feels turning this back to the counties will eliminate everything altogether. He has testified in the past in favor of the 2 month limitation. Then he testified against Rep. Bradley's bill on employability which would have put the 2 months at 6 months. She asked why putting this back to the counties would get rid of it. It surely wouldn't cost the counties any more than the 12 mills if they were to put it at 2 months right now. Mr. Lewis responded by saying his position on HB 600 was, based on what has happened in the other 44 counties in the state in the long term, he doesn't think the county taxpayers in the 12 counties would be willing to pay the bill. He felt it would be voted to eliminate the assistance. His position is that they have been trying to limit the program. He has argued and supported the limitation. They have never supported totally eliminating general assistance, he feels the effect of this would be to eliminating general assistance because the taxpayers would not be willing to carry the mill levy for that program. Rep. Bradley asked him if he was opposed to the 6 months because it was too long. Mr. Lewis stated his testimony on that bill was from the prospective that it cost more than the 2 months that was originally proposed by him. His other concern was that the general assistance clients be screened as to employability. Rep. Bradley asked if he thought 4 months was too much. Mr. Lewis replied that 4 months was 2 more than 2 months. She asked him why 2 months was so magic, the counties with the 12 mills could support a program on the 4 month program easily.

Rep. Menahan moved HB 600 DO NOT PASS. Rep. Winslow made a SUBSTITUTE motion that HB 600 DO PASS.

Rep. Bradley asked Ann Mary Dussault to address some the concerns Missoula County has with this bill. Ms. Dussault, County Commissioner, stated that it was a bunch of crap. Missoula County recognizes perfectly well what's happening to their caseload. Missoula County approached the state and said, we think by a good screen program, we can reduce the cost of medical. She thinks that this data is beginning to show that is true. What we show in the data is that 24 percent of that caseload is SSI/SSD eligible. If that is true, that caseload is a chronically ill chronically disabled population. That is what the data begins to show. She asked the committee why the state isn't more aggressive about looking at that population and seeing if they are

eligible. If that is true in Missoula County, it could also be true in all of the populations across the state. Even that in itself shows that 20 percent should not be on the program, and we don't have a good screening program to get them where they ought to be. Missoula County has taken a higher interest in this program and getting people into the kinds of services and the kinds of programs they should have. They have done their best to reduce that population. She suggested to the committee that they had one of the best work fare programs before anyone else thought it was a good idea.

Rep. Winslow responded by saying that he felt there are a lot of people that need to be screened and moved to SSI etc. Frankly, there is no incentive to do it. Missoula County has done a better job than some of the others, but there is no incentive when there is no accountability. There is absolutely none.

Rep. Bradley moved to pass the bill for the day. The motion failed.

Rep. Donaldson stated he would vote for the bill even knowing it would hurt his county a little. Somebody better come to grips with this thing. He said he hoped that some people would have some information to help deal with this bill a little bit.

The question was called on the substitute motion and there was a roll call vote. Reps. Donaldson, Thoft, Winslow, Devlin, Iverson, Menke, Rehberg, Spaeth, Swift, and Switzer voted YES. Reps. Bardanouve, Bradley, Connelly, Manuel, Menahan, Miller, Poulsen, and Quilici voted NO. The motion CARRIED by a vote of 10 to 8.

ADJOURNMENT:

There being no further business before the committee, the meeting was adjourned at 3:05 p.m.

  
Rep. Gene Donaldson, Chairman

## DAILY ROLL CALL

APPROPRIATIONS

COMMITTEE

50th LEGISLATIVE SESSION -- 1987

Date

2/18/87

| NAME                         | PRESENT | ABSENT | EXCUSED |
|------------------------------|---------|--------|---------|
| DONALDSON, GENE (Chairman)   | ✓       |        |         |
| THOFT, BOB (Vice Chairman)   | ✓       |        |         |
| WINSLOW, CAL (Vice Chairman) | ✓       |        |         |
| BARDANOUE, FRANCIS           | ✓       |        |         |
| BRADLEY, DOROTHY             | ✓       |        |         |
| CONNELLY, MARY ELLEN         | ✓       |        |         |
| DEVLIN, GERRY                | ✓       |        |         |
| IVERSON, DENNIS              | ✓       |        |         |
| MANUEL, REX                  | ✓       |        |         |
| MENAHAN, WILLIAM "RED"       | ✓       |        |         |
| MENKE, LARRY                 | ✓       |        |         |
| MILLER, RON                  | ✓       |        |         |
| NATHE, DENNIS                |         |        | ✓       |
| PECK, RAY                    | ✓       |        |         |
| POULSEN, HAROLD              | ✓       |        |         |
| QUILICI, JOE                 | ✓       |        |         |
| REHBERG, DENNIS              | ✓       |        |         |
| SPAETH, GARY                 | ✓       |        |         |
| SWIFT, BERNIE                | ✓       |        |         |
| SWITZER, DEAN                | ✓       |        |         |
|                              |         |        |         |
|                              |         |        |         |
|                              |         |        |         |

# ROLL CALL VOTE

HOUSE APPROPRIATIONS COMMITTEE  
 DATE 2/18/87 BILL NO. H.B. NUMBER 600

| NAME                            | AYE | NAY |
|---------------------------------|-----|-----|
| Rep. Gene Donaldson, Chairman   | ✓   |     |
| Rep. Bob Thoft, Vice Chairman   | ✓   |     |
| Rep. Cal Winslow, Vice Chairman | ✓   |     |
| Rep. Francis Bardonoue          |     | ✓   |
| Rep. Dorothy Bradley            |     | ✓   |
| Rep. Mary Ellen Connelly        |     | ✓   |
| Rep. Gerry Devlin               | ✓   |     |
| Rep. Dennis Iverson             | ✓   |     |
| Rep. Rex Manuel                 |     | ✓   |
| Rep. Red Menahan                |     | ✓   |
| Rep. Larry Menke                | ✓   |     |
| Rep. Ron Miller                 |     | ✓   |
| Rep. Dennis Nathe               |     |     |
| Rep. Ray Peck                   |     |     |
| Rep. Harold Poulsen             |     | ✓   |
| Rep. Joe Quilici                |     | ✓   |
| Rep. Dennis Rehberg             | ✓   |     |
| Rep. Gary Spaeth                | ✓   |     |
| Rep. Bernie Swift               | ✓   |     |
| Rep. Dean Switzer               | ✓   |     |
|                                 |     |     |
|                                 |     |     |

TALLY

MOTION PASSED

10

8

Denise Thompson  
Secretary

Rep. Gene Donaldson  
Chairman

MOTION: Rep. Winslow made a SUBSTITUTE MOTION that HB 600 DO PAS

# ROLL CALL VOTE

HOUSE APPROPRIATIONS

COMMITTEE

DATE 2/18/87 BILL NO. \_\_\_\_\_ HOUSE BILL NUMBER 724

| NAME                            | AYE | NAY |
|---------------------------------|-----|-----|
| Rep. Gene Donaldson, Chairman   | ✓   |     |
| Rep. Bob Thoft, Vice Chairman   |     | ✓   |
| Rep. Cal Winslow, Vice Chairman | ✓   |     |
| Rep. Francis Bardanouve         |     | ✓   |
| Rep. Dorothy Bradley            |     | ✓   |
| Rep. Mary Ellen Connelly        | ✓   |     |
| Rep. Gerry Devlin               |     | ✓   |
| Rep. Dennis Iverson             |     | ✓   |
| Rep. Rex Manuel                 | ✓   |     |
| Rep. Red Menahan                | ✓   |     |
| Rep. Larry Menke                | ✓   |     |
| Rep. Ron Miller                 | ✓   |     |
| Rep. Dennis Nathe               |     |     |
| Rep. Ray Peck                   | ✓   |     |
| Rep. Harold Poulsen             | ✓   |     |
| Rep. Joe Quilici                | ✓   |     |
| Rep. Dennis Rehberg             |     | ✓   |
| Rep. Gary Spaeth                |     | ✓   |
| Rep. Bernie Swift               |     | ✓   |
| Rep. Dean Switzer               | ✓   |     |
|                                 |     |     |
|                                 |     |     |

TALLY

THE MOTION CARRIED

11 8

Denise Thompson  
Secretary

Rep. Gene Donaldson  
Chairman

MOTION: Rep. Miller moved that HB 724 DO PASS AS AMENDED.



Program Concept

1. Can obtain up to \$10 million of constitutional coal tax trust fund each year.
2. Can sell bonds.
3. Will loan funds to school districts at 1 percent below the bond rate.
4. After the first two years, interest paid to the constitutional trust fund will be 1 percent less than interest that is charged to school districts.
5. May subsidize interest rates on school district bonds sold before this program is created.

State Financial Effect

6. The interest subsidy for school districts which sell bonds will be financed by reduced earnings on the constitutional trust fund. The general fund receives 85 percent of the interest while 15 percent is reinvested in the trust.
7. The state of Montana citizens lose interest earnings between what the school district could have sold bonds for and what the constitutional trust fund could earn. (The spread between borrowing costs and investment earnings.)
8. Montana's advisory council says school districts can sell bonds at lower costs and interest rates than the state.

Overall State Impact

The constitutional trust fund and the general fund subsidize the interest cost of local property taxpayers who build schools.

School Benefits (By OPI)

1. Lower property taxes for those districts which build schools.
2. There will be maximum debt service millage for any school district.
3. The trust fund will be utilized for the purpose it was intended.
- 4.\* Interest monies currently paid to bonding companies will be paid to the state.
5. Interest rates for schools will be stabilized.
6. There will be an emergency building fund.
7. This will keep the private lending agencies competitive.
8. Lowering property taxes and establishing a maximum mill levy will address the underfunded lawsuit and I-105.

DEPARTMENT OF LABOR & INDUSTRY  
DIVISION OF WORKERS' COMPENSATION

TED SCHWINDEN, GOVERNOR

MARGARET "PEG" CONDON BLDG.  
550 LAST CHANCE GULCH



STATE OF MONTANA

CRIME VICTIM COMPENSATION FUND

HELENA, MONTANA 59601

- 1) -Balance in fund as of May 30, 1986 was \$244,494.00 and is projected to be \$236,000.00 at fiscal year end.  
-1985 Legislature took \$500,000.00 from Crime Victims Fund to Supplement General Fund.

2) FY86 Budget Summary

|                          |              |
|--------------------------|--------------|
| Beginning Balance        | \$767,235.00 |
| Transfer to General Fund | 500,000.00   |
| Net Available to Victims | \$267,235.00 |

|                            |              |
|----------------------------|--------------|
| FY86 Revenue July-May      | \$364,810.00 |
| Estimated Revenue for June | 34,000.00    |
| Estimated FY86 Revenue     | \$398,810.00 |

|                                 |              |
|---------------------------------|--------------|
| FY86 Expenditures July-May      | \$387,552.00 |
| Estimated expenditures for June | 42,448.00    |
| Estimated FY86 Expenditures     | \$430,000.00 |

Net Shortage (\$ 31,190.00)

FY86 Fund Balance \$236,045.00

- 3) -Assumption that revenue will equal expenditures is in error. Updated estimate for FY86 indicated that revenue will be approximately \$398,810.00 while expenditures will equal appropriation. Therefore using \$31,190.00 of fund balance.
- 4) -Appropriations of \$430,000.00 and ~~\$432,500.00~~ for FY86 and FY87 respectively are less than FY85 actual expenditure of \$452,476.00.
- 5) -Projected appropriations anticipated a maximum claim level of 347 in FY86 and 380 in FY87.  
To date in FY 86 381 Claims have been filed.  
FY 86 claims are already 11.2% greater than the maximum projected for 86-87 biennial budget.  
Two bills passed in 1985 are causing more activity in this program than anticipated when budget was set.
- 6) -Cash flow indicates that in eighteen of the last 35 months expenditures have exceeded revenues. Transfers of the fund balance would require borrowing from other funds on a monthly basis.
- 7) -Current reserves for claims total \$145,439.00. This liability should remain in the balance, as it is obligated for claim payments.

STATEMENT OF INTENT

HOUSE BILL 277

House Appropriation Committee

It is the intent of the legislature that the license reinstatement fee collected be deposited in the general fund.

It is the intent of the legislature that the records be kept to identify the amount of money collected by the county each year.

It is further the intent of the legislature that the 1989 legislature consider making a general fund appropriation for this program in fiscal 1990 and 1991 which is equal to the revenue collected in fiscal 1988 and 1989, respectfully.

Amend House Bill 277  
2nd Reading (yellow)

1) Title, line 9.

Strike: "AND"

Strike: "APPROPRIATION"

Insert: "ALLOCATION PROCEDURE FOR THE APPROPRIATION TO THIS PROGRAM; AND PROVIDING AN EFFECTIVE DATE."

2) Page 3, lines 7 through 9.

Strike: "a drinking" through "treasury" on line 9.

Insert: "the general fund"

3) Page 3, line 10.

Strike: "(3)"

Insert: "Section 3. Funding allocation for programs to prevent or reduce drinking and driving. (1)"

Renumber: subsequent sections

4) Page 3, line 13 through 15.

Strike: "proceeds" through "and the" on line 15.

Insert: "proportion of the proceeds of the license reinstatement fees collected in that county to the total collected for the state to the county treasurer by September 30 of each fiscal year for which there is an appropriation. The"

5) Page 3, line 16.

Strike: "license reinstatement fee"

Insert: "money"

6) Page 3, line 18.

Strike: (4)

Insert: (2)

7) Page 4, lines 10 through 12.

Strike: "PROCEEDS" through "AND THE" on line 12.

Insert: "proportion of the proceeds of the license reinstatement fees collected in that county to the total collected for the state to the county treasurer by September 30 of each fiscal year for which there is an appropriation. The"

8) Page 4, lines 12 and 13.

Strike: "LICENSE REINSTATEMENT" on line 12 through "REINSTATEMENT" on line 13

Insert: "money"

9) Page 4, lines 16 through 20

Strike: "Section 3. in its entirety"

10) Page 4, lines 21 and 24.

Strike: "and 2"

Insert: "through 3"

**Amend House Bill 724**

**Page 2, after line 23**

**Insert:** (2) An agency, other than the Montana university system, a postsecondary vocational-technical center, or a community college will by June 30th of each fiscal year revert to the appropriate vacancy savings pool, 50 percent of any vacancy savings realized in excess of the vacancy savings calculated in the appropriation for the year.

**Renumber:** Subsequent subsections

**Page 3, line 23, after authority.**

**Strike:** subsections (1), (2), and (3)

**Insert:** (1) The Governor or his designee is authorized to increase the expenditure authority of executive branch agencies for fiscal 1989 from the executive branch vacancy savings fund only if money exists in the vacancy savings fund and money and expenditure authority are given to the agency at the same time.

(2) The Legislative Finance Committee is authorized to increase the expenditure authority of legislative branch agencies for fiscal 1989 from the legislative branch vacancy savings fund only if money exists in the vacancy savings fund and money and expenditure authority are given to the agency at the same time.

(3) The Chief Justice of the Supreme Court or his designee is authorized to increase the expenditure authority of judicial branch agencies for fiscal 1989 from the judicial branch vacancy savings fund only if money exists in the vacancy savings fund and money and expenditure authority are given to the agency at the same time.

**Amend House Bill 724**

**Page 3, Line 17, after: "legislature".**

**Insert: "The cost of upgrades ordered by the court may not be paid from the vacancy savings pool but those agencies affected by court ordered upgrades are not excluded from receiving funds from the pool for vacancy savings if all other conditions of Section 3 are met."**

**KW1A:bn:ahb724.**

Page 4, Line 23

Following: Line 22

Insert: "Section 5. Section 17-7-111, MCA, amended to read:

17-7-111. Agency program budgets -- form distribution and contents. (1) In the preparation of a state budget, the budget director shall, not later than July 1 in the year preceding the convening of the legislature, distribute to all state offices and departments, including the judicial branch and the legislative branch, the proper forms necessary for the preparation of budget estimates. These forms shall be prescribed by the budget director to procure the information required by subsection (2).

(2) The agency budget requests, when completed by the budget office, must set forth a balanced financial plan for the agency completing the forms for each fiscal year of the ensuing biennium. The plan must consist of:

(a) a consolidated agency budget summary for current level expenditures and for each modification request setting forth the aggregate figures of the full-time equivalent personnel positions (FTE) and the budget in such manner as to show a balance between the total proposed disbursements and the total anticipated receipts, together with the other means of financing the budget for each fiscal year of the ensuing biennium, contrasted with the corresponding figures for the last completed fiscal year and the fiscal year in progress. The consolidated budget summary must be supported by schedules classifying receipts and disbursements contained therein by fund and, where applicable, organizational unit.

(b) a schedule of the actual and projected receipts, disbursements, and solvency of each accounting entity within each fund for the current and subsequent biennium;

(c) a detailed schedule of receipts, by accounting entity within each fund, indicating classification and source of funds;

(d) an agency schedule summarizing past and proposed spending plans and the means of financing the proposed plan. Information presented shall include the following:

(i) a statement of agency goals and objectives and a statement of goals and objectives for each program of the agency. Such goals and objectives must include, in a concise form, sufficient specific information and quantifiable information to enable the legislature to formulate an appropriations policy regarding the agency and its programs and to allow a determination, at some future date, on whether the agency has succeeded in attaining its goals and objectives.

(ii) actual FTE and disbursements and vacancy savings for the completed fiscal year of the current biennium, estimated FTE and disbursements and vacancy savings for the current fiscal year, and the agency's request for the ensuing biennium, by program; and

(iii) actual disbursements for the completed fiscal year of the current biennium, estimated disbursements for the current fiscal year, and the agency's recommendations for the ensuing biennium, by disbursement category;

(e) any other information the budget director feels is necessary for the preparation of a budget.

**Amend House Bill 724**

**Page 5, Line 2**

**Strike: "1989"**

**Insert: "1991"**



Western state government expenditures for welfare per \$1000 personal income for 1985:

|              | <u>Amount</u> | <u>Rank</u> |
|--------------|---------------|-------------|
| California   | 29.64         | 1           |
| Washington   | 21.72         | 2           |
| Montana      | 21.16         | 3           |
| North Dakota | 20.89         | 4           |
| Utah         | 19.32         | 5           |
| Oklahoma     | 18.24         | 6           |
| New Mexico   | 17.28         | 7           |
| Nebraska     | 16.47         | 8           |
| Oregon       | 16.16         | 9           |
| Colorado     | 15.36         | 10          |
| South Dakota | 15.34         | 11          |
| Wyoming      | 14.33         | 12          |
| Kansas       | 14.16         | 13          |
| Idaho        | 13.82         | 14          |
| Arizona      | 12.91         | 15          |
| Texas        | 10.67         | 16          |
| Nevada       | 9.68          | 17          |

Montana ranked 3 in 1985 in public welfare expenditures per 1000 personal income in the western states. Since our personal income dropped and public welfare expenditures went up in 1986, our ranking may have increased.

DEPARTMENT OF  
SOCIAL AND REHABILITATION SERVICES

EXHIBIT 5  
DATE 2/18/87  
# 600



TED SCHWINDEN, GOVERNOR

PO BOX 4210

STATE OF MONTANA

HELENA, MONTANA 59604

February 18, 1987

Representative Gene Donaldson  
Chairman House Appropriations Committee  
State Capitol  
Helena, MT 59620

Dear Representative Donaldson:

The enclosed information is in response to your request of February 17. The following items are included:

- 1) How does Montana rank in welfare expenditures when compared to other western states?
- 2) What do the surrounding states offer for general assistance programs?
- 3) Testimony used in G.A. trial from national expert on G.A. programs.
- 4) Legislative Council report on constitutional requirements for welfare in other states.
- 5) G.A. cases in western states.

Please let me know if you need further information.

Sincerely,

A handwritten signature in cursive script that reads "Dave Lewis".

Dave Lewis  
Director

Enclosure

Western state government expenditures for welfare per \$1000  
personal income for 1985:

|              | <u>Amount</u> | <u>Rank</u> |
|--------------|---------------|-------------|
| California   | 29.64         | 1           |
| Washington   | 21.72         | 2           |
| Montana      | 21.16         | 3           |
| North Dakota | 20.89         | 4           |
| Utah         | 19.32         | 5           |
| Oklahoma     | 18.24         | 6           |
| New Mexico   | 17.28         | 7           |
| Nebraska     | 16.47         | 8           |
| Oregon       | 16.16         | 9           |
| Colorado     | 15.36         | 10          |
| South Dakota | 15.34         | 11          |
| Wyoming      | 14.33         | 12          |
| Kansas       | 14.16         | 13          |
| Idaho        | 13.82         | 14          |
| Arizona      | 12.91         | 15          |
| Texas        | 10.67         | 16          |
| Nevada       | 9.68          | 17          |

Montana ranked 3 in 1985 in public welfare expenditures per 1000 personal income in the western states. Since our personal income dropped and public welfare expenditures went up in 1986, our ranking may have increased.

G.A. Cases for December 1984 in western states (latest data available):

|              | <u>Amount</u> | <u>Rank</u> |
|--------------|---------------|-------------|
| Arizona      | 3,464         | 5           |
| California   | 61,449        | 1           |
| Colorado     | 0             | -           |
| Idaho        | 0             | -           |
| Kansas       | 8,121         | 3           |
| Montana      | 1,950         | 6           |
| Nebraska     | 0             | -           |
| Nevada       | 0             | -           |
| New Mexico   | 693           | 9           |
| North Dakota | 129           | 12          |
| Oklahoma     | 951           | 8           |
| Oregon       | 3,733         | 4           |
| South Dakota | 176           | 11          |
| Texas        | 0             | -           |
| Utah         | 1,627         | 7           |
| Washington   | 12,426        | 2           |
| Wyoming      | 315           | 10          |

Source:

Page 44 Social Security Bulletin  
September 1986 Volume 49 Number 9

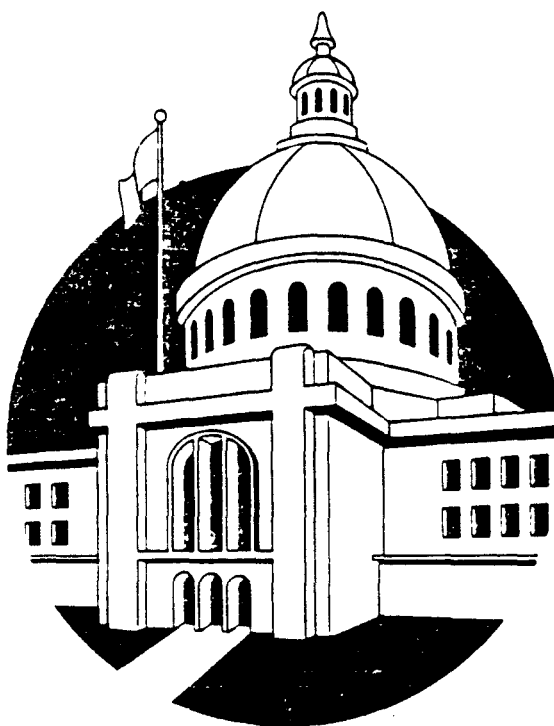
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GOVERNMENT FINANCES

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# State Government Finances in 1985



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Issued December 1986



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Robert Ortner, Under Secretary  
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John G. Keane,  
Director

provided under the various "title" programs; State "foundation" aid; Federal aid channeled through the State government to local schools; and interlocal payments for education services.

Local elementary and secondary expenditure for education includes all expenditure of local school systems other than for interest (reported under *interest on general debt*), duplicative intergovernmental payments, and retirement benefits paid to former education employees (reported under *employee-retirement expenditure*). It thus includes gross school system expenditure for the school lunch program and other cafeteria operations as well as school health, recreation, and library services administered by local school systems.

*Institutions of higher education* pertains to publicly operated universities, colleges, junior colleges, and other schools beyond the high school level. Expenditure shown under this heading includes gross amounts for auxiliary activities, such as dormitories, dining halls, and bookstores, operated by public institutions of higher education. However, expenditure of such institutions for hospitals serving the public and for agricultural experiment extension services is reported under other functional categories.

### Public Welfare

This activity includes institutional and noninstitutional assistance to the needy, plus the administration of such assistance.

Cash assistance payments under the *categorical* programs comprise old age assistance, aid to families with dependent children, aid to the blind, and aid to the disabled. State and local amounts include any applicable cash benefits in excess of, or supplementary to, those financed with Federal participation. General relief, which is wholly financed from State and local sources, makes up most of other cash assistance. Other public welfare spending includes: vendor payments under various public welfare programs, including the federally supported medical care program commonly known as Medicaid; institutional care for the needy; and administration of welfare activities.

### Hospitals

The Federal portion of this category includes, among other things, the operation and construction of Federal veterans hospitals. Expenditures for hospital facilities directly operated by State and local governments and payments to private medical facilities also belong here. Medical vendor payments provide some variation in classification; private purveyor payments made under welfare programs are classed as *public welfare*, but any services provided directly by a government through its hospital agency are included under this heading.

### Transportation Functions

*Highways* include provision and maintenance of highway facilities, including toll turnpikes, bridges, tunnels, and ferries, as well as regular roads, highways, and city streets. These figures exclude interest on debt issued for highway purposes (included in *interest on general debt*) and highway policing costs (classified under *police protection*).

The Federal Government accounts for a major part of direct general expenditure for water transport facilities and for air transportation, as indicated by the categories include subsidy payments and the provision of aids to transportation by such agencies as the Federal Administration, Civil Aeronautics Board, Coast Guard, Oceanic and Atmospheric Administration, and Maritime Administration, as well as gross expenditure of the Seaway Development Corporation.

### Natural Resources

Natural resources include expenditures for conservation and development of agricultural, forest, mineral, and similar resources. Federal Government payments are mainly for gross commodity purchases in the form of price stabilization contracts. No exclusion is made of commodities resold during the year transferred to Federal aid programs. Other Federal resources activities pertain to multipurpose power action projects (including the Tennessee Valley Authority), conservation and reclamation, forestry and mineral conservation, agricultural research, and farm crop and mortgage insurance.

For State and local governments, *natural resources* activities pertaining to agriculture including extension service, experiment stations, soil conservation, flood control, and drainage. However, local water supply and electric power and State hydroelectric power activities are reported under *utilities*.

### Police Protection

Local government payments for police and traffic activities amount to the most significant part of *police protection*. Federal agencies included in this category are the Federal Bureau of Investigation, Customs Service, Drug Enforcement Administration, Bureau of Alcohol, Tobacco, and Firearms, and Secret Service. State expenditure so reported is mainly for highway patrol activities.

### Utilities and Liquor Stores

*Utility* expenditure and *liquor stores* expenditure comprise spending involved in provision and conduct of public utility undertakings—i.e., acquisition of facilities, current operations, including the purchase of goods and services for resale, and interest on utility debt.

### Insurance Trusts

Only insurance benefits and repayments of contributory insurance funds comprise *insurance trust* expenditure. (Contributory administering insurance trust activities are classified as *employee-retirement system* expenditure. See the report *Employee-Retirement System, State and Local Governments: 1984-85* (GF85 No. 2) for additional specific information about employee-retirement systems.)

### Indebtedness

Federal gross debt outstanding includes public debt (subject to statutory limitations), as well as other obligations not

**Table 30. Selected State Government Expenditures Per \$1,000 Personal Income by States: 1985**

(Dollars. Because of rounding, detail may not add to totals. For meaning of symbols, see text)

| State                | General expenditure |                    |                    |                     |                   |           |        |          |        |            |                                | Bonds<br>and<br>notes |
|----------------------|---------------------|--------------------|--------------------|---------------------|-------------------|-----------|--------|----------|--------|------------|--------------------------------|-----------------------|
|                      | Total <sup>1</sup>  | Education          |                    |                     | Public<br>welfare | Hospitals | Health | Highways | Police | Correction | Interest on<br>general<br>debt |                       |
|                      |                     | Total <sup>1</sup> | Total <sup>1</sup> | Higher<br>education |                   |           |        |          |        |            |                                |                       |
| 1                    | 2                   | 3                  | 4                  | 5                   | 6                 | 7         | 8      | 9        | 10     | 11         |                                |                       |
| United States .....  | 129.86              | 114.66             | 42.73              | 15.88               | 22.37             | 5.31      | 3.86   | 11.03    | 1.17   | 3.05       | 4.98                           |                       |
| Alabama .....        | 152.55              | 139.06             | 60.89              | 23.44               | 16.55             | 9.62      | 4.34   | 16.81    | 1.09   | 2.85       | 5.62                           | 31.6                  |
| Alaska .....         | 566.40              | 527.01             | 130.86             | 32.05               | 22.90             | 2.88      | 21.81  | 69.95    | 7.01   | 14.30      | 66.11                          | 86.6                  |
| Arizona .....        | 127.21              | 117.50             | 53.00              | 21.34               | 12.91             | 1.58      | 2.70   | 16.88    | 1.91   | 3.91       | 1.16                           | 21.0                  |
| Arkansas .....       | 131.04              | 121.45             | 53.52              | 18.68               | 20.04             | 5.43      | 3.96   | 15.78    | 1.18   | 2.31       | 2.82                           | 21.0                  |
| California .....     | 139.65              | 123.32             | 48.23              | 17.54               | 29.64             | 3.59      | 4.79   | 6.19     | 1.35   | 3.34       | 3.17                           | 21.0                  |
| Colorado .....       | 109.47              | 96.61              | 41.67              | 19.31               | 15.36             | 5.26      | 2.67   | 10.76    | .71    | 1.86       | 3.20                           | 21.0                  |
| Connecticut .....    | 103.96              | 93.28              | 24.50              | 8.55                | 18.25             | 6.90      | 2.27   | 8.49     | 1.03   | 2.47       | 9.21                           | 23.0                  |
| Delaware .....       | 159.28              | 149.24             | 57.44              | 26.33               | 14.00             | 4.85      | 4.81   | 14.83    | 2.57   | 4.79       | 16.46                          | 39.0                  |
| Florida .....        | 91.76               | 86.72              | 35.53              | 10.89               | 11.04             | 1.83      | 4.96   | 8.64     | 1.08   | 2.94       | 1.96                           | 20.0                  |
| Georgia .....        | 113.01              | 105.12             | 45.01              | 16.81               | 16.84             | 4.98      | 3.98   | 13.95    | 1.07   | 3.42       | 2.37                           | 21.0                  |
| Hawaii .....         | 187.40              | 153.60             | 53.88              | 21.80               | 21.19             | 7.60      | 5.65   | 6.24     | .18    | 3.22       | 13.81                          | 21.0                  |
| Idaho .....          | 142.59              | 124.37             | 53.40              | 21.44               | 13.82             | 2.21      | 4.36   | 20.43    | 1.39   | 2.08       | 4.88                           | 26.6                  |
| Illinois .....       | 103.79              | 93.04              | 30.95              | 10.97               | 21.96             | 3.12      | 2.71   | 11.65    | .91    | 2.52       | 4.21                           | 15.0                  |
| Indiana .....        | 109.97              | 102.83             | 45.14              | 18.48               | 15.67             | 4.09      | 2.83   | 11.94    | .94    | 2.26       | 1.33                           | 19.0                  |
| Iowa .....           | 130.85              | 119.51             | 50.59              | 22.26               | 20.77             | 7.50      | 1.63   | 19.61    | .86    | 2.38       | 1.81                           | 26.5                  |
| Kansas .....         | 100.55              | 92.94              | 41.88              | 17.62               | 14.16             | 5.82      | 1.65   | 14.28    | .56    | 2.24       | .41                            | 21.0                  |
| Kentucky .....       | 142.05              | 129.92             | 52.57              | 18.92               | 22.49             | 4.00      | 3.52   | 16.41    | 1.68   | 2.54       | 6.73                           | 21.0                  |
| Louisiana .....      | 157.17              | 136.05             | 48.96              | 18.39               | 22.77             | 11.08     | 3.48   | 14.13    | 2.00   | 3.64       | 9.27                           | 35.0                  |
| Maine .....          | 155.76              | 136.38             | 43.75              | 16.23               | 34.89             | 3.29      | 4.02   | 14.83    | 1.36   | 2.17       | 8.13                           | 29.0                  |
| Maryland .....       | 117.08              | 101.43             | 31.23              | 13.67               | 19.06             | 3.86      | 4.20   | 12.87    | 2.52   | 4.30       | 5.16                           | 22.6                  |
| Massachusetts .....  | 128.67              | 118.67             | 29.71              | 10.11               | 28.70             | 6.45      | 4.95   | 5.47     | .70    | 2.57       | 8.29                           | 21.0                  |
| Michigan .....       | 136.65              | 122.92             | 36.58              | 17.28               | 33.96             | 6.15      | 8.02   | 9.74     | 1.18   | 3.21       | 3.81                           | 21.0                  |
| Minnesota .....      | 147.31              | 135.90             | 48.90              | 18.60               | 26.84             | 6.91      | 2.36   | 12.95    | .96    | 1.84       | 4.99                           | 21.0                  |
| Mississippi .....    | 156.19              | 140.50             | 56.36              | 19.70               | 21.15             | 7.35      | 4.32   | 17.99    | 1.55   | 2.78       | 3.43                           | 27.0                  |
| Missouri .....       | 95.60               | 89.43              | 36.17              | 11.88               | 15.40             | 4.83      | 2.94   | 11.47    | 1.03   | 1.71       | 4.31                           | 19.0                  |
| Montana .....        | 179.22              | 151.63             | 50.17              | 19.73               | 21.16             | 3.59      | 5.53   | 27.50    | 1.91   | 3.34       | 7.45                           | 21.0                  |
| Nebraska .....       | 107.03              | 103.54             | 34.69              | 18.86               | 16.47             | 5.73      | 3.12   | 18.50    | 1.01   | 2.30       | 3.92                           | 21.0                  |
| Nevada .....         | 135.42              | 108.63             | 38.30              | 12.88               | 9.68              | 2.10      | 2.46   | 16.39    | .85    | 3.70       | 6.64                           | 21.0                  |
| New Hampshire .....  | 92.72               | 78.53              | 15.58              | 9.38                | 14.36             | 3.40      | 4.32   | 12.64    | .94    | 2.30       | 9.46                           | 21.0                  |
| New Jersey .....     | 121.35              | 102.20             | 29.93              | 8.64                | 18.34             | 4.46      | 2.31   | 8.21     | 1.35   | 2.28       | 8.49                           | 19.0                  |
| New Mexico .....     | 208.14              | 195.83             | 86.49              | 31.98               | 17.28             | 9.02      | 6.61   | 21.42    | 2.02   | 5.64       | 6.71                           | 37.6                  |
| New York .....       | 157.94              | 131.37             | 37.21              | 10.73               | 37.89             | 8.70      | 4.12   | 5.96     | 1.03   | 4.49       | 8.97                           | 21.0                  |
| North Carolina ..... | 126.95              | 117.03             | 57.21              | 23.30               | 14.13             | 6.16      | 3.95   | 12.03    | 1.51   | 3.88       | 2.18                           | 21.0                  |
| North Dakota .....   | 181.76              | 169.87             | 63.75              | 28.77               | 20.89             | 7.19      | 3.84   | 25.01    | .70    | 1.20       | 5.60                           | 26.6                  |
| Ohio .....           | 132.25              | 105.93             | 40.89              | 16.06               | 23.59             | 5.55      | 2.93   | 10.73    | .64    | 2.48       | 4.25                           | 21.0                  |
| Oklahoma .....       | 132.09              | 113.61             | 50.74              | 20.46               | 18.24             | 6.81      | 2.94   | 13.61    | 1.02   | 3.54       | 4.45                           | 27.4                  |
| Oregon .....         | 154.96              | 128.37             | 40.71              | 18.85               | 16.16             | 6.04      | 3.27   | 15.49    | 1.53   | 2.80       | 15.44                          | 28.6                  |
| Pennsylvania .....   | 123.29              | 102.96             | 33.03              | 8.02                | 26.80             | 5.40      | 2.96   | 12.08    | 1.25   | 1.67       | 3.66                           | 21.0                  |
| Rhode Island .....   | 162.98              | 144.91             | 39.69              | 15.13               | 35.01             | 8.75      | 5.81   | 9.51     | 1.43   | 3.06       | 17.11                          | 21.0                  |
| South Carolina ..... | 157.37              | 131.79             | 62.20              | 22.81               | 15.13             | 8.10      | 6.49   | 11.43    | 1.34   | 4.47       | 3.18                           | 21.0                  |
| South Dakota .....   | 128.57              | 123.45             | 32.53              | 16.45               | 15.34             | 4.04      | 3.56   | 23.17    | 1.16   | 2.25       | 10.97                          | 27.6                  |
| Tennessee .....      | 110.68              | 102.26             | 40.76              | 17.65               | 17.35             | 5.14      | 3.89   | 14.26    | .72    | 3.17       | 2.78                           | 24.6                  |
| Texas .....          | 94.89               | 87.24              | 47.49              | 19.29               | 10.67             | 5.05      | 1.85   | 8.21     | .74    | 2.31       | 1.90                           | 18.1                  |
| Utah .....           | 175.33              | 159.48             | 73.04              | 31.47               | 19.32             | 8.72      | 5.61   | 23.52    | 1.49   | 3.40       | 6.28                           | 21.0                  |
| Vermont .....        | 180.64              | 166.65             | 54.92              | 29.37               | 29.97             | 3.63      | 6.53   | 20.91    | 2.83   | 3.59       | 12.68                          | 21.0                  |
| Virginia .....       | 104.87              | 96.84              | 40.52              | 17.69               | 12.76             | 6.97      | 3.01   | 13.35    | 1.80   | 4.83       | 3.48                           | 24.9                  |
| Washington .....     | 161.98              | 133.05             | 59.17              | 21.90               | 21.72             | 4.70      | 4.10   | 15.51    | 1.01   | 3.98       | 4.48                           | 29.4                  |
| West Virginia .....  | 178.04              | 146.36             | 62.79              | 18.05               | 18.71             | 2.88      | 4.61   | 22.44    | 1.29   | 1.26       | 5.07                           | 30.4                  |
| Wisconsin .....      | 146.65              | 134.46             | 45.68              | 19.43               | 30.19             | 3.92      | 5.24   | 9.93     | .70    | 3.13       | 4.78                           | 22.3                  |
| Wyoming .....        | 239.51              | 218.26             | 66.87              | 24.60               | 14.33             | 4.44      | 5.19   | 47.22    | 2.08   | 3.02       | 10.84                          | 27.7                  |

Note: For listing of State personal income amounts, see table 35.

<sup>1</sup>Includes amounts not shown separately.

Table 33. States Ranked According to Selected Per Capita Expenditure Amounts: 1985

(Amounts in dollars. For meaning of symbols, see text)

| Rank | General expenditure |                    |                    |                |                |                |                  |                          |                  |  |
|------|---------------------|--------------------|--------------------|----------------|----------------|----------------|------------------|--------------------------|------------------|--|
|      | Education           |                    |                    | Public welfare | Hospitals      | Highways       | Police           | Interest on general debt |                  |  |
|      | Total <sup>1</sup>  | Total <sup>1</sup> | Total <sup>1</sup> |                |                |                |                  |                          |                  |  |
|      | US..... 1 641.34    | US..... 1 449.44   | US..... 540.09     | US..... 200.73 | US..... 282.71 | US..... 87.12  | US..... 139.37   | US..... 14.77            | US..... 62.93    |  |
| 1    | AK..... 9 500.47    | AK..... 8 839.84   | AK..... 2 194.94   | AK..... 537.58 | NY..... 541.04 | NY..... 124.28 | AK..... 1 173.34 | AK..... 117.58           | AK..... 1 108.93 |  |
| 2    | WY..... 2 941.83    | WY..... 2 580.87   | NM..... 871.44     | ND..... 358.11 | RI..... 448.04 | LA..... 119.24 | WY..... 580.02   | MD..... 38.07            | DE..... 221.85   |  |
| 3    | HI..... 2 408.53    | ND..... 2 102.62   | WY..... 821.31     | DE..... 354.84 | MI..... 427.50 | CT..... 113.47 | ND..... 309.62   | DE..... 34.81            | RI..... 218.01   |  |
| 4    | NY..... 2 255.31    | DE..... 2 011.41   | ND..... 789.12     | NM..... 322.27 | MA..... 422.48 | RI..... 111.47 | MT..... 289.31   | VT..... 30.25            | OR..... 178.42   |  |
| 5    | ND..... 2 249.81    | HI..... 1 974.17   | DE..... 774.10     | VT..... 314.21 | CA..... 417.26 | HI..... 97.70  | SD..... 255.73   | WY..... 25.58            | HI..... 177.45   |  |
| 6    | DE..... 2 146.63    | NM..... 1 973.16   | WA..... 746.65     | UT..... 307.48 | AK..... 384.17 | AL..... 95.37  | IA..... 240.53   | VA..... 23.51            | CT..... 151.52   |  |
| 7    | NM..... 2 097.16    | NY..... 1 875.87   | UT..... 713.69     | WY..... 302.11 | WI..... 375.89 | MA..... 94.96  | NE..... 229.94   | AZ..... 21.71            | VT..... 135.84   |  |
| 8    | RI..... 2 076.12    | RI..... 1 845.99   | HI..... 692.56     | HI..... 277.62 | ME..... 374.82 | IA..... 91.99  | UT..... 229.82   | LA..... 21.55            | WY..... 133.11   |  |
| 9    | WA..... 2 043.90    | MN..... 1 786.88   | CA..... 679.10     | WA..... 276.32 | MN..... 352.85 | VA..... 91.24  | VT..... 223.65   | NJ..... 20.76            | NJ..... 130.24   |  |
| 10   | CA..... 1 966.24    | VT..... 1 782.67   | MN..... 642.92     | IA..... 273.13 | PA..... 331.32 | NM..... 90.93  | WV..... 220.09   | NM..... 20.33            | NY..... 128.02   |  |
| 11   | MN..... 1 936.80    | MA..... 1 747.07   | IA..... 620.62     | CO..... 262.96 | VT..... 320.62 | MN..... 90.91  | NM..... 215.81   | MT..... 20.13            | NH..... 122.10   |  |
| 12   | VT..... 1 932.38    | CA..... 1 736.20   | SC..... 620.45     | NC..... 249.16 | IL..... 302.48 | ND..... 89.04  | NV..... 212.38   | CA..... 18.97            | MA..... 122.10   |  |
| 13   | MA..... 1 894.20    | WA..... 1 678.78   | WV..... 615.90     | CA..... 246.90 | CT..... 300.34 | SC..... 80.80  | ID..... 205.27   | RI..... 18.21            | SD..... 121.09   |  |
| 14   | MT..... 1 885.50    | WI..... 1 674.11   | NC..... 611.82     | MN..... 244.54 | OH..... 291.72 | OK..... 79.35  | DE..... 199.86   | OR..... 17.67            | LA..... 99.80    |  |
| 15   | NJ..... 1 861.96    | MT..... 1 595.26   | AL..... 603.70     | AZ..... 242.10 | NJ..... 281.40 | MI..... 77.39  | WA..... 195.76   | KY..... 17.29            | ME..... 87.30    |  |
| 16   | WI..... 1 825.86    | NJ..... 1 568.11   | AZ..... 601.16     | WI..... 241.91 | WA..... 274.10 | KS..... 78.88  | AZ..... 191.52   | CT..... 16.98            | NV..... 86.11    |  |
| 17   | OR..... 1 790.74    | UT..... 1 558.37   | OK..... 590.79     | OK..... 238.19 | MD..... 273.00 | CO..... 71.70  | KS..... 188.32   | NC..... 18.15            | MT..... 78.35    |  |
| 18   | NV..... 1 755.25    | MI..... 1 547.43   | VT..... 587.46     | TX..... 236.89 | HI..... 272.34 | NE..... 71.20  | MD..... 184.27   | PA..... 15.40            | MO..... 73.86    |  |
| 19   | WV..... 1 726.89    | CT..... 1 534.67   | TX..... 583.11     | NE..... 234.41 | ND..... 256.58 | OR..... 69.78  | OR..... 179.01   | MI..... 14.87            | ND..... 69.28    |  |
| 20   | MI..... 1 720.28    | OR..... 1 483.46   | WI..... 568.80     | AL..... 232.39 | IA..... 254.85 | OH..... 68.82  | VA..... 174.74   | NY..... 14.69            | KY..... 89.21    |  |
| 21   | UT..... 1 713.20    | IA..... 1 466.25   | CO..... 567.54     | KS..... 232.28 | LA..... 245.10 | NJ..... 68.48  | MN..... 170.26   | ME..... 14.61            | NM..... 67.55    |  |
| 22   | CT..... 1 710.36    | ME..... 1 465.19   | KS..... 552.11     | VA..... 231.51 | KY..... 231.48 | PA..... 66.72  | KY..... 168.92   | UT..... 14.80            | MN..... 65.62    |  |
| 23   | LA..... 1 691.77    | LA..... 1 464.45   | KY..... 541.02     | SC..... 225.57 | MT..... 222.61 | NC..... 65.86  | AL..... 166.63   | ID..... 13.92            | UT..... 61.31    |  |
| 24   | MO..... 1 676.85    | MD..... 1 452.84   | ID..... 536.56     | OR..... 217.87 | OK..... 212.41 | UT..... 65.65  | NH..... 163.23   | MS..... 13.50            | WI..... 59.51    |  |
| 25   | ME..... 1 673.34    | WV..... 1 435.71   | NY..... 531.34     | MI..... 217.57 | CO..... 209.21 | DE..... 65.43  | IL..... 160.44   | SC..... 13.38            | IL..... 57.93    |  |
| 26   | OH..... 1 635.18    | NV..... 1 408.05   | VA..... 530.42     | IN..... 216.43 | NE..... 204.71 | MS..... 64.10  | ME..... 159.38   | FL..... 13.29            | WA..... 58.51    |  |
| 27   | IA..... 1 605.33    | AL..... 1 378.79   | IN..... 528.83     | ID..... 215.49 | AR..... 195.64 | TX..... 81.97  | OK..... 158.47   | MN..... 12.85            | AL..... 55.71    |  |
| 28   | SC..... 1 569.75    | SD..... 1 362.27   | MT..... 527.78     | MT..... 207.57 | GA..... 189.99 | WA..... 59.32  | GA..... 157.35   | SD..... 12.77            | OH..... 52.51    |  |
| 29   | OK..... 1 538.07    | KY..... 1 337.14   | LA..... 526.97     | OH..... 198.52 | UT..... 188.74 | MO..... 58.48  | MS..... 157.02   | WA..... 12.77            | MO..... 52.21    |  |
| 30   | PA..... 1 524.28    | AZ..... 1 333.94   | AR..... 522.54     | LA..... 198.00 | DE..... 188.72 | GA..... 58.15  | AR..... 154.07   | WV..... 12.62            | OK..... 51.93    |  |
| 31   | AL..... 1 512.61    | OK..... 1 322.89   | GA..... 507.79     | MD..... 195.74 | OR..... 186.76 | MD..... 55.33  | LA..... 152.14   | NE..... 12.58            | WV..... 49.71    |  |
| 32   | CO..... 1 490.92    | CO..... 1 315.74   | RI..... 505.63     | KY..... 194.74 | KS..... 186.66 | WY..... 54.52  | PA..... 149.36   | IL..... 12.52            | ID..... 49.01    |  |
| 33   | KY..... 1 461.90    | SC..... 1 314.57   | OH..... 505.53     | RI..... 192.79 | MO..... 186.37 | TN..... 53.05  | MO..... 147.13   | MO..... 12.47            | NE..... 48.71    |  |
| 34   | AZ..... 1 442.98    | OH..... 1 309.70   | NV..... 496.39     | GA..... 189.59 | NH..... 185.42 | AR..... 53.00  | CO..... 146.58   | NH..... 12.19            | MI..... 47.91    |  |
| 35   | ID..... 1 432.86    | NE..... 1 286.97   | MS..... 491.85     | AR..... 182.38 | MS..... 184.52 | CA..... 50.49  | IN..... 139.85   | GA..... 12.02            | VA..... 45.51    |  |
| 36   | IL..... 1 429.61    | IL..... 1 281.44   | OR..... 470.45     | TN..... 182.10 | IN..... 183.56 | WI..... 48.83  | CT..... 139.70   | OK..... 11.93            | PA..... 45.21    |  |
| 37   | SD..... 1 418.81    | PA..... 1 272.94   | ME..... 470.03     | SD..... 181.51 | WV..... 183.53 | AK..... 48.31  | MO..... 138.77   | AR..... 11.49            | CA..... 44.61    |  |
| 38   | VA..... 1 372.74    | VA..... 1 267.73   | MI..... 460.50     | WV..... 177.08 | TN..... 179.09 | IN..... 47.90  | OH..... 132.61   | NV..... 11.06            | CO..... 43.51    |  |
| 39   | MS..... 1 362.96    | NC..... 1 251.54   | NJ..... 459.20     | ME..... 174.41 | WY..... 176.00 | SD..... 44.57  | NC..... 128.69   | IN..... 10.96            | SC..... 31.71    |  |
| 40   | NC..... 1 357.84    | ID..... 1 249.80   | MO..... 447.33     | MS..... 171.93 | NM..... 174.12 | NH..... 43.95  | NJ..... 125.92   | AL..... 10.85            | MS..... 29.91    |  |
| 41   | NE..... 1 330.37    | MS..... 1 226.04   | FL..... 437.86     | NV..... 166.88 | SD..... 169.32 | IL..... 42.95  | WI..... 123.66   | IA..... 10.54            | TN..... 28.71    |  |
| 42   | KS..... 1 325.57    | KS..... 1 225.27   | MO..... 437.63     | NY..... 153.19 | VA..... 167.05 | KY..... 41.13  | MI..... 122.82   | MA..... 10.26            | AR..... 27.51    |  |
| 43   | IN..... 1 288.24    | IN..... 1 204.60   | MA..... 437.39     | IL..... 151.08 | AL..... 164.10 | VT..... 38.78  | RI..... 121.11   | CO..... 9.69             | GA..... 28.71    |  |
| 44   | AR..... 1 279.45    | GA..... 1 185.90   | NE..... 431.20     | MA..... 148.78 | NC..... 151.11 | MT..... 37.78  | SC..... 114.00   | TX..... 9.08             | FL..... 24.11    |  |
| 45   | GA..... 1 274.83    | AR..... 1 185.78   | IL..... 428.23     | MO..... 143.76 | SC..... 150.91 | ME..... 35.36  | FL..... 106.44   | WI..... 8.72             | TX..... 23.31    |  |
| 46   | NH..... 1 197.07    | MO..... 1 082.08   | TN..... 420.62     | CT..... 140.64 | AZ..... 146.41 | WV..... 28.28  | TX..... 100.82   | ND..... 8.84             | NC..... 23.31    |  |
| 47   | TX..... 1 165.21    | TX..... 1 071.20   | PA..... 408.39     | FL..... 134.20 | ID..... 138.87 | NV..... 27.18  | CA..... 87.11    | OH..... 7.94             | IN..... 22.61    |  |
| 48   | MO..... 1 158.69    | FL..... 1 068.77   | CT..... 403.15     | NJ..... 132.50 | FL..... 136.09 | FL..... 22.49  | NY..... 85.15    | TN..... 7.41             | IA..... 22.21    |  |
| 49   | TN..... 1 142.17    | TN..... 1 055.30   | SD..... 380.08     | NH..... 121.14 | TX..... 131.07 | ID..... 22.20  | MA..... 80.59    | KS..... 7.38             | AZ..... 13.11    |  |
| 50   | FL..... 1 130.91    | NH..... 1 013.91   | NH..... 201.21     | PA..... 99.21  | NV..... 125.42 | AZ..... 17.90  | HI..... 80.21    | HI..... 2.33             | KS..... 5.40     |  |

<sup>1</sup>Includes amounts not shown separately.



## GENERAL ASSISTANCE SURVEY

| State  | Constitution | Statute | Admin. | Payment                           | Resource Standard                                 | H.N. Size                               | Special Requirements   | AFIC/IFP      |
|--|--------------|---------|--------|-----------------------------------|---|---|--|---------------|
|  |              |         |        |                                   |   |   |  |               |
| Washington                                   |              | X       | state  | 304 - 1 person<br>385 - 2 person  |   | 1<br>2                                  | . Adults incapacitated for 60 days or more   | yes           |
| Oregon                                       |              | X       | state  | 223 - 1 person<br>294 - 2 person  | \$1500 fixed<br>50 cash<br>1 car<br>1500 life ins | 1<br>2                                  | . Adults incapacitated for 60 days or more.<br>. Unearned income reduces grant dollar-for-dollar             | no            |
| Idaho  |              | X       | county | variable                          |   |   | . Emergent need <u>only</u> in most counties<br>: bus ticket<br>: 1 night lodging<br>: tank of gas           | no            |
| Utah   |              | X       | state  | AFDC standard                     | \$1,000 (AFDC)                                    | 1<br>2                                  | . Incapacitated/unemployable adults<br>. SSI, AFDC counted as income to the G.A. household                   | waiver for UP |
| Colorado<br>(20 of 63 counties have no G.A.) |              |         | county | AFDC standard/<br>or variable     | AFDC standard                                     |   | . Emergency basis up to 3 months   | yes           |
| South Dakota                                 |              |         | county | variable/<br>need based           |   | variable                                | . Emergency only   | no            |
| Wyoming                                      |              | X       | state  | 145 - 1 person<br>285 - 4 persons | \$1,000<br>\$4,500 vehicle                        | variable<br>no single employable adults | . Assistance maximum of 120 days in any 12 month period<br>. Transients - mileage to first city out of state | no            |
| North Dakota                                 |              | X       | county | variable                          |   | variable                                | . Emergent needs, chiefly transportation<br>. A limited number of counties provide maintenance               | no            |

that the information that Mr. Miller is now providing is not in the study which was presented and there is no way to verify the information that he is giving us.

Q Mr. Miller, how did you determine the level of benefits being provided by Vermont and Massachusetts?

A We made telephone calls to each state, in fact all of the states of which there was any question at all about the kind of benefits they provided to get detailed information about the nature of the benefits. There are no published studies that I know of to provide the level of detail that we needed to make the kind of comparisons that we were doing.

MR. SINCLAIR: Objection, Mr. Miller used the term we, and we have no belief or understanding that it was he himself who made these telephone calls, and we have no way to verify the information provided during the telephone calls.

Q Mr. Miller, were you involved in gathering the information regarding the assistance programs available in these other states?

1 A I directed the design of the questionnaire that we  
2 used to call the states and I supervised the staff  
3 who did call other states, and I reviewed the informa-  
4 tion that they collected and finalized the analysis  
5 that was done of the information.

6 MR. SINCLAIR: Our objection is continuing.

7 Q Did you also look at the cash assistance program  
8 available in the state of Minnesota to able bodied  
9 employable individuals?

10 MR. SINCLAIR: Objection, same grounds as  
11 earlier objections.

12 A I did not specifically look at Minnesota, and I do  
13 not recall the results from Minnesota.

14 Q Did you look at the medical assistance benefits  
15 available in other states?

16 A Yes, we did.

17 Q How did Pennsylvania's medical assistance program  
18 for the transitionally needy compare to the medical  
19 assistance program available in other states for  
20 general assistance recipients?

21 MR. SINCLAIR: Objection. Mr. Miller again  
22 used the pronoun we and we have  
23 no way of verifying who made the  
24 comparison and who compiled the  
25 results that he will now give us.

1 A We did look at medical assistance coverage in other  
2 states and found that Pennsylvania compared very well  
3 in terms of providing year around medical assistance  
4 coverage to employable individuals.

5 Q This study was part of the study you referred to  
6 earlier where you drafted the questionnaire and  
7 supervised the gathering of information and then  
8 analyzed the information that was gathered?

9 A That is correct.

10 MR. SINCLAIR: Continuing objection.

11 Q You have been provided with a copy of Montana's  
12 current general assistance statute, is that correct?

13 A That is correct.

14 Q Have you reviewed that statute?

15 A Yes, I have.

16 Q You have reviewed the level of benefits that we  
17 provide to able bodied individuals and infirm  
18 individuals?

19 A I have reviewed what the statute provides in terms  
20 of the length of benefits and the eligibility  
21 criteria.

22 Q You have also looked at the amount of benefits?

23 A The amount of benefits that are listed in the law,  
24 yes.

25 Q Based on the study that you did of the various

1 state general assistance programs do you have an  
2 opinion as to how the level of cash assistance  
3 benefits in Montana for able bodied individuals  
4 compares to other states?

5 MR. SINCLAIR: Objection. This witness is not  
6 qualified --

7 A Based on the review that we did, Montana's benefits  
8 for the employables would rank very high because of the  
9 currently provided year around benefits or previously  
10 providing year around benefits at a level of \$212  
11 and when this law would be implemented still providing  
12 two months of assistance at that level. That would  
13 still rank in the top quarter or third of the states  
14 in the nation.

15 MR. BECKER: Mr. Sinclair had an objection  
16 to put on the record.

17 MR. SINCLAIR: I objected.

18 Q So even after the passage of Montana's statute regarding  
19 able bodied and imfirm individuals we still rank  
20 in the top one-quarter to one-third of cash assistance  
21 to able bodied employable individuals, is that  
22 correct?

23 A Based on the information we collected, that is correct.

24 MR. BECKER: I have no further questions.  
25 Thank you, Mr. Miller. At this

1 time Michael Sinclair will  
2 conduct a cross-examination.

3 MR. BECKER: We are going to go off the  
4 record here for a few minutes.

5 (BRIEF RECESS)

6 MR. BECKER: Back on the record. Before we  
7 get into the cross-examination,  
8 there is one point that we would  
9 like to clarify. When you  
10 testified that even after the  
11 general assistance cutoff to the  
12 transitionally needy, Pennsylvania  
13 was still providing more cash  
14 assistance benefits than 75  
15 percent of the states. In making  
16 that statement were you referring  
17 to cash assistance benefits to  
18 the able bodied transitionally  
19 needy class of individuals?

20 A Yes, the statement is true for both categories separately.  
21 In other words we are in the top quarter of the states  
22 in cash benefits for employables, and separately we  
23 are in the top quarter of the states in cash benefits  
24 for unemployables.

25 MR. BECKER: Thank you, that is the only

STATE LIMITATIONS ON GENERAL ASSISTANCE

| State      | Type of Provision                           | Interpretation of Provision   |
|------------|---|---|
| Alabama    | Constitution Art. IV, §88                   | Legislature to require counties to make adequate provision for the maintenance of the poor.                           |
|            | Statute §38-8-1                             | Counties have general authority to support poor.  |
|            | Statute §38-11-6                            | Work requirement. Refusal to work without good cause results in immediate suspension of public assistance.            |
| Alaska     | Statute §47.25.120                          | Authority delegated to Department of Health and Social Services to prescribe conditions of eligibility by regulation. |
| Arizona    | Statute §46-233                             | Must be resident at time of application; limitations on assets; is not employable.                                    |
| Arkansas   | Statute §83-123                             | Insufficient income for a reasonable subsistence compatible with decency and health.                                  |
|            | §§83-123.3, 83-123.4                        | "Able-bodied" between ages of 18 and 60 who have refused employment ineligible after 30 days from date of refusal     |
| California | Constitution Art. 16, § 11                  | Plenary power to provide for laws enacted concerning the administration of relief.                                    |
|            | Statute Welfare & Institutions Code, §17001 | County to adopt standards of aid and care.  |
|            | §17200                                      | Work may be required as condition of relief -- of those not incapacitated by age, disease, or accident.               |

| State       | Type of Provision   | Interpretation of Provision   |
|-------------|---|---|
| Colorado    | Statute<br>\$26-2-111<br><br>\$26-2-111.1                                 | Resident of state, insufficient income, property, or resources to meet needs as determined pursuant to rules and regulations.<br><br>Work incentive plan pursuant to Part C, Title IV of Social Security Act.   |
| Connecticut | Statute<br>Title 17, Ch. 308  | Insufficient estate to support self and no relatives of sufficient ability to support is supported at expense of town in which residing. Must register with nearest employment agency. Must participate in work program.  |
| Delaware    | Statute<br>Title 31, §503<br><br>Title 31, §902                           | Assistance to needy who does not have sufficient income or resources to provide reasonable subsistence and who is not employable. "Employable" means between 18 and 54 years of age and physically and mentally able to work.<br><br>Must accept and perform work as assigned by state. Refusal terminates eligibility.   |
| Florida     | Statute<br>Title 28, Ch. 409,<br>§409:185<br><br>§409:027<br><br>§409:028 | Insufficient income to provide reasonable subsistence compatible with decency and health.<br><br>Public Assistance Productivity Act. Training, education, placement, and supportive services.<br><br>Workfare. Able-bodied recipients to work in return for assistance benefits received.   |
| Georgia     | Statute<br>§99-2903   | Department of Human Resources establishes categories for public assistance.   |
| Hawaii      | Constitution<br>Art. VIII, §3<br><br>Statute<br>§346-71                   | The state shall have the power to provide financial assistance, medical assistance, and social services for persons who are found to be in need of and are eligible for such assistance and services as provided by law.<br><br>General assistance available to: 1) disabled; 2) persons at least 55 years old; or 3) persons with dependent children not otherwise provided for by social services law. Must accept work offered and participate in workfare. Disabled must accept rehabilitation services if offered. |



# Interpretation of Provision

## Type of Provision

|           |                                      |   |
|-----------|--------------------------------------|---|
| Idaho     | Statute<br>\$56-205                  | Department of Health and Welfare to provide reasonable standards for general assistance subject to available funds.   |
| Illinois  | Statute<br>Title 23, §6-1<br>et seq. | Public aid to residents; temporary aid to transients. Income available to person when added to contribution in money, substance or services from other sources, including contributions from legally responsible relatives, must be insufficient to equal grant amount established by Department regulation for such a person.    |
|           | \$6-1.7                              | Workfare requirement for local governments two classes -- able to engage in employment, unable to engage in employment.   |
| Indiana   | Statute<br>§12-2-1-10                | Poor relief -- workfare unless physically unable; a minor or over 65; needed to care for another person, or no work available.  |
| Iowa      | Statute<br>§252.1<br><br>Ch. 249C    | County poor relief to those unable to earn a living by labor.<br><br>Work and training program for those age 16 through 64; not disabled; not in full-time work, training, or school program; and not caring for incapacitated or ill household member or child. Must participate in program as condition for receiving benefits. |
| Kansas    | Statute<br>§39-709                   | General assistance. Secretary of Department of SRS to prescribe criteria for determining whether person unable to engage in employment including factors of age and physical or mental condition.   |
| Kentucky  | Statute<br>§205.660                  | Participation in community work program condition for public assistance.  |
| Louisiana | Statute<br>Title 46, Ch. 4           | Poor relief to infirm, sick, and disabled paupers.  |

| State         | Type of Provision   | Interpretation of Provision  |
|---------------|---|--|
| Maine         | Statute<br>Title 22<br>§§ 4301 - 4324.  | Municipalities to establish general assistance programs to aid persons unable to provide the basic necessities for themselves or their families. May establish eligibility standards. Ineligible if refuse participation in municipal work program. Can recover from liable parties or estate of recipient.  |
| Maryland      | Statute<br>Art. 88A,<br>§§ 17A - 82   | Able-bodied who refuse suitable work are ineligible. The Social Services Administration establishes eligibility standards.   |
| Massachusetts | Statute<br>Ch. 117  | Department of Public Welfare to provide assistance to persons it finds eligible. "Kindred" must support if or to extent they are able. Employable person with no dependent children is ineligible.   |
| Michigan      | Statute<br>Ch. 400,<br>§§ 400.18 - 400.77   | Must work on work relief or training project if employable. Parents with minor children need not participate if participation is not in best interests of child. County can recover payments from recipients, their estates, or relatives legally required to support them.  |
| Minnesota     | Statute, Ch. 261,<br>§§ 261.001 - 261.28  | Commissioner of Human Services to promulgate rules prescribing minimum standards of eligibility.   |
| Mississippi   | Constitution<br>Art. 14, §262<br><br>Statute<br>Title 43, Ch. 31,<br>§43-31-23<br><br>§43-31-25 | Board of Supervisors (county) shall have power to provide homes or farms as asylums for those persons who, by reason of age, infirmity, or misfortune may have claims upon the sympathy and aid of society.<br><br>Work requirement.<br><br>Parents, grandparents, siblings, and descendants must support if can't work. If refuse must pay county \$10 per month. |
| Missouri      | Statute<br>§205.580 - §205.760  | County determines eligibility.   |

Interpretation of Provision

Type of Provision

|               |  |   |
|---------------|--|---|
| Montana       | Constitution<br>Art. XII §3(3)         | (3) The legislature shall provide such economic assistance and social and rehabilitative services as may be necessary for those inhabitants who, by reason of age, infirmities, or misfortune may have need for the aid of society. |
|               | Statute<br>Ch. 670, L. 1985            | Unconstitutional.   |
| Nebraska      | Statute<br>Ch. 68, Article 1           | Paupers and Public Assistance. Department of Social Services to support poor not having relatives to support them. Each county to adopt standards of eligibility.   |
| Nevada        | Statute<br>§§ 428.010 et seq.          | Limit on mill levy amount. Board of County Commissioners to establish eligibility standards.  |
| New Hampshire | Statute<br>§§165:1, 165:1-6            | Town and county to adopt local rules for eligibility. Must be poor and unable to support self. Participation in work program required.  |
| New Jersey    | Statute                                | Two categories of recipients: 1) employable, unable to find work get reduced payment and must perform public work. 2) Unemployable, qualifications set by administrative rule.  |
| New Mexico    | Statute<br>§27-2-7                     | Board to establish qualifications through regulations.  |
| New York      | Statute<br>Social Services<br>Law §158 | "Home relief" to persons unable to provide for himself or who is unable to secure Social Services support from a legally responsible relative.  |
|               | §164                                   | Required to work at public works projects, in nonprofit agencies, or undergo training.  |

| State          | Type of Provision             | Interpretation of Provision  |
|----------------|-------------------------------|--|
| North Carolina | Constitution<br>Art XI, §4    | Beneficent provision for the poor, the unfortunate, and the orphan is one of the first duties of a civilized and Christian state. Therefore the General Assembly shall provide for and define the duties of a board of public welfare.   |
|                | Statute<br>§108A-41           | General assistance to residents who have insufficient income or resources and who are either over 65 or between 18 and 65 and are permanently and totally disabled.  |
| North Dakota   | Statute<br>§50-01-01          | County obligated to support county residents in need of poor relief within the limits of the county poor relief appropriation.   |
|                | §50-01-17.2                   | Community work experience programs. May require work as condition to receiving poor relief unless fit within exceptions.   |
|                | §50-01-19                     | Father, mother, and adult children of poor person liable for necessities.  |
| Ohio           | Statute<br>§§113.03           | Poor relief. Must register for employment and accept work relief positions. Refusal renders ineligible for 90 days.  |
| Oklahoma       | Statute<br>Title 56, Ch. 26.6 | Must be resident for one year and meet eligibility requirements established by administrative regulation.  |
| Oregon         | Statute<br>§411.070           | Adult and family services division to establish by rule basic requirements for a standard of living compatible with decency and health.  |
|                | §411.720                      | Residency requirement.   |
| Pennsylvania   | Constitution<br>Art. 3, §29   | No appropriation shall be made for charitable, educational or benevolent purposes to any person or community nor to any denominational and sectarian institution, corporation or association: Provided, That appropriations may be made for pensions or gratuities for military service and to blind persons twenty-one years of age and upwards and for assistance to mothers having dependent children and to aged persons without adequate means of |

support and in the form of scholarship grants or loans for higher educational purposes to residents of the Commonwealth enrolled in institutions of higher learning except that no scholarship, grants or loans for higher educational purposes shall be given to persons enrolled in a theological seminary or school of theology.

Statute  
Title 62, §432(3)

Transitionally needy versus chronically needy - transitionally needy receive benefits only once in any 12-month period. No benefits to persons under 45.

Title 62, §432(5)

Residency requirement; limited benefits to nonresident in the state.

Title 62, §405

Participation in work program required.

#### Rhode Island

Statute  
§40-6-2 et seq.

Employable v. unemployable classes. Employable limited to 3 weeks of benefits. Participation in work training program required.

#### South Carolina

Statute  
§§43-5-310,  
43-5-350

Assistance to those unable, because of physical or mental infirmity to provide necessities of life; insufficient means to support self; no relative or other person legally responsible willing to provide for him. Amount of benefits depends on amount appropriated. Need determined by county based on rules of State Department of Social Services.

#### South Dakota

Statute  
§§28-13-1 et seq.

Relief and support for "poor and indigent" -- residency required. County commissioners have duty of oversight and care of poor persons. County to raise taxes for poor relief. No reimbursement from state. County may have lien on property of recipient or his spouse.

#### Tennessee

Statute  
§§14-20-101 ✓  
40-20-313

County operated asylums and poor farms. No personal welfare payments outside the asylum/poor farm. State aid for dependent children, aged, blind, and physically or mentally infirm.

#### Texas

Statute  
§31.032 et seq.

Human Resources Department determines eligibility.

| State         | Type of Provision            | Interpretation of Provision   |
|---------------|------------------------------|---|
| Utah          | Statute<br>\$55-15a-15       | Property limitations. Office of assistance payments may limit grants to recipients. Work projects may be established. |
| Vermont       | Statute<br>Title 33, §3004.  | Income limits. No assistance to able-bodied individuals without minor children.                                       |
| Virginia      | Statute<br>§63.1-106 et seq. | Income limits. Refusal to accept or termination of employment terminates benefits.                                    |
| Washington    | Statute<br>§74.08.025        | Department to set eligibility requirements.   |
| West Virginia | Statute<br>§9-1-2            | Domiciled in state. Department to define who is in need by rules.   |
| Wisconsin     | Statute<br>§49.01            | Relief officials or agency to determine needs of individual.  |
| Wyoming       | Statute<br>§42-1-102 et seq. | County department of public assistance and social services to set standards and policies.                             |

ATTACHMENT  
Mary Ellen Connelley

Education Building and Insurance Bill

HB 362

A BILL TO ESTABLISH A NEW FUND, TO FINANCE LOW-INTEREST LOANS TO ELEMENTARY AND SECONDARY SCHOOL DISTRICTS FOR NEW BUILDINGS AND FOR INSURANCE.

*5 mill limit  
pay 20 yrs  
then no interest  
pay off the prin*

Section 3. Purpose. The intent of the bill is to supplement the existing school equalization program by financing new buildings and insurance costs. These expenses are not taken into account in the existing equalization program. Both are escalating rapidly.

Section 4. Appropriation from coal severance tax permanent trust. This transfers up to \$10 million each year from the permanent trust to the new "education building and insurance" account and authorizes the superintendent of public instruction to draw on the account for loans to school districts, payment of insurance claims, and payment of interest to the coal tax permanent trust, as well as administrative expenses.

Section 5. Debt service fund. Payments from school districts on their loans, and interest on the proceeds of bonds sold by the program, go into this account to cover the principal and interest due on the bonds. If necessary, money from the new account -- initially the coal tax permanent fund appropriation -- also will go into this debt service fund.

Section 6. Authorization to sell bonds. The board of examiners is authorized to sell bonds for the purpose of financing loans to school districts. This amounts to pooled bonding authority for all school districts.

*fund is selling  
(on the open market)*

Section 7. Deposit of bond proceeds. When bonds are sold, the money must be deposited in the new education building and insurance account. This is the money that will be loaned to school districts.

Section 8. Provisions for bond issues. This is a technical section providing for specific aspects of the bond sales authorized in section 6.

Section 9. Bonds are tax exempt. This section states that the bonds sold under section 6 are tax exempt and a legal investment of public funds.

Section 10. Pledge. This section pledges the entire account to the payment of the principal and interest on the bonds. It is intended to commit the legislature to continued appropriations from the coal tax permanent fund, and indirectly to commit the state to collecting enough coal tax to cover these appropriations.

Section 11. Loans to school districts. School districts may borrow from the new education building and insurance account for the specific purposes listed in this section -- usually known as capital expenditures.

Section 12. Administration of loan program. The superintendent of public instruction ("OPI") is authorized to administer the loans provided for in section 11.

Section 13. Terms and conditions for loans. The interest rate on loans to school districts is 1% below the rate paid for the bonds in section 6, which means that the new account will subsidize the school districts somewhat. School



districts must pay the loan back with a voted levy not more than 35 mills. The larger the levy (that is, the poorer the district), the longer the time allowed to pay back the loan, and interest is charged only for 20 years.

Section 14. Limits on loans. This prevents the program from lending so much money that the payments on the bonds are jeopardized.

Section 15. Rulemaking authority. This section gives OPI the authority to make rules regarding the loans to school districts.

Section 16. Self-insurance reserve fund. The new account is also a reserve fund for a statewide self-insurance fund for school districts. Districts pay premiums based on the amount and type of coverage.

Section 17. Comprehensive insurance plan. Districts may insure their buildings, buses, cars, equipment, supplies, and other property, with a deductible not larger than 1% of the district's general fund budget. Of each loss, 60% is paid by the program and 40% is loaned to the school district, to be repaid in the same manner as the loans in section 6.

Section 18. Liability insurance plan. Districts may buy liability insurance coverage consistent with the limits imposed by the law passed by the June special session -- \$750,000 for each claim and \$1.5 million for each occurrence. Of each loss, 80% is paid by the program and 20% is loaned to the school district, to be repaid in the same manner as the loans in section 6.

Section 19. Administration of insurance program. OPI is given rulemaking authority to operate the insurance plan.

Section 20. Indemnification of employees. The OPI employees who administer the insurance program are protected from personal liability for claims against the insurance program.

Section 21. Statutory appropriation. This section makes the appropriations from the new education building and insurance account that are authorized in section 4 permanent.

Section 22. Severability. If one part of this act is invalid, the valid parts are effective anyway.

Section 23. Three-quarter vote requirement. Because the 1972 Constitution requires a 3/4 vote in each house to appropriate money from the coal tax permanent trust, sections 4 and 10 require a 3/4 vote for approval. If this bill is passed by less than a 3/4 majority in both houses, everything except the coal tax appropriation would be in effect.

*That's the bill — it will borrow  
10 million from the permanent coal trust,  
to be paid back — provide property  
tax relief — an answer to 105 — provide  
stable insurance at less cost — We would  
have a regulated insurance & bldg program*

## VISITOR'S REGISTER

APPROPRIATIONS  
HIS  
BILL (S) 198,382,309,277,572

COMMITTEE

DATE 2/18/87

SPONSOR (S) \_\_\_\_\_

[illegible]

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR VISITOR'S STATEMENT  
IF YOU HAVE WRITTEN COMMENTS, PLEASE GIVE A COPY TO THE SECRETARY.